



## Press Release

# DATTA MEGHE INSTITUTE OF HIGHER EDUCATION AND RESEARCH (ERSTWHILE DATT, INSTITUTE OF MEDICAL SCIENCES)

February 06, 2026

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	ACUITE BBB+   Stable   Reaffirmed	-
Bank Loan Ratings	16.00	-	ACUITE A2   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	33.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

## Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 33.00 crore bank facilities of Datta Meghe Institute of Higher Education and Research (Erstwhile Datta Meghe Institute of Medical Sciences) (DMIHER). The outlook is '**Stable**'.

### Rational for rating

The rating reaffirmation continues to derive comfort from the established experience of the trustees in the medical and education sector. Further, the rating also takes into account the trust's improved operating and financial performance, as reflected in its higher revenues and enhanced overall profitability margins. The rating additionally factors in the increase in overall enrolment levels across its institutes, supported by an expansion in student intake capacity. Moreover, the trust maintains an adequate liquidity profile, marked by sufficient cash accruals and low reliance on bank limits for meeting its working capital requirements. However, the rating remains constrained by the susceptibility of profitability to the highly regulated and stringent operating framework governing the education and healthcare sectors. Going ahead, the trust's ability to further increase its revenue and profitability margins while maintaining a stable capital structure will remain a key rating monitorable.

### About the Company

Maharashtra-based, Datta Meghe Institute of Higher Education and Research (DMIHER) was established by Mr. Dattatraya Raghobaji Meghe in 1988. The trust currently has 24 institutes which offer graduate and post-graduate courses in the field medical, dental, pharmacy, engineering, management, nursing and para medical courses in Health Sciences and Allied Sciences. The deemed to be University started a new off campus institute in Wanadongri, Nagpur and expect this all the institutes of the deemed to be university are located on area of more than 160 acre campus in Sawangi, Wardha including off-campus Wanadongri, Nagpur. NAAC ranking 2023 is A++ for the next 7 years. NRIF ranking 2023 is 39th University India.

### Unsupported Rating

Not Applicable

## Analytical Approach

For arriving at this rating, Acuité has taken a standalone view of the business and financial risk profile of Datta Meghe Institute of Higher Education and Research.

### Key Rating Drivers

#### Strengths

##### **Established track record of operations and experienced management**

DMIHER has been in operations since 1988. The Promoter, Mr. Dattatraya Raghobaji Meghe, has experience of around three decades. Other trustees, Shri Madhukar Janrao Ingle, Shri Sagar Dattatraya Meghe, Dr. Malay Rameshchandra Mahadevia, Shri Sayaji Vishwanath Jadhao, Dr. Pritiben Gautambhai Adani, and Shri Rajesh Shantilal Adani, possess more than two decades of experience in the field of education. The founders, along with a strong team of more than 650 qualified faculty members, have been imparting quality education to their students. Acuité believes that DMIHER will continue to benefit from the promoters' experience and the institution's qualified team.

##### **Improved Revenue and Profitability Supported by Healthy Occupancy and Growing Intake**

DMIHER's financial performance has improved, with revenues increasing to Rs. 893.90 crore in FY25, driven by higher fee receipts and disciplined operating costs. Operating and net profitability improved, with operating margins rising to 8.64 per cent and net profit reaching Rs. 46.52 crore in FY25. The trust has reported around Rs. 600 crore in revenue for 6MFY26 and expects to close FY26 with a topline of about Rs. 950 to 960 crore. Operationally, the trust continues to benefit from healthy occupancy supported by growing intake capacity. Sanctioned seats increased to 9,086 in AY2026 from 5,647 in the previous year, mainly due to new seats in the School of Allied Health Sciences. Although the intake ratio moderated, first year enrolments continued to rise from 3,591 in AY2024 to 4,691 in AY2026, indicating steady student demand. Acuite believes these factors will help the trust maintain stable operations in the medium term.

##### **Healthy Financial Risk Profile**

The trust maintains a healthy financial risk profile, supported by high net worth, moderate gearing, and moderate debt protection metrics. As of March 31, 2025, DMIHER's net worth increased to Rs. 664.95 crore, up from Rs. 602.85 crore as of March 31, 2024, on account of profit retention in reserves as well as an increase in the corpus and depreciation fund of the trust. The company's gearing ratio stood at 0.14 times on March 31, 2025, compared to 0.19 times in the previous year, reflecting a decrease in both long-term and short-term debt sourced from various lending banks. Total debt as of March 31, 2025, was Rs. 94.70 crore, compared to Rs. 113.36 crore on March 31, 2024, consisting of Rs. 62.17 crore of long-term borrowings, maturing debt repayment obligations of Rs. 23.52 crore, and Rs. 9.01 crore in short-term debt. The TOL/TNW ratio stood at 0.50 times as of March 31, 2025. The company's interest coverage ratio improved to 11.10 times in FY25, with a DSCR of 1.70 times during the same period.

Acuite believes that the financial risk profile of the trust will continue to remain healthy over the medium term, supported by an increased scale of operations

#### Weaknesses

##### **Stringent Regulatory Framework**

DMIHER operates in a highly regulated environment governed by multiple authorities such as MCI, DCI, NCI, MNC, PCI, UGC, the Ministry of Ayush, and AICTE, depending on the nature of the courses offered. Compliance requirements are stringent, with strict norms at the entry, operational, and exit stages. These regulatory conditions can affect the trust's revenues and profitability due to limitations on intake capacities, fee structures, and programme approvals.

## Rating Sensitivities

- Sustenance improvement in revenues and profitability
- Movement in occupancy levels
- Sustenance of its healthy financial risk profile

## Liquidity Position

### Adequate

The liquidity of the trust remains adequately supported by its healthy net cash accruals, which stood at Rs. 88.52 crore as of March 31, 2025. Looking ahead, net cash accruals are expected to range between Rs. 103 crore and Rs. 118 crore for FY2026–FY2027, while repayment obligations are projected to remain around Rs. 18 crore to Rs. 24 crore during the corresponding period. The trust's unencumbered cash and bank balance stood at Rs. 17.09 crore as of March 31, 2025. The current ratio stood at 1.30 times in FY25. DMIHER receives the majority (approximately 80 per cent) of its fee receipts during August, September, and October, with 12 per cent to 13 per cent collected by December and the remaining balance realized by March of each calendar year. However, the trust requires working capital support during the interim months, and to address any short-term working capital gaps, it avails WCTL and OD facilities. The average utilization of fund-based bank limits remained low at around 16.12 per cent for the nine months ending December 2025.

Acuite believes that the liquidity position of the trust is expected to remain strong over the medium term, supported by healthy cash accruals and lower dependence on external borrowings for meeting its working capital requirements.

## Outlook: Stable

### Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	893.90	844.54
PAT	Rs. Cr.	46.52	10.25
PAT Margin	(%)	5.20	1.21
Total Debt/Tangible Net Worth	Times	0.14	0.19
PBDIT/Interest	Times	11.10	10.63

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Nov 2024	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A2 (Reaffirmed)
	Secured Overdraft	Long Term	12.00	ACUITE BBB+   Stable (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB+   Stable (Reaffirmed)
11 Aug 2023	Bank Guarantee (BLR)	Short Term	16.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Secured Overdraft	Long Term	12.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Secured Overdraft	Long Term	5.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A2   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB+   Stable   Reaffirmed

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### About Acuité Ratings & Research

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