March 31, 2026

Indian Medical Trust: [ICRA]A (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	275.00	[ICRA]A (Stable); Assigned
Total	**275.00**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the rating, ICRA has considered the consolidated view of NIMS University Rajasthan (NIMS) and Indian Medical Trust (IMT). IMT is the governing trust and the institutes under it include NIMS University Rajasthan (NIMS), Dr. Balvir Singh Tomar Institute of Medical Sciences and Research and Dr. BS Tomar Institute of Medical Sciences and Research (collectively referred to as the IMT Group henceforth). The consolidated profiles are considered for the analysis of the rating. IMT is the sponsoring body of these institutes and there are strong management, operational and financial links among these entities, which have grown compared to the last rating exercise, with NIMS providing corporate guarantee to IMT's additional borrowing for Rs. 275-crore term loans.

The rating upgrade factors in the increase in top line with expectation of sustenance of the same, coupled with the Group's diversification of revenue streams, with operationalisation of two new medical colleges and hospitals over the medium term. Further, the rating notes NIMS' established operating track record of over two decades in medical and dental education, supported by a healthy operational profile, characterised by steady growth in admissions across courses, including large-ticket and long-duration medical programmes, along with periodic fee revisions. These factors support healthy surplus margins and robust operating cash flows. In FY2025, the Group's revenue receipts increased by ~21% to Rs. 767 crore, driven by a ~17% YoY rise in the overall student base to ~17,961 in AY2025, indicating a CAGR of 14% over FY2023-2025, which reflects sustained demand across key programmes. The consolidated financial profile has remained comfortable, with healthy net worth (~Rs. 645 crore) and consistent surplus generation (OPM 33-36% over FY2024-2025), despite the ongoing capex. Going forward, the revenues are expected to grow at a healthy 15-20%, aided by further increase in student intake and the likely commencement of operations of one of the two new medical colleges in the near-term (AY2026- AY2027), which would further augment student strength over the medium term. NIMS' self-financed private university status provides operational and financial flexibility with respect to student intake, addition of new programmes, course content and fee structuring, supporting its ability to sustain scale and profitability.

The rating, however, remains constrained by the geographical and revenue concentration, with operations largely centred in Jaipur and a high dependence on regulated medical education, exposing the Group to potential adverse changes in admission norms, fee regulations and seat approvals. Additionally, the sector is characterised by seasonality in cash flows, with a substantial portion of fees typically collected during the July–September admission cycle, necessitating prudent working capital and liquidity management to ensure timely salary payouts, debt servicing and capex funding. Further, large debt-funded capex undertaken by IMT for setting up new medical colleges and hospitals (over FY2025-2026) entails execution and stabilisation risks, which could exert pressure on leverage and coverage metrics in the near term. Intense competition from government and private medical institutions for both student intake and faculty remain a structural challenge. Going forward, a timely ramp-up of the new colleges and improvement in leverage and coverage metrics, driven by healthy occupancy levels while maintaining liquidity at prudent levels amid sustained capex, will be a key monitorable.

The Stable outlook reflects ICRA's expectation that despite some near-term moderation due to the debt-funded capex being undertaken, IMT Group's debt protection metrics will remain comfortable over the medium term, driven by generation of healthy cash flow from operations, on the back of growing enrolments and established reputation in Rajasthan.

Key rating drivers and their description

Credit strengths

Established track record of operations – The rating factors in NIMS' presence of over four decades in the higher education sector and its established reputation across Rajasthan. The Group has a diversified academic portfolio spanning medical, engineering, management, design, architecture, arts, commerce, law, allied health sciences, supporting revenue diversity. The student strength increased to ~17,961 in AY2025, a ~17% YoY growth. A strong brand recognition, along with healthy seat occupancy of 95–100% in key courses, provide revenue visibility. The established operational track record provides comfort. However, sustaining admission momentum, placements and targeted operating metrics remains critical from the credit perspective.

Healthy operating metrics with increasing student strength across courses – NIMS offers medical courses, including MBBS, dental, physiotherapy, nursing, pharmacy at its campus. Medical courses accounted for ~16% of the University's student strength in AY2025, and ~63% of the revenue receipts in FY2025. Considering that the MBBS course involves significantly high fee per student vis-à-vis other courses and a longer duration of five years, strong occupancy in the course provides medium-term revenue visibility. The fee profile is strengthened by the high intake in medical courses, which stood at 2,931 students as of AY2025 and is projected to grow by 10% in AY2026. Additionally, the University is fairly diversified with courses in engineering, management, hotel management, law, social sciences subjects. Further, the commissioning of the new Dr. Balvir Singh Tomar Institute of Medical Sciences and Research—with its attached 640-bed hospital and an approved intake of 150 MBBS seats, along with the under-construction medical college comprising a 700-bed hospital and an additional proposed 100–150 MBBS seats—is expected to support the University's plans for expanding its medical education capacity, thereby enhancing medium-term revenue visibility and strengthening its medical education portfolio.

Comfortable financial risk profile – A satisfactory capital structure (net worth of Rs. 645.2 crore as on March 31, 2025), coupled with healthy surpluses, aid liquidity, despite regular capital expenditure undertaken by the Group towards infrastructure development. The Group's revenue receipts grew by ~21% to Rs. 767.5 crore in FY2025, supported by a healthy ~17% increase in student strength to ~17,961 students, translating into a CAGR of ~9% over the last three years. The operating leverage benefits led to an improvement in operating margins to 36.0% in FY2025 from 33.1% in FY2024. While the seasonality in fee receipts requires the University to maintain adequate liquidity in the system to cater to operational expenses during the rest of the year, healthy surplus generation mitigates the risk to an extent. The coverage metrics remained comfortable, with interest cover of at 6.6 times and DSCR of 3.4 times in FY2025. The coverage metrics are expected to moderate from FY2025 levels in the near term. However, given the sizeable debt-funded capex incurred over the last two years, the same are likely to remain comfortable and improve from FY2027 onwards.

Credit challenges

Geographical and revenue concentration risks – The University's footprints are limited to Jaipur, Rajasthan. Further, a large part of its revenues (close to 63%) is concentrated in medical colleges. Revenue contribution from the medical college is expected to remain high, given its large intake and premium fee structure. Further, there is a large demand-supply mismatch for medical education in India. Apart from the medical and dental colleges, contribution from the remaining courses has remained low.

Intense competition from other educational institutes; exposed to regulatory risks – The rating factors in the Trust's exposure to stiff competition in the higher education sector, which puts pressure on attracting students and retaining talented faculty members. IMT faces competition from an increased number of educational institutes in Rajasthan. However, IMT's demonstrated ability to maintain stable student strength over the years, supported by its large and diversified course offerings and infrastructure, provides some comfort. IMT, like other entities in the higher education segment, is susceptible to regulatory risks owing to the substantially regulated nature of the sector in India. Any adverse regulatory changes related to various approvals could impact its student enrolment capability. Any hostile future regulatory orders, affecting the Trust's financial and liquidity profile will be a credit concern.

Moderate leverage metrics due to sizeable debt-funded capex – The Group's leverage metrics remain moderate, driven by the sizeable, debt-funded capex undertaken over the past two years. In FY2025, the Group incurred ~Rs. 500 crore for establishing two new colleges and infrastructure augmentation at its main campus, including significant hostel expansion. In FY2026, it is expected to incur an additional Rs. 100-300 crore for further campus development. The scale and phased nature of this capital programme, coupled with reliance on external borrowings, exert pressure on the leverage metrics (TD/OPBDITA at 2.4 times in FY2025, which is likely to peak at ~3 times in FY2026, and taper then onwards) and expose NIMS to execution-related risks, particularly with respect to timely completion, cost control and the operational ramp-up of the newly added facilities.

Liquidity position: Adequate

The Group's liquidity is expected to remain adequate, supported by healthy annual cash accruals of ~Rs. 250-300 crore in FY2027, along with liquidity buffer comprising free cash balances and undrawn term loans (Rs. 165 crore as of December 2025), which are sufficient to meet the planned capex of ~Rs. 100-200 crore and annual debt repayment obligations of ~Rs. 100-150 crore. The average fund-based utilisation for the last 12 months stood at 59% reflecting a buffer of Rs. 18.5 crore as of March 2025.

Rating sensitivities

Positive factors – A positive rating action may be driven by a significant increase in revenues, along with maintenance of healthy operating profit margins resulting in an improvement in debt protection metrics and liquidity on a sustained basis. Specific credit metric that may trigger a rating upgrade will be TD/OPBDITA below 1.5 times on a prolonged basis.

Negative factors – The rating may be downgraded in case of a substantial decline in revenues and profitability owing to reduction in occupancy levels across courses, impacting the overall student strength, or any unfavourable regulatory development or a sizeable debt-funded capex/advances to related parties, which affects its liquidity position and debt protection indicators. Specific credit metrics that could lead to a rating downgrade would be TD/OPBDITA above 2.25 times on a consistent basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Higher Education
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has taken a consolidated view of NIMS and IMT and have considered the consolidated financials of the sponsoring body (IMT) and all the University (NIMS), colleges/institutes under it.

About the company

Indian Medical Trust (IMT) is a non-government charitable trust operating in Rajasthan, registered on August 26, 2000. The Trust primarily undertakes activities related to healthcare, medical education, family welfare, and functions as the foundational body behind institutions such as NIMS Hospital, NIMS College, and the Balvir Singh Tomar Institute of Medical Sciences & Research in Jaipur. It is the also the sponsoring body for NIMS University Rajasthan.

NIMS University Rajasthan, Jaipur, is among the leading universities in India and the largest self-financed university in Rajasthan. It was established under the NIMS University Act, 2008, enacted by the Government of Rajasthan and recognised by the Government of India under the provisions of Sections 2(f) of the University Grants Commissions Act, 1956. The University is recognised by National Medical Commission (NMC), Dental Council of India (DCI), Pharmacy Council of India (PCI), Indian Nursing Council (INC), Rajasthan Nursing Council (RNC), Bar Council of India (BCI), All India Council for Technical Education (AICTE), and Association of Indian Universities (AIU).

It offers more than 450+ courses in medical, dental, pharmacy, paramedical, physiotherapy, nursing, allied health sciences, engineering and technology, advanced sciences, management and commerce, computer science and engineering, architecture, humanities, fashion design, hotel management, mass and media, law, etc.

Key financial indicators (audited)

NIMS+IMT (Consolidated)	FY2024	FY2025
Operating income	633.0	767.5
PAT	122.3	145.9
OPBDIT/OI	33.1%	36.0%
PAT/OI	19.3%	19.0%
Total outside liabilities/Tangible net worth (times)	1.2	1.3
Total debt/OPBDIT (times)	2.3	2.4
Interest coverage (times)	6.4	6.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Mar 31, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long Term	275.00	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan***	FY2023	-	FY2035	275.00	[ICRA]A (Stable)

*Source: Company, *Multiple term loan with issuance in FY2023, FY2025 and different repayment tenure, final maturity in FY2035*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis:

Company name	LTHL ownership	Consolidation approach
NIMS University Rajasthan	100.00%	Full consolidation
Indian Medical trust	100.00%	Full consolidation
Dr Balvir Singh Tomar Institute of Medical Science, research & Hospital	100.00%	Full consolidation
Dr B S Tomar Institute of Medical Science, research & Hospital	100.00%	Full consolidation

Source: Annual Report of IMT & NIMS; Note: ICRA has taken a consolidated view of the IMT & NIMS University

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ABOUT ICRA LIMITED

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