



Nabajuga Educational & Charitable Trust

Instrument	Amount	Rating Action
Term Loans	Rs. 14.5 crore	[ICRA]BB (Stable) assigned

ICRA has assigned an [ICRA]BB (pronounced ICRA double B) rating to the Rs. 14.5 crore* term loans of Nabajuga Educational & Charitable Trust (NECT)†. The outlook on the long term rating is Stable.

The rating takes into account NECT's established track record in imparting education, which is ably supported by the experience of the Trustees, and its favourable financial profile as reflected by healthy profitability, modest gearing and debt protection metrics. The rating also takes note of NECT's moderate scale of operations, its limited financial flexibility of the Trust as fee structure is entirely regulated by the State Government and the large capital expenditure plans, which coupled with the large debt repayment obligations in October'13 is likely to stretch the liquidity profile of the Trust going forward. In ICRA's opinion, timely receipt of fees from students would be a critical determinant of its credit quality.

Company Profile

Incorporated in 1999, NECT currently runs an engineering college under the name Mahavir Institute of Engineering and Technology, Bhubaneswar, Odisha. MIET was set up in the year 2001 and currently offers undergraduate and post graduate courses in Engineering. Apart from this, it also offers courses in MBA and MCA. In 2008, the Trust also set up Orissa Institute of Engineering and Technology (OIET), Dhenkanal, to provide diploma courses.

Recent Results

During FY13, NECT reported a profit after tax (PAT) of Rs. 3.87 crore on the back of an operating income of Rs. 16.64 crore as against a PAT and OI of Rs. 3.53 crore and Rs. 15.87 crore respectively during FY12.

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For further details please contact:

Analyst Contacts:

Mr. Jayanta Roy (Tel. No. +91 33 7150 1120)

jayanta@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91 33 7150 1100)

jayantac@icraindia.com

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* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: **9871221122**

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: **9821086490**

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Ph : +91-22-30470000, 24331046/1053
/1062/1074/1086/1087, Fax : +91-22-24331390

Kolkata**Mr. Jayanta Chatterjee**

Mobile: **9845099459**

Email: jayantac@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna, 234/3A, A.J.C. Bose
Road Kolkata—700020
Tel: +91-33-22876617/8839 22800008/22831411

Chennai**Mr. Jayanta Chatterjee**

Mobile: **9845099459**

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre, 498 Anna Salai, Nandanam,
Chennai-600035.
Tel + (91 44) 45964300, Fax + (91 44) 9434 3663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: **9845099459**

Email: jayantac@icraindia.com

'The Millenia',
Tower B, Unit No. 904, 9th Floor, Level 9, 19-14, 1 & 9,
Murphy Road, Bangalore - 560 008
Tel:91-80- 43396400 Fax:91-80-43396409

Ahmedabad**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924,
Tele Fax: +91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar,Pune-411 090
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: **9845099459**

Email: jayantac@icraindia.com

4th Floor, SHOBHAN, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500