



SMERA RATINGS LIMITED

MVS Eduexcellence Private Limited (MVS)

*Rating
Rationale*

February 16, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	20.00	SMERA B+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B+**' (read as **SMERA single B plus**) to the Rs.20.00 crore long-term (fund based) bank facility of MVS Eduexcellence Private Limited (MVS). The outlook is '**Stable**'. The rating is supported by the company's experienced management. The rating also draws comfort from the strong group support available to the company. However, the rating is constrained by the company's small-scale operations. The rating is also constrained by the company's exposure to project implementation risk.

MVS, incorporated in March 2013, is a Ghaziabad based company engaged in construction and leasing of school premises. MVS caters to its group entity viz. Tapindu Education Society (TES). The company benefits from its experienced management. Mr. Vishal Singh, director of MVS, has around 15 years of experience in the education sector. MVS also benefits from the financial support provided by its group entities.

MVS is currently undertaking construction of a senior secondary school. The company is exposed to project implementation risk, considering that a significant portion (~55 per cent) of the construction work is yet to be completed.

Outlook: Stable

SMERA believes MVS will maintain a stable business risk profile over the medium term. The outlook may be revised to 'Positive' in case the company registers significant growth in scale of operations while achieving sustained improvement in financial risk profile. The outlook may be revised to 'Negative' in case of deterioration in the company's liquidity position on account of time and cost overruns in the ongoing project, or in case of deterioration in the company's financial profile on account of large debt-funded capital expenditure.

About the company

MVS, incorporated in 2013, is a Ghaziabad-based company promoted by Mr. Vishal Singh, Mrs. Meena Singh and Mrs. Shalini Singh. MVS is engaged in construction and leasing of school premises. The company caters to its group entity viz. Tapindu Education Society.

MVS's directors are trustees in two schools viz. Tapindu Education Society (Patna) and Mother Teresa Public Junior High School (NCR).

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