

December 14, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	6.00	SMERA B+/Stable (Assigned)
Cash Credit	3.00	SMERA B+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B+**' (**read as SMERA B plus**) to the Rs.9.00 crore fund based bank facilities of Chintpurni School (Chintpurni). The outlook is '**Stable**'. The rating is constrained by the project implementation risk inherent in the expansion of the existing school and funding risk. However, the rating draws comfort from the experienced management.

Outlook: Stable

SMERA believes Chintpurni will maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company implements expansion of the project as per the scheduled timeline and generates steady cash flows from fresh admissions. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution or deterioration in the school's financial risk profile and liquidity position.

Rating Sensitivity Factors

- Timely completion of upcoming capex plan
- Generation of adequate cash flows to meet debt obligations on time

About the School

Chintpurni, incorporated in 2006, runs The Heritage School, a boarding school in Punjab, promoted by Mr. Sunil Kumar Joshi and partners. Plans are on to expand facilities at the school at capex of Rs.9.00 crore to be funded by a term loan of Rs.6.00 crore and promoters' contribution of Rs.3.00 crore.

The school reported profit after tax (PAT) of Rs.0.54 crore on operating income of Rs.7.40 crore in FY2014-15 (refers to financial year, April 01 to March 31), as compared with PAT of Rs.0.55 crore on operating income of Rs.7.06 crore in the previous year. The net worth of the school stands at Rs.14.47 crore as on March 31, 2015 as compared with Rs.14.03 crore a year earlier.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Cell: +91 9820802479 Email : antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-11-41806663 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.