

Mata Phoolan Wanti Education Society: Assigned

Facility	Amount (Rs Crore)	Rating/Outlook
Term Loan	10.00	SMERA B+/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA B+**' (**read as SMERA B plus**) on the Rs.10.00 crore bank facility of Mata Phoolan Wanti Education Society (MPWES). The outlook is '**Stable**'.

The rating is constrained by the small scale and limited track of operations and exposure to intense competition in the education industry. SMERA also notes that the net profitability of the society has declined in FY2015-16. However, the rating draws support from the experienced management.

Mata Phoolan Wanti Education Society runs the C.B.S.E affiliated Shreeram World School at Dwarka. The student strength increased from 317 students in FY2015-16 to 494 students in FY2016-17. The society's scale of operations is modest at Rs.8.06 crore in FY2015-16 as against Rs.8.63 crore in FY2014-15. The school commenced operations in FY2014-15 and currently conducts classes upto seventh standard. Also, the society faces intense competition in the education industry. The net profit margin declined to 38.89 per cent in FY2015-16 as compared to 60.31 percent a year earlier.

However, the society benefits from its experienced management. Mr. S.K. Sachdeva (Chairman) has over three decades of experience in the education industry.

Outlook-Stable

SMERA believes that the outlook on MPWES' rated facility will remain stable over the medium term on account of its experienced management. The outlook may be revised to 'Positive' if the society achieves better than expected growth in revenues and increase in student strength. Conversely, the outlook may be revised to 'Negative' in case of decline in profitability or deterioration of capital structure.

Rating Sensitivity Factors

- Continuous addition of classes going forward
- Increase in student enrollment

About the Society

The Delhi-based MPWES, established in 2010 is headed by Mr. S. K Sachdeva. The educational society runs the CBSE affiliated, Shreeram World School.

For FY2015-16, the society reported net profit after tax of Rs.3.14 crore on total income of Rs.8.06 crore as against net profit after tax of Rs.5.20 crore on total income of Rs.8.63 crore a year earlier. The net worth stood at Rs.17.44 crore as on March 31, 2016, as compared with Rs.14.30 crore a year earlier.

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ABOUT SMERA

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