

## Algol Business Systems Private Limited

May 08, 2024

| Facilities/Instruments    | Amount (₹ crore) | Rating <sup>1</sup>                       | Rating Action  |
|---------------------------|------------------|---|--|
| Long Term Bank Facilities | 7.64             | CARE BB-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; |

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated March 02, 2023, placed the rating(s) of Algol Business Systems Private Limited (ABSPL) under the 'issuer non-cooperating' category as ABSPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. ABSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 16, 2024, January 26, 2024, February 05, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings have been revised on account of non-availability of requisite information. The rating revision also considers the small scale of operations and profitability in FY23.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [March 02, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Haryana based Algol Business Systems Private Limited (ABSPL) was incorporated in November, 1996 as a private limited company. The company is currently managed by Mr. Sandeep Arora, Mr. Sajjan Singh and Mr. Navdeep Naseer. The company is engaged in providing consultancy/ intermediary services for various colleges and universities mainly for distance education which comprises of graduation and post-graduation courses based in PAN India. The company primarily processes the applications of students received from different colleges who apply to these educational courses. For this purpose, they maintain the database, conduct background verification and other related functions. The company is dealing with nearly 2500 different colleges and universities and processes approximately 30,000 applications per annum.

| Brief Financials (Rs. crore) | March 31, 2022 (A) <sup>^</sup> | March 31, 2023 (A) |
|------------------------------|---------------------------------|--------------------|
| Total operating income       | 7.38                            | 6.69               |
| PBILDT                       | 0.86                            | 0.60               |
| PAT                          | 1.20                            | 1.14               |
| Overall gearing (times)      | 0.33                            | 0.20               |
| Interest coverage (times)    | 1.91                            | 1.83               |

A: Audited; Note: 'the above results are latest financial results available'

<sup>^</sup>FY22 financials have been revised in line with CARE's revised criteria on classification of non-core item as part of non-operating income.

**Status of non-cooperation with previous CRA:** Brickwork Ratings continued the ratings assigned to the bank facilities of ABSPL into "Issuer Not Cooperating" vide its press release dated October 13, 2023 on account of its inability to carry out a review in the absence of the requisite information from the company.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument                     | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Proposed fund based limits |      | -                             | -               | -                          | 4.31                        | CARE BB-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan                  |      | -                             | -               | September, 2025            | 3.33                        | CARE BB-; Stable; ISSUER NOT COOPERATING* |

\*Issuer did not cooperate; based on best available information.

#### Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/ Bank Facilities    | Current Ratings |                              |   | Rating History                              |   |  |   |
|---------|--|-----------------|------------------------------|---|---|---|--|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                                    | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023            | Date(s) and Rating(s) assigned in 2021-2022 |
| 1       | Fund-based - LT-Term Loan                  | LT              | 3.33                         | CARE BB-; Stable; ISSUER NOT COOPERATING* | -   | -   | 1)CARE BB; Stable; ISSUER NOT COOPERATING* (02-Mar-23) | 1)CARE BB; Stable (02-Mar-22)               |
| 2       | Fund-based - LT-Proposed fund based limits | LT              | 4.31                         | CARE BB-; Stable; ISSUER NOT COOPERATING* | -   | -   | 1)CARE BB; Stable; ISSUER NOT COOPERATING* (02-Mar-23) | 1)CARE BB; Stable (02-Mar-22)               |

\*Issuer did not cooperate; based on best available information.

LT: Long term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of the various instruments rated

| Sr. No. | Name of the Instrument                     | Complexity Level |
|---------|--|------------------|
| 1       | Fund-based - LT-Proposed fund based limits | Simple           |
| 2       | Fund-based - LT-Term Loan                  | Simple           |

#### Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

### Contact us

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### About us:

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