

RATING RATIONALE

18 Sept 2020

Algol Business Systems Pvt Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹2.75 crs of Algol Business Systems Pvt Ltd based on best available information, as Issuer did not Cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (May'19)	Present
Fund based	2.75	2.75	Long Term	BWR BB Stable	BWR BB- Stable Downgrade Issuer did not cooperate*
Total	2.75	2.75	INR Two crores and seventy five lakhs only.		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* based on best available information.

Complete Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

BWR downgrades the long term rating to BWR BB- Stable “Issuer did not cooperate” for Rs. 2.75 crs of Algol Business Systems Pvt Ltd based on best available information, as Issuer did not cooperate.

The initial rating was done on 31st Mar 2015 with rating assigned BWR BB Stable. The rating was due for review in March 2016 and was moved to Rating Not Reviewed category on 28th March 2017. The rating was downgraded to BWR BB- Stable Issuer did not cooperate on 21st June 2018. The rating was upgraded to BWR BB Stable in March 2019. The rating was due for review in March 2020 and was moved to the Rating Not Reviewed category on 31st March 2020. BWR approached the issuer/bank by sending emails/ on telephone, but the issuer did not submit the information neither feedback was available from the bank. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

COMPANY PROFILE [As available with BWR]

Algol Business Systems Pvt Ltd., located in the district of Faridabad, Haryana was incorporated as a private limited company in the year 1996 for carrying out the activity as an intermediary to various Study Centers for Distance Education. Mr. Sandeep Arora and Mr. Sudershan Arora were the promoter Directors of the Company. After the retirement of Mr. Sundershan Arora, the management was joined by two new directors – Mr. Sajjan Singh and Mr. Navdeep Naseer. Mr. Sandeep Arora, along with other directors initially carried out as a franchise center for Brilliant's Computer Center. During 2004, they diversified their activities for liasioning between Study Centers and various Universities for Distance Education in the region. The Company primarily processes the applications, collected from different Study Centers which inturn are received from students towards various distance education courses to be held at various Universities, does a background check and other related functions. ABSPL processes approximately 50000 applications per annum.

KEY FINANCIAL INDICATORS [As available with BWR]

Key Parameters	Units	FY18	FY17
Result Type		Audited	Audited
Net Sales/Revenue	Rs in Crs	8.10	8.32
EBITDA	Rs in Crs	1.71	2.08
PAT	Rs in Crs	1.22	1.06
Tangible Net Worth	Rs in Crs	8.51	7.30
Total Debt/Net Worth	Times	0.45	0.66
Current ratio	Times	0.60	0.52

***NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil**

RATING HISTORY (for three years including withdrawal and suspension)

Facilities	Current Rating (2020)			Rating History*		
	Amount (₹ Cr)	Tenure (Long Term/ Short Term)	Rating	2019	2018	2017
Fund Based	2.75	Long Term	BWR BB- Stable Downgrade Issuer did not cooperate*	BWR BB Stable Upgraded	BWR BB- Stable Issuer did not cooperate Downgrade	-
Total	2.75	INR Two crores and seventy five lakhs only.				

*Based on best available information

*Initial rating was done on 31st March 2015 as BWR BB Stable.

Any other information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Approach to Financial Ratios](#)

[What Constitutes Non-Cooperation](#)

For any other criteria obtain hyperlinks from website:

Analytical Contacts	Investor and Media Relations
<p>[Shweta Tandon] Primary Analyst [Board: -91 11 23412232 Ext:111] [shweta.t@brickworkratings.com]</p> <p>[Satvinder Kumar Gakhar] [Associate Director – Ratings] [Board: 91 11 23412232] [satvinder.g@brickworkratings.com]</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I

[Algol Business Systems Pvt Ltd]

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Federal Bank	Term Loan	2.75	-	2.75
Total			2.75	-	2.75

INR Two crores and seventy five lakhs only.

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.