

April 15, 2024

## MeritTrac Services Private Limited: Rating moved to Issuer Non-Cooperating Category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Overdraft	34.00	34.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Long-term – Non-fund based – Sublimit of OD	(10.00)	(10.00)	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Long-term – Fund-based – Term loan	11.90	11.90	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
<b>Total</b>	<b>45.90</b>	<b>45.90</b>	

. <sup>^</sup>Instrument details are provided in Annexure-I \*Issuer did not cooperate; based on best available information

### Rationale

ICRA has moved the rating for the bank facilities of MeritTrac Services Private Limited to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable); ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in June 2023. As a part of its process and in accordance with its rating agreement with MeritTrac Services Private Limited, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Policy in respect of Non-cooperation by a rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the standalone financial statements of MeritTrac Services Private Limited

## About the company

Incorporated in 2000, MSPL is a leading assessment and testing company in India, providing examination management and assessment solutions to educational institutions and corporates. Educational assessment forms the mainstay, followed by the PSU/Government segment. MSPL, with over 20 years of experience, has been designing, developing and delivering tests for over 400 customers in more than 350 cities through 2,000 certified test centres. The service offerings for conducting examinations include application processing, generating admit cards, examination planning and administration till result processing. MSPL has experience of conducting examinations in offline (paper-pencil) as well as online modes. It also offers modular services to address some critical areas of admission, assessment and examination administration, such as candidate authentication using biometrics, and on-screen marking of answer booklets.

## Key financial indicators (Audited)

MeritTrac Services Private Limited	FY2022	FY2023
Operating income	67.9	82.3
PAT	-21.8	-29.1
OPBDITA/OI	-15.8%	-23.6%
PAT/OI	-32.0%	-35.3%
Total outside liabilities/Tangible net worth (times)	2.8	-20.0
Total debt/OPBDITA (times)	-4.0	-2.9
Interest coverage (times)	-2.8	-2.8

Source: Company; ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore;

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years		
			Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				April 15, 2024	Jun 29, 2023	May 4, 2022	Jul 01, 2021
1 Fund-based/Overdraft	Long Term	34.0	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	-
2 Fund-based/CC	Long Term	-	-	-	-	[ICRA]BBB-(Stable)	[ICRA]BBB (Negative)
3 Fund-based (Interchangeable)	Short Term	-	-	-	-	-	[ICRA]A3+; Withdrawn
4 Non-fund based limits (Sublimit of OD)	Long Term	(10.0)	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB (Negative)
5 Term loan	Long Term	11.9	11.9	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB (Negative)
6 Unallocated	Long Term	-	-	-	-	[ICRA]BBB-(Stable)	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Overdraft	Simple
Long-term – Non-fund based limits	Very Simple
Long-term – Fund-based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Fund-based Overdraft	NA	NA	NA	34.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Long-term Non-fund based – Sublimit of OD	NA	NA	NA	(10.00)	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based Term loan	FY21	NA	FY25	11.90	[ICRA]BB+(Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis: Not Applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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