



Press Release
Virtual Galaxy Infotech Private Limited
October 12, 2023

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.53	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	2.47	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	17.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B Plus**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.17 crore bank facilities of Virtual Galaxy Infotech Private Limited (VGPL). This rating is now an indicative rating and downgraded on account of information risk.

About the Company

Virtual Galaxy Infotech Private Limited (VGPL) is a Nagpur based company having satellite office in Mumbai. The company was established in 1997 by promoters and directors namely Mr. Avinash Shende and Mr. Sachin Pande. VGPL is engaged in providing Information Technology services in areas like application development, IT infrastructure development, Mobile Computing, Cloud computing, Big data, Artificial intelligence, Internet of things, Data center & Data recovery, and Digital marketing solutions. The company is operating in the domain of Banking/BFSI, ERP, E-Governance Biz., APMCs, Data Centre and Disaster Recovery Site, Cloud hosting, Digital Payments, Hardware, Facility Management Networking, Connectivity, and services. The company has recently developed innovative Digital Payment and Cloud Store products for SMEs and SMBs.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Not applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Aug 2022	Working Capital Term Loan	Long Term	1.82	ACUITE BB+ Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.33	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.68	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.70	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.47	ACUITE A4+ (Reaffirmed)
05 May 2021	Term Loan	Long Term	4.68	ACUITE BB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	1.82	ACUITE BB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	0.70	ACUITE BB+ Stable (Assigned)
	Proposed Bank Facility	Long Term	0.33	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Assigned)
	Bank Guarantee	Short Term	2.47	ACUITE A4+ (Assigned)
15 Jul 2020	Cash Credit	Long Term	7.00	ACUITE BB- (Withdrawn)
	Proposed Bank Facility	Long Term	6.50	ACUITE BB- (Withdrawn)
	Term Loan	Long Term	1.00	ACUITE BB- (Withdrawn)
	Bank Guarantee	Short Term	2.50	ACUITE A4 (Withdrawn)
12 Jun 2020	Bank Guarantee	Short Term	2.50	ACUITE A4 (Downgraded from ACUITE A4+)
	Cash Credit	Long Term	7.00	ACUITE BB- Stable (Downgraded from ACUITE BB+ Stable)
	Proposed Bank Facility	Long Term	6.50	ACUITE BB- Stable (Downgraded from ACUITE BB+)
	Term Loan	Long Term	1.00	ACUITE BB- Stable (Downgraded from ACUITE BB+)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	2.47	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.33	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Bank of Maharashtra	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.68	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Bank of Maharashtra	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	1.82	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Bank of Maharashtra	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	0.70	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Nilesh Soni Senior Analyst-Rating Operations Tel: 022-49294065 nilesh.soni@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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