

## Press Release

### Crayon Software Experts India Private Limited

March 31, 2021

### Rating Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs. 80.00 Cr.#
<b>Long Term Rating</b>	ACUITE BB+ (Downgraded from ACUITE BBB+ and ACUITE BBB-) Withdrawn; Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; based on best available information.

### Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs. 79.00 crore bank facilities backed by Standby Letter of Credit (SBLC) of Crayon Software Experts India Private Limited (CSEI).

Further, Acuite has also downgraded and withdrawn the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.1.00 crore proposed facility. This rating is now an indicative rating and is based on the best available information. The rating is downgraded on account of information risk. Further, the rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

### About the Company

Mumbai, Maharashtra-based Crayon Software Experts India Private Limited (CSEI) was incorporated in the year 2014. The company provides software and consulting services to its clients to optimize their software cost and reduce complexity. CSEI is a wholly own subsidiary of Crayon Group Holding ASA (Norway), one of the global player in software asset management (SAM), cloud and volume licensing and associated consulting services. CSEI has corporate offices at Mumbai, New Delhi, Bengaluru, Chennai, and Noida among other places. The company is a software distributor for companies such as Microsoft, Oracle, Amazon Internet Services and VMware. The company primarily distributes software products in India which contributes to around 85.00 percent of its revenue.

### 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 an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-50.htm>

#### **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 endeavoured 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.

**Liquidity Indicators** - "No information provided by the issuer / available for Acuite to comment upon."

**Rating Sensitivity** - "No information provided by the issuer / available for Acuite to comment upon."

#### **About the Rated Entity - Key Financials**

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

#### **Status of non-cooperation with previous CRA (if applicable)**

None

#### **Any other information**

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

#### **Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
11-Feb-2020	Cash Credit	Long Term	49.00#	ACUITE BBB+/ Stable (Assigned)
	Inventory Funding	Long Term	30.00^	ACUITE BBB+/ Stable (Assigned)
	Proposed Facility	Long Term	1.00	ACUITE BBB-/ Stable (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	49.00#	ACUITE BB+ (Downgraded from ACUITE BBB+) Withdrawn; Issuer not co-operating*
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	30.00^	ACUITE BB+ (Downgraded from ACUITE BBB+) Withdrawn; Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Withdrawn; Issuer not co-operating*

\*The issuer did not co-operate; based on best available information.

#Sub Limits of Rs. 20.00 crores Bank Guarantee. The rating factors in support in form of SBLC mechanism through which DANSKE Bank A/S will be paying on behalf of the company as and when the company fails to meet its debt obligation. DANSKE Bank A/S, has given SBLC which covers 80% of the sanctioned value (i.e Rs.39.20 crore).

^The facilities of TATA Capital is backed by Bank Guarantee extended by IndusInd Bank to the tune of Rs.15.50 crore which covers 51.67 percent of total facility.

## Contacts

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### About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,000 credit 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 Mumbai.

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