

Press Release

Monarch Info Tech Services Private Limited

February 25, 2022

Rating Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB- Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating to '**ACUITE BB-**' (read as **ACUITE double B 'minus'**) on the Rs.10.00 crore bank facilities of Monarch Info Tech Services Private Limited (MIT SPL) . This rating is an indicative rating and is based on the best available information.

About the Company

Hyderabad based, Monarch Info Tech Services Private Limited (MITS) incorporated in the year 2000. The company is promoted by Mr. Chinnapolla Sreedhar, Mr. Jakkampudi Adiseshaih Chowdhary and Mr. Pradeep Reddy Pasnoor. MITS is engaged in providing IT consulting and supporting services, especially into Enterprise Content Management (ECM) and Business process management (BPM). The company mostly caters to Banking, Finance, and Insurance industries. MITS is an IBM advanced Business partner. The company also has its presence in USA, Malaysia, Singapore and Australia.

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 noncooperation 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.

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 has 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable

Key Financials

Particulars	Unit	FY 20 (Provisional)	FY 19 (Actual)
Operating Income	Rs. Cr.	30.80	39.06
PAT	Rs. Cr.	0.49	3.05
PAT Margin	(%)	1.60	7.81
Total Debt/Tangible Net Worth	Times	0.69	0.71
PBDIT/Interest	Times	1.94	7.52

Key Financials:

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

Status of non-cooperation with previous CRA

MIT SPL's rating was reaffirmed and migrated to 'ISSUER NON COOPERATING' status with CRISIL, through its rating rationale dated June 11, 2021. The reason provided by CRISIL is non-furnishing of information by MIT SPL.

Any other information

Acuite 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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Dec 2020	Cash Credit	Long Term	10.00	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indusind Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
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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 8,850 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 Kanjurmarg, Mumbai.

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