

Press Release

Monarch Info Tech Services Private Limited

October 25, 2022



Rating Downgraded & Withdrawn and Issuer not co-operating

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Bank Loan Ratings	10.00	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*	-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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuité has downgraded and withdrawn the long term rating to '**ACUITE B+**' (read as **ACUITE B 'plus'**) from '**ACUITE BB-**' (read as **ACUITE double B 'minus'**) on the Rs.10.00 crore bank facilities of Monarch Info Tech Services Private Limited (MITSPL).

The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. The rating continues to be flagged as "Issuer Not Cooperating".

The rating is being withdrawn on account of request received from the company and NOC received from the banker. The rating has been downgraded on account of information risk.

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:

Acuité 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. Acuité 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 Acuité'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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions

lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

Crisil, vide its press release dated August 17, 2022 had rated MITSPL to 'CRISIL B+; ISSUER NOT COOPERATING'.

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

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Feb 2022	Cash Credit	Long Term	10.00	ACUITE BB- (Issuer not co-operating*)
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 B+ Downgraded & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
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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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