

January 27, 2022

VSS Networks Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debentures (NCD) Programme	250.80	250.80	Provisional [ICRA]AAA(CE) (Stable); Withdrawn
Total	250.80	250.80	

*Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the (provisional) rating symbol indicates that the rated instrument/facility is to be backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The table above also captures ICRA's opinion on (a) the rating if the pending actions/documents are not completed and (b) the rating without factoring in the proposed explicit credit enhancement

Rationale

The long-term provisional rating assigned to the proposed NCD programme of VSS Networks Private Limited (VSS/ the company) has been withdrawn at the request of the company (as the instrument has not been placed) and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on Withdrawal of Credit Ratings Corporate Credit Rating Methodology Rating Methodology for Entities in the Brokerage Industry Approach for rating debt instruments backed by third-party explicit support
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

VSS Networks Private Limited (formerly known as Aryan Ayurveda Private Limited) was incorporated in 2010 with the Registrar of Companies, NCT of Delhi & Haryana to carry on business as a manufacturer and dealer of Ayurvedic products and as a general chemist and druggist and also as a manufacturer, exporter, importer of and dealer in all kinds of medicines, drugs and preparations whether Ayurvedic, allopathic, homeopathic, etc.

The company's name was changed to VSS Networks Private Limited on August 06, 2021 from Aryan Ayurveda Private Limited to undertake the business in the field of information technology (IT), information technology enabled services (ITeS), software development, other IT solutions, data processing, business process outsourcing, human resource outsourcing for Other business, backend and front end services, knowledge process outsourcing, call centers, web hosting and designing, back office services, value added services, tech based solutions, related consultancy and advisory services and all related activities to be provided to various industries across the world and technology associated with it including ancillary and incidental to it for IT

and ITeS, etc. VSS Networks Private Limited is 100% held by Mr. Vijay Shekhar Sharma {Chief Executive Officer (CEO) and Managing Director (MD) of One 97 Communications Limited (Paytm)}.

About the underwriting commitment provider

ACL is a wholly-owned subsidiary of Axis Bank Limited (Axis Bank) and is engaged in the investment banking and institutional equities broking business. It is one of the leading institutional brokerage houses among domestic brokers and has also established a credible position in the investment banking segment in India. ACL and Axis Bank have three common directors, including two senior executives of Axis Bank, namely Mr. Chaudhary (MD and CEO) and Mr. Anand (Director), as well as Mr. Barua (Independent Director).

In FY2021, ACL reported a profit after tax (PAT) of Rs. 138.21 crore on operating income of Rs. 391.58 crore. The total net worth was Rs. 519.21 crore and total assets stood at Rs. 1,417.80 crore as on March 31, 2021.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Dec 31, 2021 (Rs. crore)	Date & Rating in		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Jan 27, 2022	Sep 17, 2021			
1	NCD	Long Term	250.80	-	Provisional [ICRA]AAA(CE) (Stable); Withdrawn	Provisional [ICRA]AAA(CE) (Stable)	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD	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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No.	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	NCD	NA	NA	NA	250.80	Provisional [ICRA]AAA(CE) (Stable); withdrawn

Source: Company; NA- NCD not placed by the company

Annexure-2: List of entities considered for consolidated analysis

Company Name	VSS ownership	Consolidation Approach
NA	NA	NA

Source: Company

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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.

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