

January 06, 2023

MFX Infotech Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	5.00	5.00	[ICRA]AA (CE) (Stable); withdrawn
Total	5.00	5.00	

*Instrument details are provided in Annexure I

Rating Without Explicit Credit Enhancement	[ICRA]BBB+
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*Instrument details are provided in Annexure-1

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

Rationale

ICRA has withdrawn the rating assigned to the bank lines of MFX Infotech Private Limited (MFX/the company). The rating has been withdrawn at the company's request and based on the no due certificate received from the bank. The rating action is in accordance with ICRA's policy on withdrawal of credit rating. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, and the related instruments are being withdrawn.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	Corporate Credit Rating Methodology Approach for rating debt instruments backed by third-party explicit support ICRA Policy on Withdrawal of Credit Rating
Parent/Group Support	Quess Corp Limited (Rated [ICRA]AA (Stable)/[ICRA]A1+) The assigned rating is based on an unconditional, irrevocable corporate guarantee extended by Quess.
Consolidation/Standalone	The rating is based on the standalone financial statements of the rated entity.

About the company

MFX was incorporated on June 20, 2014. At present, the company is a wholly-owned subsidiary of Quess Corp Limited (parent company). The company is involved in rendering software support services to corporate customers in the US, Canada, India and Egypt.

Key financial indicators

MFX	FY2021 Audited	FY2022 Audited	H1 FY2023*
Operating income (Rs. crore)	70.8	83.2	49.4
PAT (Rs. crore)	0.7	3.1	2.3
OPBDITA/OI (%)	4.0%	6.4%	5.4%
PAT/OI (%)	1.0%	3.7%	4.6%
Total outside liabilities/Tangible net worth (times)	3.5	2.1	2.3
Total debt/OPBDITA (times)	0.8	0.0	0.0
Interest coverage (times)	13.8	581.2	-

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years				
		Amount Rated (Rs. crore)	Amount outstanding as of Dec 31, 2022 (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
				Jan 06, 2023	Oct 31, 2022	Jul 1, 2021	Apr 03, 2020	Apr 05, 2019
Fund-based-Cash Credit	Long-term	5.0	-	[ICRA]AA(CE) (Stable); withdrawn	[ICRA]AA(CE) (Stable)	[ICRA]AA(CE) (Stable)	[ICRA]AA(CE) (Stable)	[ICRA]AA(CE) (Stable)

Amount in Rs. Crore

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund-Based – Cash Credit	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 analysing 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based- Cash Credit	Feb-2022	7-8%	NA	5.0	[ICRA]AA (CE) (Stable); withdrawn

Source: Company; Note: Amounts in Rs. crore

Annexure II: List of entities considered for consolidated analysis – Not applicable

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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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Branches



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