

October 13, 2020

Newgen Software Technologies Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term - Fund based	70.00	70.00	[ICRA]A2+; Withdrawn
Short Term - Non-fund based	25.00	25.00	[ICRA]A2+; Withdrawn
Total	95.00	95.00	

*Instrument details are provided in Annexure-1

Rationale

The rating assigned to Newgen Software Technologies Limited (NSTL) has been withdrawn at the request of the company and based on the no objection certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers and their description

The key rating drivers have not been captured as the rated instrument(s) are being withdrawn.

Liquidity position

Liquidity position has not been captured as the rated instruments are being withdrawn.

Rating sensitivities

Rating sensitivities have not been captured as the rated instruments are being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

The company was formed by two technocrats – Mr. Diwakar Nigam and Mr. TS Vardarajan – in 1992. It is an Information Technology (IT) product company, which provide solutions in ECM, BPM and CCM platforms. These platforms help clients to digitise and manage content and document flow process. NSTL went public on January 29, 2018 and the IPO resulted in an exit of Unit Trust of India Investment Advisory Services Ltd A/C Ascent India Fund (Ascent), IDG Venture India Ltd (IDGVI), SAPV(Mauritius), Pandara Trust Scheme 1.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators: -

	FY2019	FY2020
Operating Income (Rs. crore)	552.0	577.4
PAT (Rs. crore)	95.8	65.9
OPBDITA/OI (%)	21.6%	16.2%
RoCE (%)	28.8%	20.0%
Total Debt/TNW (times)	0.16	0.20
Total Debt/OPBDITA (times)	0.7	1.2
Interest Coverage (times)	10.6	6.2
NWC/OI (%)	34.6%	34.0%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018	
					13-Oct-2020	02-Apr-2019	04-Apr-2018	30-Jan-2018	
1	Packing Credit	Short Term	70.00	-	[ICRA]A2+; Withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	
2	Bank Guarantee	Short Term	25.00	-	[ICRA]A2+; Withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	

Amount in Rs. Crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Packing Credit	-	-	-	70.00	[ICRA]A2+; Withdrawn
NA	Bank Guarantee	-	-	-	25.00	[ICRA]A2+; Withdrawn

Source: Newgen Software Technologies Limited

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