November 13, 2023

Onward Technologies Limited: Ratings removed from Issuer non cooperating category and withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term / Short Term – Fund Based / Non-Fund Based - others	6.55	6.55	[ICRA]BBB (Stable)/ [ICRA]A3+; Ratings removed from ISSUER NOT COOPERATING category and withdrawn
Total	**6.55**	**6.55**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has removed the ratings from the "Issuer not co-operating" category and has withdrawn the ratings assigned to the bank facilities of Onward Technologies Limited (OTL), at the request of the company and based on the No objection certificate (NOC) received from the bankers, and in accordance with ICRA's policy on withdrawal of ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, key financial indicators and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Rating Methodology- Information Technology (Services) Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of Onward Technologies Limited

About the company

Incorporated in the year 1991, Onward Technologies Limited is a software outsourcing company engaged in the fields of digital and ER&D services catering to the Transportation, Mobility, Industrial Products, Heavy Machinery and Healthcare sectors. The company has its presence in the Indian market as well as overseas markets such as the US, the UK and Germany. Headquartered in Mumbai, the company has 14 offices across 6 countries with offshore capability centres in India.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2024)					Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as of September 30, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022		Date & rating in FY2021
					Nov 13, 2023	Oct 16, 2023	Mar 27, 2023	Feb 02, 2022	Aug 23, 2021	Sep 3, 2020 Nov 3, 2020
1	**Working Capital Facilities**	Long term/Short term	6.55	Nil	**[ICRA]BBB (Stable)/ [ICRA]A3+ withdrawn**	**[ICRA]BBB (Stable)/ [ICRA]A3+ ISSUER NOT COOPERATING**	**[ICRA]BBB (Stable)/ [ICRA]A3+**	**[ICRA]BBB (Stable)/ [ICRA]A3+**	**[ICRA]BBB (Positive)/ [ICRA]A3+**	-
2	**Fund-based – Cash credit**	Long term	-	-	-	-	-	-	-	**[ICRA]BBB- (Stable)**
3	**Non-Fund based – Bank Guarantee**	Short term	-	-	-	-	-	-	-	**[ICRA]A3**
4	**Fund-based / Non-Fund based Limits**	Long term	-	-	-	-	-	-	-	**[ICRA]BBB- (Stable)**

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short -term – Fund Based / Non-Fund Based Working Capital	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	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working Capital Facilities	NA	NA	NA	6.00	[ICRA]BBB(Stable)/ [ICRA]A3+; withdrawn
NA	Working Capital Facilities	NA	NA	NA	0.55	[ICRA]BBB(Stable)/ [ICRA]A3+; withdrawn

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Onward Technologies, Inc.	100.00%	Full Consolidation
Onward Technologies GmbH	100.00%	Full Consolidation
Onward Technologies Canada Inc.	100.00%	Full Consolidation
Onward Technologies BV	100.00%	Full Consolidation
OT Park Private Limited	100.00%	Full Consolidation

Source: OTL annual report FY2023

Note: ICRA has taken a consolidated view of the parent (OTL) and its subsidiaries while assigning the ratings.

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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.

For more information, visit www.icra.in

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