

Majesco Software and Solutions India Private Limited

February 08, 2019

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term, Fund-based Limits	20.0	20.0	[ICRA]A-(Negative)/[ICRA]A2+; Withdrawn
Short-term, Fund-based Limits	13.0	13.0	[ICRA]A2+; Withdrawn
Long-term/Short-term, Unallocated Limits	18.5	18.5	[ICRA]A-(Negative)/[ICRA]A2+; Withdrawn
Total	51.5	51.5	

*Instrument details are provided in Annexure-1

Rationale

The ratings have been withdrawn at the request of the company and upon receipt of respective no dues and no objection certificate from the bankers, in accordance with ICRA's policy on withdrawal and suspension of credit rating.

Key rating drivers

Key rating drivers have not been captured since the ratings have been withdrawn.

Liquidity position

Liquidity position has not been captured since the ratings have been withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable, since ratings are being withdrawn
Consolidation/Standalone	Not applicable, since ratings are being withdrawn

About the company

The company was incorporated in 2014 after the Board of Directors of Mastek Limited approved the demerger of the Insurance Products and Services business of Mastek Limited into a new company in September 2014. To be named as Majesco Limited ('Majesco'), the move was followed by transfer of the offshore insurance operations business by Majesco to Majesco Software and Solutions India Private Limited (MSSIPL), a wholly owned subsidiary of Majesco Software and Solutions Inc. (MSS Inc). Thus, the vertical solutions business rests with Mastek Limited, while the insurance products and services business is housed with Majesco. Majesco offers core software solutions for Property & Casualty (P&C), Life & Annuity (L&A), group and employee benefits insurance carriers, to manage policy administration, claims management and billing functions. In addition, the company offers a variety of other technology-based solutions that enable organisations to automate business processes and comply with policies and regulations across their organisations.

Key financial indicators (audited)

MSSIPL (Rs. Crore)	FY2016	FY2017
Operating Income (Rs. crore)	208.7	236.1
PAT (Rs. crore)	-0.8	4.0
OPBDIT/ OI	1.8%	4.9%
RoCE	-	26.0%
Total Debt/ TNW(times)	7.2	1.7
Total Debt/ OPBDIT (times)	8.3	1.1
Interest Coverage (times)	7.4	8.0

OI: Operating Income; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, and Taxes; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth (TNW) + Deferred Tax Liability - Capital Work in Progress)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

	Current Rating (FY2019)				Chronology of Rating History for the past 3 years			
	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
1	Fund-based Limits	Long-Term/ Short-term	20.0	-	February 2019 Withdrawn	December 2017 [ICRA]A- (Negative)/ [ICRA]A2+	-	-
2	Fund-based Limits	Short-term	13.0	Nil	Withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+
3	Unallocated Limits	Long-Term/ Short-term	18.5	-	Withdrawn	[ICRA]A- (Negative)/ [ICRA]A2+	[ICRA]A- (Stable)/ [ICRA]A2+	-
4	Non fund based Limits	Long-Term/ Short-term	-	-	-	-	-	[ICRA]A- (Stable)/ [ICRA]A2+

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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Long-term/Short-term, Fund-based Limits	-	-	-	20.0	[ICRA]A-(Negative)/ [ICRA]A2+; Withdrawn
-	Short-term, Fund-based Limits	-	-	-	13.0	[ICRA]A2+; Withdrawn
-	Long-term/Short-term, Unallocated Limits	-	-	-	18.5	[ICRA]A-(Negative)/ [ICRA]A2+; Withdrawn

Source: Majesco Software and Solutions India Private Limited

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