

May 14, 2019

## Master Staffing Solutions Private Limited: Rating withdrawn

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Working Capital Facilities	9.00	9.00	[ICRA]AA(SO)(Stable); Withdrawn
<b>Total</b>	<b>9.00</b>	<b>9.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The afore-mentioned rating assigned to Rs. 9.00 fund-based facility of Master Staffing Solutions Private Limited (MSS/ the company) have been withdrawn at the request of the company and upon receipt of no due certificate from the banker, in accordance with ICRA's policy on withdrawal and suspension of credit rating.

### Outlook: Not Applicable

### Key rating drivers

Not Applicable

### Liquidity position

Not Applicable

### Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	NA
Consolidation / Standalone	NA

### About the company:

Incorporated in 2009, Master Staffing Solutions Private Limited is engaged in providing staffing solutions. It was acquired by Qess Corp Limited in January 2018. Prior to the acquisition, MSS was a subsidiary of Manipal Integrated Services Private Limited, a provider of facility management, catering, security and student living services. Post the acquisition, MSS is providing mobilization, training and deployment of human resources for various companies, predominantly for the integrated facility management segment of Qess Corp Limited. Currently, the company has an employee strength of more than 7,500 and operates primarily in Karnataka.

## About the guarantor

Quess Corp Limited (QCL) is engaged in offering end-to-end business solutions like general staffing, professional staffing, technology staffing, IT products and solutions, skill development, payroll, compliance management, integrated facility management and industrial asset management services to corporate clients operating across sectors. By dealing with QCL, clients have the flexibility to maintain a large employee base all-round the year thereby allowing them to save on unwanted manpower costs during off-season and outsource their non-core activities. During February 2018, the company acquired 100% stake in Monster Worldwide's India, Singapore, Hong Kong and Malaysia entities during FY2018. These entities have operations across India, Singapore, Malaysia, Philippines, Hong Kong, Vietnam, Thailand, Indonesia, UAE and Kingdom of Saudi Arabia and currently operates the same under the internet business segment. Subsequently, the company currently operates under five major segments – People Services, Technology Solutions, Facility Management, Industrials and Internet Business.

QCL was incorporated in October 2007 in Bangalore and is promoted by Mr. Ajit Isaac. The company received initial round of private equity funding during February 2008 wherein India Equity Partners (IEP) acquired a stake in QCL for an investment of Rs.21.3 crore. During May 2013, Thomas Cook (India) Limited (TCIL), India's largest integrated travel company, acquired a 74.85% stake in QCL for a consideration of Rs.256 crore during February 2013. IEP had also exited QCL by selling its shares to TCIL as a part of this deal. As on date, TCIL has a stake of about 48.82% in QCL subsequent to various stake dilutions over the years.

During April 2018, the Board of Directors of QCL had approved the scheme of arrangement whereby the HR business of Thomas Cook India Limited (TCIL) (including shares in QCL held by TCIL) will be demerged to QCL through an NCLT process and the shareholders of TCIL will receive shares of QCL. This is subject to regulatory approvals. Pursuant to this scheme, TCIL shareholders will receive 1,886 shares of QCL (Rs.10 each) for every 10,000 equity shares (Rs.1 each) held in QCL. This arrangement will lead to overall public shareholding in QCL increasing from ~28% at present to ~45%. Further, existing the promoter of TCIL, Fairbridge Capital Mauritius Limited, would be classified as the promoter of QCL going forward.

QCL has acquired companies engaged in a variety of businesses over the last few years and currently operates various joint ventures and subsidiaries. On a consolidated basis, the company currently has over ~2,92,000+ associated employees under payrolls providing services to ~1,900+ clients. QCL provides services to clients operating across domains such as Retail, Information technology (IT), IT enabled services (ITeS), Consumer Durables, Telecom, Pharmaceuticals, Entertainment, FMCG etc.

## MSS's key financial indicators (Audited)

	FY2017	FY2018
Operating Income (Rs. crore)	139.8	171.2
PAT (Rs. crore)	3.4	3.2
OPBDIT/OI (%)	2.0%	2.8%
RoCE (%)	14.8%	26.0%
Total Debt/TNW (times)	0.5	0.0
Total Debt/OPBDIT (times)	2.4	0.0
Interest coverage (times)	9.7	77.4

Source: company

### QCL's key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	4,314.9	6,167.3
PAT (Rs. crore)	121.8	309.4
OPBDIT/OI (%)	5.5%	5.7%
RoCE (%)	15.6%	12.1%
Total Debt/TNW (times)	0.6	0.4
Total Debt/OPBDIT (times)	3.3	2.8
Interest Coverage (times)	5.0	4.7

Source: company

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for last three years:

Current Rating (FY2020)					Chronology of Rating History for the Past 3 Years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in	Date & Rating in	Date & Rating in
					FY2019	FY2019	FY2018
1	Cash Credit	9.00	NIL	May 2019 [ICRA]AA (SO) (Stable); Withdrawn	March 2019 [ICRA]AA (SO) (Stable)	January 2019 [ICRA]AA- (SO) (Positive)	-

Source: company

### 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](http://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
NA	Cash Credit	NA	NA	NA	9.00	[ICRA]AA (SO) (Stable); Withdrawn

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