

3i Infotech Limited

September 12, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Withdrawn
Total Bank Facilities	0.00 (₹ Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE BBB-; Stable' (Triple B Minus; Outlook: Stable) assigned to the bank facilities of 3i Infotech Limited (3i infotech) with immediate effect. The above action has been taken at the request of 3i infotech and 'No Dues Certificate' received from the Lender that have extended the facilities rated by CARE.

Analytical approach : Standalone

Applicable criteria

[Policy on Withdrawal of Ratings](#)

About the company

3i Infotech limited (formerly known as ICICI infotech Limited) was set up in 1993 by ICICI group as a back-office processing company. The company has presence across the globe with delivery centres in over 20 countries across Asia Pacific, Middle East, North America and Western Europe. The company has 4 development centres in India, namely in Vashi (Navi Mumbai), Hyderabad, Chennai and Bengaluru. 3i operates through two business segments viz. Services and Software Products and caters to diversified clientele across multiple geographies. The company was listed in BSE in April, 2005. The company has announced the sale of its products business to Azentio Software Private Limited (Azentio) and repay all its outstanding debt.

The company has completed the slump sale of the global software products business on March 31st, 2021.

The proceeds from the sale were used to repay the entire debt. The cash balance remaining after the repayment was more than Rs.100 crores. These cash surplus is proposed to be used to scale up its existing services business. FCCBs are yet to repaid and awaiting regulatory clearance (funds for the same have already been deposited in the nominated escrow account).

The software products business accounted for 39% of 3i Infotech's revenues and around 70% of its PBILDT in FY20. The IT solutions/ services business is a BPO/KPO kind of business with low profitability margins.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23
Total operating income	227.87	266.54	159.86
PBILDT	36.83	50.69	4.76
PAT	254.04	8.43	-7.87
Overall gearing (times)	0.71	0.19	NA
Interest coverage (times)	0.61	5.78	NA

A: Audited; UA: Unaudited; NA: Not Available

Status of non-cooperation with previous CRA: Not Available

Any other information: Not Available

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2024	0.00	Withdrawn

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BBB-; Stable (29-Sep-21)	1)CARE BBB-(CWD) (05-Feb-21) 2)CARE BBB-(CWD) (07-Jan-21)	1)CARE BBB-; Stable (28-Jan-20)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Available

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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