



Press Release

Zaggle Prepaid Ocean Services Private Limited
November 02, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	100.00	ACUITE BBB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs. 100.00 Cr. non-convertible debenture facilities (including proposed facilities) of ZAGGLE PREPAID OCEAN SERVICES PRIVATE LIMITED. The rating is now flagged as 'Issuer not cooperating' and is based on the best available information.

Rationale for reaffirmation:

The rating continues to take into account the extensive experience of the promoters having over two decades of experience in various fields including Fintech, Digital payments and Consulting space. The rating further takes into consideration the innovative product/service offerings by Zaggle and the healthy revenue growth in FY2023 at 553.46 Cr. from Rs. 371.26 for FY2022. These strengths are partially offset by highly competitive nature of the IT industry.

About the Company

Zaggle is a spend management company with a unique value proposition and a diverse user base. Incorporated in 2011, the company operates in the business-to-business-to-customer ("B2B2C") segment with a diverse offering of financial technology ("fintech") products and services, along with prepaid cards and has built a portfolio of software as a service ("SaaS"), including tax and payroll software, and a broad touchpoint reach.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer/available for Acuite to comment upon.

All Covenants

None

Liquidity Position

Net cash accruals of the company stood at Rs. 29.1 Cr. for FY23. Further, the company maintained cash and bank balances of Rs. 21.7 Cr. as on March 31, 2023.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	553.46	371.26
PAT	Rs. Cr.	22.90	41.92
PAT Margin	(%)	4.14	11.29
Total Debt/Tangible Net Worth	Times	4.42	(19.76)
PBDIT/Interest	Times	4.31	8.53

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Nov 2022	Proposed Non Convertible Debentures	Long Term	100.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE07K307013	Non-Convertible Debentures (NCD)	30 Nov 2022	13.50	31 Mar 2026	Simple	50.00	ACUITE BBB Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE BBB Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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