

Date: February 5, 2025

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001 BSE Scrip Code: 543451	To, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 NSE Scrip Symbol: AGSTRA
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Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Revision of Credit Rating of the Company

Dear Sir/Madam,

This is to inform that India Ratings & Research (“(Ind-Ra”) has revised AGS Transact Technologies Limited’s (“Company”) Term loan and Short term ratings to “**IND D**” from “**IND A/Stable/IND A1**”. The reason for the downgrade in the rating is on account of delay in debt servicing on bill discounting facility and term loan in the past two months.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed, press release dated February 4, 2025 issued by India Ratings & Research. You are requested to kindly take the same on record.

The said details shall also be available on the website of the Company i.e. www.agsindia.com. This is for your information and records.

Thanking You,
Yours Sincerely,
For **AGS Transact Technologies Limited**

Ravi B. Goyal
Chairman and Managing Director
(DIN: 01374288)

Encl: a/a



AGS Transact Technologies Ltd.

www.agsindia.com

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India Ratings Downgrades AGS Transact Technologies's Bank Facilities to 'IND D'

Feb 04, 2025 | Diversified Commercial Services

India Ratings and Research (Ind-Ra) has downgraded the ratings of AGS Transact Technologies Limited's (AGS Transact) bank facilities to 'IND D' from 'IND A'/Stable/'IND A1'. The detailed rating actions are as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Term loan (long term)	-	-	31 March 2029	INR5,673	IND D	Downgraded
Working capital bank loan (long term/short term)	-	-	-	INR1,938	IND D	Downgraded

Analytical Approach

Ind-Ra has fully consolidated AGS Transact's subsidiaries including Securevalue India Limited (SVIL; debt rated at 'IND D'; 100%-owned by AGS Transact), together referred to as AGS Transact group hereafter, given the strong operational and strategic linkages among them.

Detailed Rationale of the Rating Action

The downgrade reflects a delay in AGS Transact's debt servicing on a bill discounting facility and a term loan in the past two months, as confirmed and informed by the lenders to Ind-Ra on 4 February 2025. This is consistent with Ind-Ra's Default Recognition and Post-Default Curing Period Policy. AGS Transact has submitted no-default statement, stating timely debt servicing, till November 2024.

List of Key Rating Drivers

Weaknesses

- Delay in debt servicing

Strengths

- None

Detailed Description of Key Rating Drivers

Delay in Debt Servicing: The downgrade reflects AGS Transact's delay in the repayment of the bill discounting facility by more than 30 days and the interest and principal payment of the term loan by one day in the past two months, as confirmed and informed by the lenders to Ind-Ra on 4 February 2025. This is consistent with Ind-Ra's Default Recognition

and Post-Default Curing Period Policy.

Liquidity

Poor: AGS Transact 's liquidity position is poor, as reflected by the inability to service debt on a timely basis. The liquidity of the company was hugely impacted by a stretch in its receivable days caused by the holdback of payments by its customers due to non-payment of statutory dues and non-adherence to service level agreements. As per the management, the company intends to aid liquidity by improving its collection cycle and fund infusion by the ultimate promoter through the issuance of share warrants.

Rating Sensitivities

Negative: Not applicable

Positive: The timely debt servicing for at least three consecutive months could result in a positive rating action.

Any Other Information

Standalone Profile: AGS Transact's standalone revenue stood at INR10.4 billion in FY24 (FY23: INR12.1 billion), with an adjusted EBITDA of INR2.5 billion (INR3.2 billion), translating into margins of 24.4% (26.6%). The company's gross interest coverage (reported EBITDA/ gross interest expense) stood at 1.3x in FY24 (FY23: 2.8x) and its gross adjusted leverage at 3.4x (3.1x). The adjusted net leverage has been calculated as gross debt including lease liabilities / EBITDA gross of non-cash provisioning for doubtful asset.

About the Company

AGS Transact is an integrated end-to-end cash/ATM management solutions provider. It provides cash management services through SVIL and is establishing its presence in digital payment solutions wherein it provides merchant solutions (POS terminals), switching services and other value-added services. Furthermore, it offers various automation products and related maintenance/upgrade services.

Key Financial Indicators

Particulars (Consolidated; INR billion)	FY24	FY23
Operating revenue	14.7	16.7
EBITDA	2	4
EBITDA margins (%)	13.4	23.7
Gross interest coverage (x)	1.3	2.8
Net leverage (x)	5.5	3.1
Source: Ind-Ra; AGS Transact		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Rating	8 July 2024	26 September 2023	10 April 2023	31 March 2022	1 April 2021
Issuer rating	Long-term	-	-	-	WD	IND A+/Negative	IND A+/Positive	IND A+/Stable
Term loans	Long-term	INR5,673	IND D	IND A/Stable	-	IND A+/Negative	IND A+/Positive	IND A+/Stable

Working capital bank loan	Long-term/ Short-term	INR1,938	IND D	IND A/Stable/IND A1	-	IND A+/Negative/IND A1	IND A+/Positive/IND A1+	IND A+/Stable/IND A1
Commercial paper	Short-term	INR300	-	-	-	WD	IND A1+	IND A1

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Term loan	Low
Working capital bank loan	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

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About India Ratings and Research: India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Evaluating Corporate Governance

Short-Term Ratings Criteria for Non-Financial Corporates

Corporate Rating Methodology

The Rating Process

Default Recognition and Post-Default Curing Period

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