

Dated 09th December 2024

To
The BSE LIMITED
P J Towers
28th Floor, Dalal Street,
Mumbai

Dear Sir/ Madam,

Sub: : Intimation of Credit Rating under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Athena Global Technologies Limited ("the Company") by Infomerics Valuation and Rating Private Limited
Ref: Scrip Code 517429

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submit the credit rating assigned by M/s. Infomerics Valuation and Rating Private Limited.

The Press Release received from Infomerics Valuation and Rating Private Limited is enclosed.

The said intimation shall be available on website of the company at www.athenagt.com.

Request you to kindly take the above on records.

Thanking You,

Yours Faithfully

For Athena Global Technologies Limited

DIVYA AGRAWAL
Digitally signed by
DIVYA AGRAWAL
Date: 2024.12.09
19:16:56 +05'30'


Divya Agrawal

Company Secretary & Compliance Officer

M No. 48143

ATHENA GLOBAL TECHNOLOGIES LIMITED

CIN No L74140TG1992PLC014182

 2nd floor, Unit No. 203 Gowra Palladium, Sy.No 8A & 8B1 in Survey Nos. 83/1, Serilingampally Mandal,
Ranga Reddy District, Hyderabad-500081 Telangana India.



Press Release

Athena Global Technologies Limited (AGTL)

December 09, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Proposed Non-Convertible Debentures (NCDs)	150.00	IVR C/Stable (IVR C with Stable Outlook)	-	Assigned	Simple
Total		150.00 (One Hundred and Fifty Crore Only)			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its rating to the proposed non-convertible debentures (NCDs) of Athena Global Technologies Limited taking into account extensive experience of promoters in software development industry, significant real estate property which can be monetized and identified funding sources in the form of NCDs in their last stages of development. The rating is however constrained by irregularities by AGTL in servicing the existing debt obligations, slowdown in key markets or sectors of the company's products and exposure to risks relating to cyclicity in commercial real estate leasing industry.

The stable outlook is based on the fact that the Company has leasable commercial area of ~ 5 lakh square feet in Project Centaurus which can be used by the Company to lease and/or outright sell to fund the proposed NCDs repayment.

Key Rating Sensitivities:

Upward Factors

- Sustainable and substantial increase in revenue and profitability, leading to improvement in debt coverage metrics



Press Release

Downward Factors

- Any further delay servicing of the debt obligations.
- AGTL's inability to raise resources in the form of NCDs to pay off the existing debt.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of promoters in software development industry**

AGTL's promoters have extensive experience in software development industry. Mr. M Satyendra as Charman and Managing Director of AGTL, has nearly three decades of global experience in the IT services industry with a strong track record of driving digital transformation for enterprises, executing business turnarounds. He is responsible for the strategy and execution of these businesses - setting direction and enabling rapid client adoption. His global experience can help AGTL in tapping new markets and sectors to expand AGTL's customer base.

- **Significant real estate property which can be monetized**

AGTL had entered into joint development agreement with developer Phoenix Embassy Business Parks Private Limited for developing fully built commercial real estate office property, viz., Phoenix Centaurus, situated in Financial District, Hyderabad with a total leasable area of ~21 lakh sq. ft. AGTL's share in the project is ~ 5 lakh sq ft. Presently the Project Centaurus is fully complete ready to be leased out. This will help Company to augment its steady state of cash flows when leased. Also, as AGTL owns the entire property (~ 5 lakh sq. ft) it can raise resources by outright selling the property. The said property stands as a collateral security for the issue of proposed NCDs with a minimum cover of ~ 2.5x.



Press Release

- **Identified funding sources in the form of NCDs in their last stages of development**
AGTL is in the process of issuing NCDs and raise Rs.150.00 crore which will be used to pay off existing debt of ~ 40.00 crore out of total debt of ~ Rs.85.39 crore as of 31st March 2024. The structure of the NCDs is such that an upfront interest service reserve account of Rs.30.00 crore is created for servicing interest on the NCDs. The principal repayment is bullet repayment as of November 2028. This will give AGTL a margin of time to augment cash flows till the repayment date.

Key Rating Weaknesses

- **Irregularities by AGTL in servicing the existing debt obligations**
There were ongoing delays in AGTL's servicing of existing debt obligations. The issuance of proposed NCDs will help AGTL to repay some of its existing debt.
- **Slowdown in key markets or sectors for use of the company's products**
More than 90% of AGTL's projected revenues in the medium term come from the export markets and majorly into health care and financial services industry. Any slowdown in the key export markets and/ or key user industries can have adversely impact on AGTL's cash flows jeopardizing AGTL's ability to service the extant debt obligations.
- **Exposure to risks relating to cyclical in commercial real estate leasing industry**
Real estate sector is highly cyclical in nature especially commercial real estate leasing industry. This could lead to fluctuations in cash inflows because of volatility in leasing revenues. This may impact the debt servicing ability of the company. AGTL will remain susceptible to the inherent cyclical in the real estate sector.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Companies.](#)

[Criteria on assigning rating outlook.](#)

[Policy on Default Recognition and Post-Default Curing Period.](#)



Press Release

[Complexity Level of Rated Instruments/Facilities.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

Liquidity – Poor

AGTL's liquidity position is poor, as reflected by the ongoing delays in servicing debt obligations. For FY24 [refers to period from 01st April 2023 to 31st March 2024] AGTL's EBITDA was at negative level of Rs.13.18 crore as against interest payment of Rs.11.00 crore and CPLTD at Rs.0.08 crore.

About the Company

Athena Global Technologies Limited is a public limited company incorporated in India having its registered office at Hyderabad, Telangana. The Company is engaged in software development & consulting and real estate activities. Over the years, AGTL has evolved, earning ISO 9001 and ISMS 27000:1 certification for its design, development, and maintenance of application software. AGTL has also entered commercial leasing space through joint development agreement for developing fully built commercial real estate office property, viz., Phoenix Centaurus, situated in Financial District, Hyderabad with leasable area of - 20 lakh sq ft. with AGTL's share at ~ 5 lakh sq ft. AGTL is promoted by Mr. Satyendra Manchala who has more than three decades of experience in software development.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	9.80	9.71
EBITDA	-4.18	-13.18
PAT	-8.90	-22.20
Total Debt	74.87	85.39
Tangible Net Worth	-42.20	177.53
EBITDA Margin (%)	-42.71	-135.69
PAT Margin (%)	-77.09	-176.02
Overall Gearing Ratio (x)	-1.77	0.48
Interest Coverage (x)	-0.62	-1.20

* Classification as per Infomerics' standards.



Press Release

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in T-1 (2023-24)	Date(s) & Rating(s) assigned in T-2 (2022-23)	Date(s) & Rating(s) assigned in T-3 (2021-22)
1.	Proposed Non-Convertible Debentures (NCDs)	Long Term	150.00	IVR C/ Stable	-	-	-

Analytical Contacts:

Name: Mr. Amit Bhuwania

Tel: (022) 62396023

Email: abhswana@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR (Indicative)	Maturity Date (Indicative)	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed Non- Convertible Debentures (NCDs)	-	-	-Interest of INR 30 Cr to be paid upfront ("Upfront Interest") -First 12 months: 14% p.a. compounded monthly and payable at quarterly intervals -12-24 months: 6% p.a. compounded monthly and payable at quarterly intervals -Till After 24 months: 10% p.a. compounded monthly and payable at quarterly intervals	01 st November 2028	150.00	IVR C/ Stable

Annexure 2: Facility wise lender details (Hyperlink to be added): Not Applicable.



Press Release

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Particulars	Description				
ISIN	(Proposed)				
Nature of the Instrument	Senior, Secured, Listed, Redeemable, Non-Convertible Debentures ("NCDs") to be issued in one or more tranches				
Mode of Issue	Private Placement				
Debenture Trustee	Catalyst Trusteeship Limited				
Issuer/Company	Athena Global Technologies Ltd. ("AGTL")				
Issue Size	Up to INR 150 crore				
Series	To Be Decided (TBD)				
Seniority	Senior				
Issue Price	TBD				
No. Of Debentures	TBD				
Redemption Date	Bullet repayment on 1st November 2028				
Redemption Amount	Rs. 150 crore				
ROI / Coupon	<ul style="list-style-type: none"> • Interest to comprise of Cash Coupon and Additional Premium as follows and shall be computed on the basis of actual / actual convention: • Cash Coupon: <ul style="list-style-type: none"> • First 12 months: 14% p.a. compounded monthly and payable at quarterly intervals • 12-24 months: 6% p.a. compounded monthly and payable at quarterly intervals • Till After 24 months: 10% p.a. compounded monthly and payable at quarterly intervals • Interest till 1st November 2026 shall be collected one quarter in advance of the respective due date • Additional Premium: <ul style="list-style-type: none"> • Issuer shall pay such amounts as Additional Premium along with each redemption / prepayment installment such that the Investors receive not less than the following IRR on par value of NCDs: <table border="1" style="margin-left: 40px;"> <tbody> <tr> <td>For principal amount repaid / prepaid upto 18 months</td> <td>16.20%</td> </tr> <tr> <td>For principal amount repaid / prepaid after 18 months</td> <td>16.90%</td> </tr> </tbody> </table>	For principal amount repaid / prepaid upto 18 months	16.20%	For principal amount repaid / prepaid after 18 months	16.90%
For principal amount repaid / prepaid upto 18 months	16.20%				
For principal amount repaid / prepaid after 18 months	16.90%				



Press Release

Particulars	Description	
	months but upto 24 months	
	For principal amount repaid / prepaid after 24 months	17.80%
	is clarified that IRR does not include Upfront Fee, Additional Fee, prepayment charges, Default Interest, Make Whole Amount etc.	
ISRA	Upfront ISRA of INR 30 Cr to be created upfront will only be allowed to be invested in fixed deposit with the escrow bank wherein the Investors shall have a lien on these fixed deposits	
Number of Debentures	TBD	
Mandatory Prepayment	<ul style="list-style-type: none"> • Mandatory prepayment shall be made by the Issuer, if required by the Investors, upon: <ul style="list-style-type: none"> a) as required under the Cash Sweep and Escrow mechanism (detailed below) b) any disposal or encumbrance created by the Promoter on the shares of the Issuer c) any disposal or encumbrance created by the promoter group on the shares of the Issuer which results in dilution of the promoter group holding below 51% in the Issuer (on fully diluted basis) or change in management control of the Issuer d) Equity Event e) receipt of Insurance Proceeds by the Issuer f) Any LRD debt raised on the Mortgaged Property • Prior notice of 30 days to be provided to the Investors before occurrence of a mandatory prepayment event, wherever applicable • Mandatory prepayment shall be made within 3 days of occurrence of the above events and such amount shall be deposited in the escrow account • No prepayment charges shall be applicable on 	



Press Release

Particulars	Description
	<p>mandatory prepayments Notice requirements for the Mandatory Prepayment events to be detailed in the Transaction Documents</p>
Cash Sweep and Escrow Mechanism	<ul style="list-style-type: none">• All Debenture Amounts shall be mandatorily deposited in an escrow account exclusively charged to Debenture Trustee ("Issuer Escrow") to be utilised for the Purpose and in accordance with the Escrow Agreement• Following receipts shall be deposited directly in an escrow account exclusively charged to Debenture Trustee ("Collections Escrow")<ul style="list-style-type: none">○ All operating cash flows from the Mortgaged Property, inter alia including, lease rentals, security deposits etc. ("Cash Receipts")○ Any LRD debt raised on the Mortgaged Property○ Proceeds from monetisation of any units of the Mortgaged Property• Cash Receipts in the Collections Escrow shall be applied in the following manner:<ul style="list-style-type: none">○ Till 12 months from the Effective Date: (a) any over dues with respect to the Facility payable by the Issuer to the Investors, (b) payment of property tax and insurance premium on the Owner's Share in the Project (c) payment of brokerage (equivalent to not more than 3 months of lease rentals) for facilitating the lease (d) towards creation of ISRA (whether due to be created or not) (e) and balance amount for business requirements of the Issuer○ After 12 months from Effective Date: towards (a) any overdues on the Facility,○ (b) accumulation of amount for payment of interest for the next scheduled quarterly interest payment date, (c) payment of property tax and insurance premium on the Owner's Share in the Project, (d) payment of brokerage (equivalent to not more than 3 months of lease rentals) for facilitating the lease, (e) towards creation of ISRA, and (f) mandatory prepayment of the Facility at



Press Release

Particulars	Description
	<p>the option of the Investors along with the accrued returns and other dues thereon</p> <ul style="list-style-type: none"> • Any LRD debt raised against the Mortgaged Property or proceeds from monetisation of the Mortgaged Property shall be utilized as follows: <ul style="list-style-type: none"> ◦ clearing any overdues on the Facility for prepayment of the Facility if such amount is sufficient for repayment of entire Facility (along with returns thereon and other dues); otherwise, the amount shall first be utilized to create ISRA for aggregate of 6 months of coupon and balance amount shall be utilized for prepayment of the Facility
<p>Security (Indicative only, to be provided in detail in Transaction Documents)</p>	<p>The Facility shall be secured by:</p> <ul style="list-style-type: none"> • Exclusive mortgage over 4,37,671.42 sq ft of commercial office space owned by the Issuer in the Project comprising all of entire 14th, 15th and 17th floors and Block B of 16th floor (“Mortgaged Property”) • Exclusive charge over all lease rentals, receivables, security deposits etc. (both present and future) from the Mortgaged Property • Exclusive charge over the ISRA and balances therein • Exclusive charge over the Issuer Escrow and Collections Escrow and balances therein Personal Guarantee of the Personal Guarantor (along with accrued returns and other dues thereon) prepayments herein shall be at the option of the Investors
<p>Financial Covenants (Indicative only, to be provided in detail in Transaction Documents)</p>	<ul style="list-style-type: none"> • Cash flows (including but not limited to lease rentals, security deposits, LRD debt raise etc.) from the Owner’s Share in the Project (other than Mortgaged Property) shall be utilized as follows: <ul style="list-style-type: none"> ◦ First, towards meeting the debt servicing obligation of the lender to whom such property may be mortgaged and payment of brokerage (equivalent to not more than 3 months of lease rentals) for facilitating the lease ◦ Second, towards clearing any overdues on the Facility



Press Release

Particulars	Description
	<ul style="list-style-type: none"> ○ Third, towards creation of ISRA on the Facility ○ Fourth, towards mandatory prepayment of the Facility (at the option of the Investors) in case of a subsisting event of default ○ Fifth, balance cash flows can be used by the Issuer for its business requirements <p>Principal, Interest and other amounts payable shall be funded into the Issuer Escrow at least 2 calendar days prior to the due date for such payment.</p>
<p>Event of Default (Indicative only, to be provided in detail in Transaction Documents)</p>	<p>Event of Default will be specifically defined in the Transaction Documents and shall be standard to a transaction of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • A delay in payment of principal, interest or any other amount due under the Transaction Documents on the relevant due date • Non-creation / top up / perfection of Security within the stipulated time frame, as applicable • Failure to top up the ISRA within stipulated timelines • Breach of any of the financial covenants and/or operational covenants (as specified in the Transaction Documents) during (i) two consecutive quarters or (ii) any four quarters during the entire tenor of the Facility • Failure to adhere to the Leasing Framework • Failure to timely comply with the consequences of not meeting any Leasing Milestones • Borrowing other than Permitted Indebtedness as set out under the Transaction Documents • Termination of material agreements (inter alia including any lease agreement for any unit(s) in the Owner's Share) or amendment of constitutional documents of the Obligors without the prior approval of the Investors • The appointment of a receiver in respect of the whole or any part of the property of the Obligors • Cross-default: Default under the financing documents entered by Obligors <p>Breach of representations and warranties; misrepresentation, wilful default or fraudulent act, unlawfulness; bankruptcy, insolvency, Judgments,</p>



Press Release

Particulars	Description
	<p data-bbox="655 416 1374 517">Creditors' Process, moratorium, expropriation, illegality of or by the Obligors (or their assets, as the case may be)</p> <ul data-bbox="568 528 1374 1617" style="list-style-type: none"><li data-bbox="568 528 1198 562">• Repudiation of the Transaction Documents<li data-bbox="568 573 879 607">• Security in jeopardy<li data-bbox="568 618 1246 674">• Any information given by the Obligors which is misleading or incorrect in any respect<li data-bbox="568 685 1374 786">• (a) Any litigation or (b) an adverse order issued by a court, statutory authority or government body, which may have a material adverse effect on the Facility<li data-bbox="568 797 1374 987">• Failure to furnish proof of payment of TDS (challan copies) within statutory timelines or failure to furnish proof of filing TDS return within statutory timelines or failure to provide the TDS certificates issued in the name of Investors within statutory timelines<li data-bbox="568 999 1374 1099">• any failure by the Obligors to observe any of the covenants (including conditions set forth in the Transaction Documents)<li data-bbox="568 1111 1374 1144">• Breach/invalidity of Material Contracts or Authorisations<li data-bbox="568 1155 1302 1189">• Failure to list the NCDs within prescribed timelines<li data-bbox="568 1200 1246 1234">• Delisting or suspension of trading of the NCDs<li data-bbox="568 1245 927 1279">• Material adverse effect<li data-bbox="568 1290 1374 1368">• Any materially adverse qualification by the auditors regarding financial statements of the Issuer<li data-bbox="568 1379 1374 1525">• Any action/investigation initiated by any regulatory body including the Serious Fraud Investigation Office and CVC against the Obligors or any anti-graft investigations/actions<li data-bbox="568 1536 1374 1617">• Any other Event of defaults as may be set out in the Transaction Documents.

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.