ZAGGLE/25-26/169

March 05, 2026

To **Listing Department** NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400 051, Maharashtra **Company Symbol: ZAGGLE**	To **The Corporate Relations Department** BSE LIMITED Phiroz Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai -400 001, Maharashtra **Company Scrip Code: 543985**

Dear Sir / Madam,

Sub: Intimation of Credit Rating by CARE Ratings Limited

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, this is to inform you that CARE Ratings Limited has reaffirmed the rating assigned to bank facilities of Zaggle Prepaid Ocean Services Limited:

Facilities	Amount (Rs. in Crores)	Rating Action	Rating
Long-term bank facilities	100.00	Reaffirmed	Care A-; Stable

Press Release for rating received from CARE Ratings Limited is attached.

The above information is also available on the website of the Company at https://ir.zaggle.in/wp-content/uploads/2026/03/credit-rating-march-2026.pdf

Kindly take the same on record and disseminate on your website.

Thanking you

Yours faithfully,

***For* Zaggle Prepaid Ocean Services Limited**

Hari Priya

Digitally signed by Hari Priya
Date: 2026.03.05 15:28:51 +05'30'

Hari Priya
Company Secretary and Compliance Officer

Encl.: As above

Zaggle Prepaid Ocean Services Limited

March 04, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	100.00	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to bank facilities of Zaggle Prepaid Ocean Services Limited (Zaggle) derives strength from its established market presence in the digital expense management solutions space, robust growth in scale of operations supported by growing user base and customers spanning diverse industry segments. The rating also factors the company's strong partnerships with network partners, diverse revenue profile comprising income from interchange fee, reward points redemption besides revenue from software products, and comfortable financial risk profile with strong liquidity position and debt coverage metrics. However, the rating continues to remain constrained considering moderate profitability margin primarily due to high revenue contribution from reward point redemptions, which are essentially pass through, risk associated with acquisition led growth and expansion into new geographies, although the company undertakes robust due diligence to ensure that such ventures are margin accretive for Zaggle. Other key concerns include the competitive landscape, regulatory risks, and continued dependence on third-party network partners.

The company provides spend management solutions to its corporate customers through a unified platform that integrates employee benefits, expense management, accounts payable and personal finance tools into a streamlined dashboard for corporate administrators and a user-friendly mobile application for corporate employees and their ecosystem partners. The company has three major streams of revenue, propel platform revenue (PPR), programme fee revenue (PFR), and SaaS fee revenue (SFR). The company has ~3,700 corporate customers with over 3.5 million platform users.

The company's business operations are closely linked with banking partners, whose activities are governed by Reserve Bank of India (RBI) regulations. Adverse change in regulatory framework, policies, or directives issued by the RBI could have an indirect impact on the company's business, cash flows, operational performance, and financial condition.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations, accompanied by sustained improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin to above 10%.
- Notable improvement in overall gearing to below 0.02x, and sustained return on capital employed (ROCE) of over 25%.

Negative factors

- Significant decline in revenue or profitability by over 20% on a year-on-year basis.
- Sharp increase in debt levels leading to a deterioration in the company's solvency position.
- Notable deterioration in the liquidity position.
- Adverse regulatory changes hampering the company's operations.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the company to benefit from steady revenue growth, healthy financial risk profile, and well-established relationships with its customers.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Established market presence in the digital expense management solutions space

The company provides expense management solutions to its corporate customers through a unified platform that integrates employee benefits, expense management, accounts payable, and personal finance tools into a streamlined dashboard for corporate administrators and a mobile application for corporate employees and their ecosystem partners. The company has three major streams of revenue, PPR, PFR, and SFR.

Under PPR, the company generates revenue by monetising 'Propel Points', which are reward points calculated, issued and redeemed on the Propel platform. PFR primarily consists of Zaggle's portion of interchange fees, which are spend-based fees that its banking partners earn for the transactions carried out by prepaid card users at an offline and/or online merchant points of sale. SFR is fees from periodic subscriptions from its customers for software usage provided by Zaggle. The company has over 3,700 corporate customers with over 3.5 million platform users.

Robust growth in scale of operations supported by growing user base

The company's total operating income (TOI) exhibited consistent growth in the last five years, rising from ₹239.97 crore in FY21 to ₹371.26 crore in FY22, ₹553.46 crore in FY23, ₹775.60 crore in FY24, and further to ₹1,302.65 crore in FY25. This growth has been primarily driven by a significant expansion in the user base. In 9MFY26 alone, the company added ~256 new clients, enhancing visibility in its deal pipeline and opening new growth opportunities across traditional banks, fintech companies, and building societies. The company's corporate customers have shown a significant growth with 1,092 in FY21 to ~3,700 customers at the end of September 2025. User base increased from 0.9 million in FY21 to over 3.5 million by the end of September 2025. The churn rate remained below 1.5% in FY25.

Customers spanning diverse industry segments and strong partnerships with network partners

Zaggle primarily offers SaaS-based solutions across a wide range of industry verticals, including banking and financial services, technology, healthcare, manufacturing, fast-moving consumer goods (FMCG), infrastructure, and the automobile sector. The company has established strong relationships with well-known brands across the industries mentioned above. A notable portion of Zaggle's clientele comprises entities with strong financial profiles, resulting in a low level of counterparty credit risk. Its client mix includes top-tier general purpose credit card issuers, insurers, investment firms, corporates, and players from the small and medium-sized business (SMB) segment. Recent notable client additions include companies from Banking, Financial Services, and Insurance (BFSI) and consumer durable industries, further reinforcing the company's market reach and credibility. The company collaborates with all major networks, including VISA, MasterCard, and RuPay in India. It partners with leading banks across the country, ensuring seamless access to all networks.

Comfortable capital structure and debt coverage indicators

The company's debt profile primarily comprises working capital borrowings and term loans. Capital structure remains comfortable, with an overall gearing of 0.01x as on March 31, 2025, significantly improved from 0.15x as on March 31, 2024. Total debt to gross cash accruals (TD/GCA) also improved to a comfortable 0.16x as on March 31, 2025, compared to 1.67x a year earlier. Total outside liabilities to tangible net worth (TOL/TNW) stood at 0.05x as on March 31, 2025, against 0.22x in the previous year. The company's interest coverage ratio (PBILDT/Interest) improved markedly to 15.09x in FY25 from 5.15x in FY24, reflecting enhanced debt servicing capability. Improvement in financial metrics was driven by the reduction in total debt due to repayment of term loans, increase in net worth supported by higher profitability and retained earnings, and fresh equity inflow through qualified institutional placements (QIP) in H2FY25.

Key weaknesses

Moderate profitability

Compared to other IT firms, Zaggle operates with relatively lower profitability margins owing to its business model, which includes sale of redemption points for rewards, incentives, and interchange fees, activities that are primarily transactional or pass-through in nature. The company has maintained healthy PBILDT margins (excluding non-operating income) in the range of 8–10% in the last three financial years, even in turbulent periods, affecting some of its key customer segments. This resilience is attributed to its strong client relationships and its omni-channel offerings, which integrate payment instruments, a mobile application, and API-based solutions, enabling stable and recurring revenue streams. Despite an increase in TOI, PBILDT margin marginally declined from 9.10% in FY24 to 8.85% in FY25, due to increased operational costs. However, the profit after tax (PAT) margin improved from 5.68% in FY24 to 6.72% in FY25, supported by an increase in non-operating income to ₹24.51 crore from interest earnings and a reduction in finance costs due to term loan repayments and lower utilisation of working capital limits.

Risk associated with acquisition led growth and expansion into new geographies

The company is in the process of acquiring entities in the spend management space, with a policy of such entities that provides company with expansion of product offerings, supporting profitability and enhancing its geographical footprint. Such inorganic growth poses various risks, including challenges in integration, unforeseen expenses or hidden liabilities, and potential legal issues, which may have an adverse impact on its projected cash accruals.

Dependence on third-party payment networks and service providers

Zaggle and its banking partners rely on third-party payment networks to process transactions made through business credit cards and prepaid cards. Banking partners earn spend-based fees from these transactions at online and offline outlets, and under contractual arrangements, a portion of these fees is shared with Zaggle. The company also earns business development incentives from its partnerships with Payment Networks. Changes in the applicable regulatory framework could lead payment networks to impose additional requirements on banking partners and/or the company, potentially affecting their ability to offer the full range of services. If banking partners are unable to maintain strong relationships with these networks, it could materially impact Zaggle's business, financial position, and operational performance. The company also depends on third-party service providers for critical functions such as transaction processing, logistics, and customer support. Disruption in these services, whether due to operational challenges, financial distress, outages, security incidents, or a deterioration in the relationship, could result in increased costs, service delays, regulatory penalties, or reputational risk. Zaggle has been steadily expanding its customer base and has made strategic acquisitions such as TaxSpanner, Mobileware, and Greenedge Enterprises, which are expected to mitigate these operational and dependency-related risks.

Susceptibility to regulatory risks

Zaggle's business operations are closely linked with banking partners, whose activities are governed by RBI regulations. Adverse changes in the regulatory framework, policies, or directives issued by the RBI could have a negative impact on the company's business, cash flows, operational performance, and financial condition. For example, RBI regulations have already capped interchange fees on debit card transactions, and similar limits could potentially be extended to prepaid cards in the future. Given that a significant share of Zaggle's revenue is derived from the issuance of prepaid cards for rewards and incentives through its banking and business partners, the company remains exposed to regulatory risk in this segment. However, Zaggle has been actively diversifying its product portfolio, mitigating the concentration risk and reducing its dependence on single revenue streams.

Liquidity: Adequate

The company's liquidity position is adequate, supported by healthy cash accruals relative to its modest debt repayment obligations. Debt service coverage ratio (DSCR) is expected to remain comfortable and well above unity from FY26–FY28. With a gearing ratio below unity, the company has sufficient headroom to raise additional debt, if required. Average utilisation of working capital limits stood at 41.55% for 12 months ended December 31, 2025, supported by a strong current ratio of 19.78x as on March 31, 2025. Zaggle also maintains a robust cash and liquid investment balance of over ₹508 crore as on December 31, 2025. In H2FY25, the company received approval to launch a ₹950 crore QIP, out of which gross proceeds of ~₹595 crore has been raised. The net proceeds of ~₹575 crore are intended to be utilised towards debt repayment, strategic expansion, acquisitions, and general corporate purposes.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Environmental: Zaggle strives to reduce carbon footprint by using AI, cloud, and minimising paper and hardware waste. The company works towards reducing energy intensity arising from every unit of revenue generated at its facilities.

Social: Zaggle promotes equality, offers insurance and parental benefits, ensures safe workplaces, and achieved 100% post leave employee retention in FY25.

Governance: The company has three independent directors in the Board of total seven directors. In FY25, 10 Board meetings were held, and the gap between any two consecutive meetings did not exceed the period prescribed under the Act and SEBI (LODR) Regulations, 2015.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	IT - services	IT-enabled services

Incorporated in 2011, Zaggle is a digital expenses management solutions company offering a diversified suite of spend management and SaaS-based solutions. The company has issued over 50 million prepaid cards in partnership with banks and currently serves a user base of over 3.5 million. Zaggle's platform enables configurable partner onboarding and automated workflows for spend tracking and reconciliation, contributing to strong customer retention. The company began by catering to corporate clients with prepaid instruments for rewards and incentives and has since expanded through channel partnerships and a broader sales network. Its client base spans multiple sectors, including banking, technology, healthcare, manufacturing, FMCG, infrastructure, and automotive, reflecting a well-diversified and stable operating profile.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	775.60	1,302.65	1,260.10
PBILDT*	70.59	115.23	125.73
Profit after tax (PAT)	44.02	87.48	95.08
Overall gearing (x)	0.15	0.01	NA
Interest coverage (x)	5.15	15.09	NA

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	100.00	CARE A-; Stable

Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	100.00	CARE A-; Stable	1)CARE A-; Stable (16-Jul-25)	-	-	-

LT: Long term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Karthik Raj K Director **CARE Ratings Limited** Phone: +91-80- 4662 5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Niraj Thorat Assistant Director **CARE Ratings Limited** Phone: 914040102030 E-mail: Niraj.Thorat@careedge.in Bhushanreddy Ankilla Lead Analyst **CARE Ratings Limited** E-mail: Bhushanreddy.ankilla@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com.

For detailed Rating Report and subscription information, please visit www.careratings.com