

Delphi World Money Limited (Revised)
(erstwhile EbixCash World Money India Limited)

December 17, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	25.00	CARE BB+; Stable	Downgraded from CARE BBB- and removed from Rating Watch with Negative Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision of the rating for Delphi World Money Limited (DWML) takes into account the company's increasing exposure to financially weak group entities in the form of inter corporate deposits (ICDs) and DWML's weakening scale and profitability. DWML being in inward remittances and foreign exchange (forex) business also remains exposed to credit and market risks. The ratings, however, continue to factor in DWML's long track record in the forex dealer business and comfortable capital structure during FY24. Further, the ratings take into account the change in the ultimate parent of the company.

Rating watch with negative implications is resolved as Ebix Inc. (previous ultimate parent of DWML) came out of the bankruptcy post its acquisition by Eraaya Lifespaces Limited in the current fiscal.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained scale up in operations while following strong corporate governance practices
- Significant improvement in profitability

Negative factors

- Any further increase in fund outflow to group entities.
- Any regulatory policies or actions restricting the business activities
- Deterioration in profitability and capital structure leading to gearing beyond 1x

Analytical approach:

Standalone credit profile of DWML along with DWML's linkages with various entities of the Ebix group.

Outlook: Stable

The 'stable' outlook reflects CARE Ratings' expectation of stable operational and financial performance of the company on account of its established presence in the foreign exchange market.

Detailed description of the key rating drivers:

Key strengths

Leading forex dealer with a strong domestic franchise and long track record of operations

With a long track record of 20 years, DWML is one of India's leading forex dealers with presence across retail and wholesale segments of the market. Under the money changing business, the company is involved in purchase & sale of foreign currency notes and prepaid foreign currency travel debit cards. Under the inward remittance business, the company is one of the largest principal agents of Western Union Money Transfer (WUMT) for its remittance business. Under the WUMT business, DWML ranks second in

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

terms of business volumes in India and first in terms of branch network (incl. sub agent network) across the world. DWML's business volumes under both money changing and money transfer businesses are supported by its strong domestic franchise.

Ebixcash World Money Ltd (ECWML) and DWML have a combined branch strength of 190 branches. These include branches in all major airports in India as well as covering majority tier 1 and tier 2 cities. They have exclusive agreements with major international airports.

Key weaknesses

High exposure to group companies in the form of ICDs

The company continues to have a high exposure towards its group companies. The exposure is in the form of ICD which stood at Rs. 163.74 crore as on March 31, 2024 and further increased to Rs. 185.25 crore as on September 30, 2024. Additionally, there is a payable ICD of Rs. 4.75 crore. These exposures are towards its group entities namely, Ebix Travels Pvt Ltd, Ebix Smartclass Educational Services Pvt Ltd and EbixCash Financial Technologies Pvt. Ltd. As informed by the management, as on November 26, 2024, the company had ICDs outstanding only toward two group companies namely Ebix Travels Pvt Ltd and Ebix Smartclass Educational Services Pvt Ltd.

Weakening profitability profile

During the first half of FY25, the company's total income and profitability have declined significantly on account of decline in revenue from education segment, resulting in a PAT of Rs. 3.74 crore on a total income of Rs. 34.30 crore, compared to a PAT of Rs. 8.42 crore on a total income of Rs. 38.90 crore in H1FY24. For FY24, the company achieved a PAT of Rs. 15.19 crore on a total income of Rs. 74.43 crore, compared to a PAT of Rs. 15.04 crore on a total income of Rs. 78.07 crore in FY23.

Moderate credit risk & market risk

DWML carries counterparty risk in the money changing business in case of corporate clients and other money changers. Majority of the revenue i.e. 65% is contributed by bulk segment while retail segment contributes around 23%. The remaining is contributed by the corporate segment where the company has a payment cycle of around 15-20 days, however this risk is mitigated to some extent as DWML extends credit selectively and only to entities which have proven track record of payments. As of September 30, 2024, out of total debtors of Rs. 44.92 crore, debtors worth Rs. 23.61 crore were in 0-30 days buckets while only Rs. 0.07 crore were in 31-60 days buckets and there were no debtors in 60-90 days buckets and Rs. 21.25 crores (47.30% of total debtors) in the above 180 days bucket.

The company faces currency risk as the nature of DWML's business requires the company to carry stock of foreign currency on a daily basis. As per discussion with the management, the company has 100% confirmed orders for physical trades and 70% for export trades. The physical trades are usually in the nature of back-to-back trades. The remaining risk is however managed through centralized risk management system which enables real time monitoring of currency position across branches as well as hedging mechanism of DWML by taking forward cover on currency exposures. The company's treasury team monitors the currency price movement along with the team of dealers and mark to market positions on a real time basis across the branches which are centrally linked and covers the positions in the event of unfavourable currency movements.

Liquidity: Adequate

DWML's liquidity remained adequate marked by 10.5% utilization of working capital limits as on September 30, 2024. On March 31, 2024, DWML's had no utilization of working capital limits. The company utilizes CC/WCDL limit of Rs. 10 crores which are completely backed by fixed deposit as per requirement. Besides this the company has maintained unencumbered cash and bank balances of Rs. 13.99 crore as on September 30, 2024.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Other Financial Services

DWML, incorporated in August 1997, is a RBI-licensed Authorised Dealer (AD) Category II-Money Changer. DWML was earlier a part of the Weizmann group, which is engaged in textile processing and exports, money changing and money transfer activities, import/export payment solutions, power generation from renewable energy, etc. It commenced its business activities in April 2000, following the demerger of money-changing and money-transfer activities carried on by Weizmann Ltd. DWML currently offers services of 1) money changer; 2) principal agents for leading remittance services companies; 3) distribution of third-party financial products and other travel and tourism-related services. In January 2019, Ebix Cash World Money Limited (ECWML), along with Ebix Asia Holdings Inc and Ebix Inc, acquired 74.84% stake from its existing promoter and promoter group entities. As of September 2024, ECWML held 75% stake in DWML while the remaining is held by the public shareholders.

Brief Financials (Rs. crore)	31-03-2023 (A)	31-03-2024 (A)	30-09-2024 (UA)
Total income	99.52	97.10	39.15
PAT	15.04	15.19	3.74
Interest coverage (times)	11.08	11.16	4.35
Total Assets	301.45	320.06	330.92
Tangible Net Worth*	201.78	217.52	219.74
ROTA (%)	5.03	4.89	2.26

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

*Net of intangible assets and deferred tax assets (DTA);

All ratios are as per CARE Ratings Limited's calculations.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

Complexity level of various 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 along with Rating Outlook
Fund-based-Long Term		-	-	-	10.00	CARE BB+; Stable
Fund-based-Long Term-Proposed		-	-	-	15.00	CARE BB+; 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based-Long Term	LT	25.00	CARE BB+; Stable	-	1)CARE BBB- (RWN) (21-Dec-23)	1)CARE BBB+; Stable (07-Nov-22) 2)CARE A-; Stable (06-Apr-22)	-
2	Non-fund-based-Short Term	ST	-	-	-	1)Withdrawn (21-Dec-23) 2)CARE A3 (21-Dec-23)	1)CARE A2 (07-Nov-22) 2)CARE A2 (06-Apr-22)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short 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-Long Term	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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

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About us:

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