January 8, 2026

IGT Solutions Pvt. Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/short-term - Fund based/non-fund based limits	40.0	40.0	[ICRA]A (Stable)/ [ICRA]A1; reaffirmed
Total	**40.0**	**40.0**	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmation of ratings for IGT Solutions Pvt. Ltd. (IGTS) factors in the company's established operational track record in the business process outsourcing (BPO) and IT services industry, supported by strong geographical diversification. The entity has a client base of reputed companies, mainly in the travel, technology, and hospitality domain. The company enjoys strong financial flexibility from its strong parentage, with EQT Private Capital Asia (EQT). Over the years, its revenue rose at a compounded annual growth rate (CAGR) of 14.5% over FY2021-FY2025, supported by increasing wallet share with key customers, addition of service capabilities and healthy repeat revenues. Moreover, IGTS' financial profile remains healthy, marked by steady cash flow generation, comfortable capital structure and liquidity position, and expected sustenance of the same over the near-to-medium term. While the company reported a modest revenue growth in FY2025, led by some reduction in demand from key customers due to lower discretionary spending in the industry, it remains focused on expanding its delivery presence and investing in digital capabilities, which, coupled with recently executed acquisitions is expected to support future revenue growth.

In July 2025, IGTS completed the acquisition of a carved-out business of back-office services of the Europe-based technology services firm, Connections Consult S.A. for a consideration of EUR 4.5 million. ICRA further notes the company's recent announcement of the acquisition of the UK-based specialised IT services firm, Yexle Limited for a consideration of $14-17 million (subject to earn-out clauses) in December 2025 and expected to be completed over the next few weeks. These investments are expected to strengthen its service presence in Europe and the UK regions along with enhancing the service capabilities and specialised technological services for its existing customers. These acquisitions have been completely funded through existing internal cash flows and available surplus liquidity. ICRA understands that the company will continue to scout for acquisitions as part of its inorganic growth strategy and impact of these on the credit profile of the company will be evaluated on a case-to-case basis.

The ratings are, however, constrained by the sizeable upstreaming of funds to shareholders in FY2025, which is expected to continue in the future. Further, IGTS is exposed to moderate client and sectoral concentration risks, as its top five customers are concentrated in the travel and hospitality industry and accounted for 45-50% of its revenue in the past two years. However, the company is actively focusing on diversifying into other sectors such as e-gaming, AI-based digital services, financial services and content moderation, which provides some comfort. Moreover, its profitability remains exposed to continual wage increase and high attrition rates prevalent in the industry. Also, given its vast geographical presence with sales in foreign currency to global customers, its revenues are also exposed to fluctuations in foreign exchange (forex) prices. However, the risk is mitigated to an extent owing to a selective hedging policy.

The Stable outlook on the long-term rating reflects ICRA's opinion that IGTS will maintain a healthy credit profile, supported by its established business profile, long relationships with its key clients and growing delivery footprint.

Key rating drivers and their description

Credit strengths

Long and established track record in the BPO industry – Incorporated in 1998, IGTS provides BPO and IT services across the world, primarily in the travel and hospitality domain. The major portion of its revenue is derived from BPO services, with a share of 91% in recent years. Its customer base includes various leading players in the travel, e-commerce, internet, consumer and hospitality domains. Its relationships with some of its clients are for over 15 years, leading to healthy repeat revenues over the years.

Reputed client base – IGTS has a reputed client base that includes top entities from the travel and aviation industry like United Airlines, Emirates, Lufthansa, Expedia, Agoda, Marriott, and Radisson, among others. Its relationships with some of its key clients are for over decades, supported by a long operational track record, leading to recurring revenues and increasing market share over the years. While its client base is mainly dominated by reputed players from the travel industry (about 90% revenue historically), IGTS has diversified into e-commerce, gaming, fast moving consumer goods (FMCG), financial services and retail segments in the recent years.

Global delivery footprint – IGTS has a global delivery footprint with over 30 delivery centres, spread across 13 countries, and serviced by about 23,000 employees as of September 2025. Over the past two fiscals, it has set up new delivery centres in various markets such as South Africa, Egypt, Vietnam, and Romania, among others, supporting its revenue growth. The US market continues to account for 51% of its revenues (FY2025); however, the share from other geographies continues to grow gradually for the company.

Strong financial risk profile and healthy liquidity position – IGTS continues to maintain its strong financial risk profile, marked by healthy cash accruals, comfortable capital structure and strong debt coverage indicators. Its capital structure remains strong with no external debt (except lease liabilities) on the balance sheet as on March 31, 2025. The compulsorily convertible debentures of Rs. 153.4 crore as on March 31, 2024, got converted to equity in FY2025, enhancing its capital structure. Steady operating profits and limited reliance on external debt led to further improvement of its coverage metrics with total debt/OPBDITA and interest coverage ratio at 0.3 times and 19.9 times, respectively, in FY2025 (1.2 times and 17.1 times, respectively, in FY2024). Also, its liquidity position has remained healthy, marked by sizeable cash and cash equivalents (Rs. 125 crore as on June 30, 2025) and cushion in the form of undrawn bank lines. Going forward, the company is expected to generate healthy cash flows, which, coupled with no material increase in its debt levels, is likely to support its credit profile.

Credit challenges

Significant upstreaming of funds to shareholders – During FY2025, IGTS upstreamed Rs. 324 crore (about $40 million) to its parent and is likely to continue to upstream about $10 million on a quarterly basis to its parent, going forward as well. Despite the same, IGTS' liquidity profile is expected to remain comfortable, aided by strong cash flow generation. ICRA also understands that this payout will be contingent on the company's future financial performance and not a contractual obligation. However, any higher-than-anticipated upstreaming of funds or any debt-funded inorganic acquisitions in the future will remain a key monitorable.

Exposure to high attrition, continuous wage increases, and forex risks inherent in IT services and BPO industry – As the company is operating in the BPO and IT services industry, which is characterised by continual wage increases and high attrition rates, its profitability remains exposed to fluctuations in hiring/training costs for its employees. Further, IGTS has presence across geographies with revenues denominated in dollar terms, exposing it to forex risks. However, it hedges 75% of its receivables in India using forward contracts.

Client and sectoral concentration risks – IGTS' revenues are exposed to moderate sectoral and client concentration risks as its top five customers accounted for 45-50% of its revenues in the recent fiscals. However, its established presence in the industry, coupled with its long relationships with key clients mitigate the risk to an extent. Moreover, the diversification of segmental revenue by adding new customers in the e-commerce, AI, gaming and content moderation, FMCG and financial services space over the recent fiscals provides comfort.

Liquidity position: Strong

IGTS' liquidity position is strong, supported by strong cash flow generation, healthy unencumbered cash and cash equivalents of Rs. 125 crore as on June 30, 2025 (on a consolidated basis), and cushion available in the form of unutilised fund-based working capital limits of about Rs. 15 crore as on June 30, 2025. IGTS is likely to incur capex of Rs. 100-115 crore per annum towards existing and new delivery centres in the coming fiscals, which is expected to be funded by internal accruals. Moreover, there has been significant upstreaming of funds to the parent in the past, which is likely to continue going forward. Despite the same, its liquidity profile is expected to remain comfortable, supported by strong cash flow generation. Nonetheless, any material outflow towards incremental acquisitions and its impact on the company's liquidity profile will remain a key monitorable.

Rating sensitivities

Positive factors – ICRA could upgrade IGTS' ratings if it demonstrates a healthy growth in its revenues and accruals, in addition to maintaining strong debt coverage metrics and an adequate liquidity on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is a decline in IGTS' accruals and/or a stretch in the working capital intensity, which leads to a deterioration in its liquidity position. Further, a higher-than-expected upstreaming to the shareholders or any debt-funded inorganic acquisition, resulting in material deterioration in the credit metrics may also result in ratings downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT – Software & Services
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of IGTS. The consolidated entities are enlisted in Annexure-II.

About the company

Established in 1998, IGTS is a BPO, digital and technology services provider with major presence in the travel and hospitality domain. Its services include sales and customer service, order and logistics management, live chats, content management, robotic process automation, e-commerce support, IT consulting and DevOps, among others. The company has a large global delivery footprint through 30+ delivery centres across 13 countries, serviced through an employee base of about 23,000 experts. Given its long track record in the BPO and software solutions space, it enjoys established relationships with various reputed customers in the travel, e-commerce, and hospitality industries.

The Interglobe Group (Bhatia family) had been the shareholder till December 2018, following which its stake was sold to AION Capital Partners in FY2019. In May 2022, Baring Private Equity Asia (BPEA) acquired the majority stake of 85% in IGTS through a Dutch subsidiary. Subsequently, in October 2022, BPEA merged with EQT AB, a European investment firm, after which EQT Private Capital Asia (rebranded in January 2024) became IGTS' ultimate holding company.

Key financial indicators (audited)

IGTS – Consolidated	FY2024	FY2025	Q1 FY2026*
Operating income	2632.2	2664.0	682.7
PAT	77.7	180.4	38.6
OPBDIT/OI	12.2%	16.2%	13.8%
PAT/OI	3.0%	6.8%	5.6%
Total outside liabilities/Tangible net worth (times)	0.8	0.6	0.6
Total debt/OPBDIT (times)	1.2	0.6	0.7
Interest coverage (times)	17.1	19.9	16.3

*Source: Company, ICRA Research; *Result; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	January 8, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based/ Non-fund Based Limits	**Long-term/ Short-term**	**40.0**	**[ICRA]A (Stable)/ [ICRA]A1**	Oct 17, 2024	[ICRA]A (Stable)/ [ICRA]A1	Jul 27, 2023	[ICRA]A (Stable)/ [ICRA]A1	-	-
Unallocated	Long-term	-	-	-	-	Jul 27, 2023	[ICRA]A (Stable)	Apr 14, 2022	[ICRA]A- (Stable)
Fund-based – Unallocated	Long-term	-	-	-	-	-	-	Apr 06, 2022	[ICRA]A- (Stable)
Non-fund Based – Unallocated	Long-term	-	-	-	-	-	-	Apr 06, 2022	[ICRA]A- (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term, Fund-based/ Non-fund Based Limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based/ Non-fund Based Limits	-	-	-	40.00	[ICRA]A (Stable)/ [ICRA]A1

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	IGTS Ownership	Consolidation Approach
IGT Technologies Inc.	100.00%	Full Consolidation
IGT Technologies Philippines Inc	51.03%	Full Consolidation
IGT Services and Technologies FZ LLC	100.00%	Full Consolidation
IGT Information Technologies (Dalian) Co. Limited	100.00%	Full Consolidation
IGT Services and Technologies Colombia SAS	100.00%	Full Consolidation
IGT Services and Technologies S.R.L.	51.03%	Full Consolidation
IGT Services & Technologies KL SDN. BHD.	51.03%	Full Consolidation
Techno IGT Solutions Spain SL.	100.00%	Full Consolidation
IGT Solutions South Africa (PTY) Ltd.	100.00%	Full Consolidation
PT IGT Solutions Indonesia	51.03%	Full Consolidation
IGT Solutions Egypt	100.00%	Full Consolidation
IGT Solutions Vietnam Company Limited	100.00%	Full Consolidation

Source: IGTS annual report FY2025

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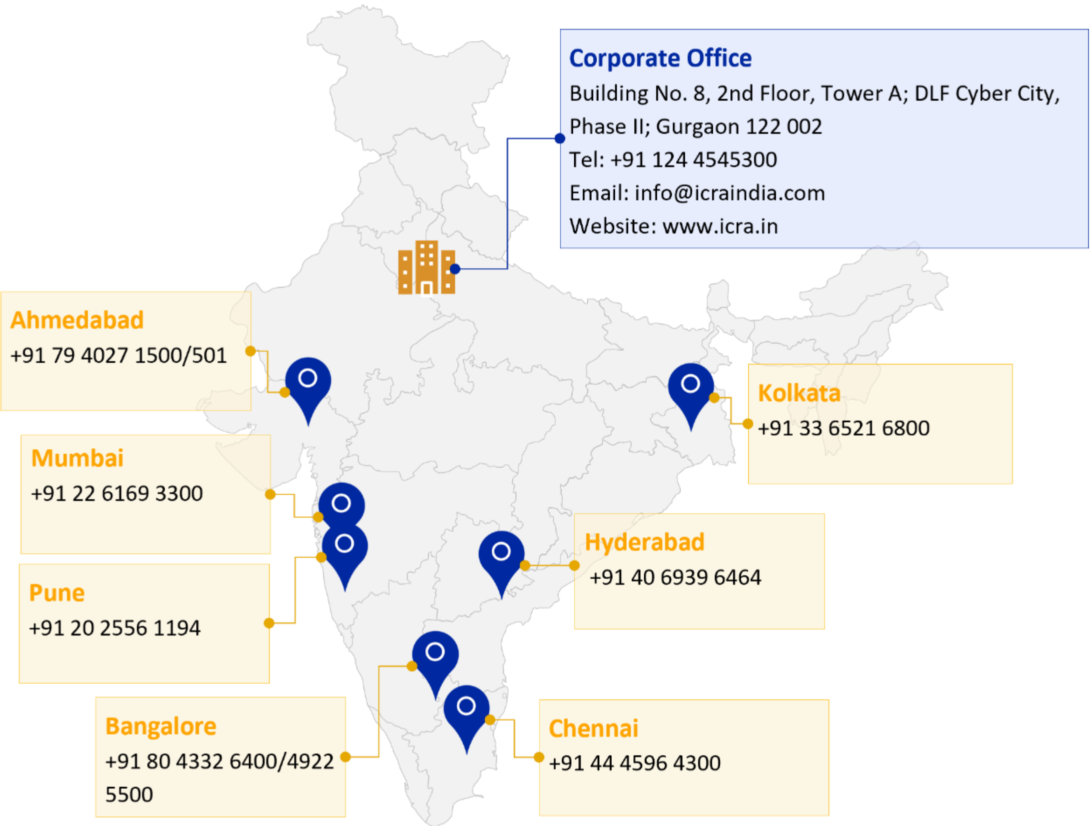

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