

ICRA/Indium Software (India) Private Limited/21092026/1

Date: September 21, 2026

Mr. Arvind V

Senior Vice President

Indium Software (India) Private Limited,

No. 64, "Ganesh Chambers",

Eldams Road, Teynampet,

Chennai – 600018

Dear Sir,

Re: ICRA's Credit Rating for below mentioned Instruments of Indium Software (India) Private Limited

As per the Rating Agreement/Statement of Work executed with ICRA Limited, ICRA's Rating Committee has taken the following rating actions for the mentioned instruments of your company.

Instrument	Rated Amount (Rs. crore)	Rating Action ¹	Financial Sector Regulator [#]
Non-Convertible Debentures	168.00	[ICRA]A- (Negative); Reaffirmed with a revision outlook to Negative from Stable	SEBI
Total	168.00		

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Once the instrument is issued, the rating is valid throughout the life of the captioned programme until withdrawn. However, ICRA reserves the right to review and/or, revise the above rating(s) at any time based on new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the rating(s). Therefore, request the lenders and investors to visit ICRA website at www.icra.in for latest rating(s) of the company.

The rating is specific to the terms and conditions of the instruments as indicated to us by you, and any change in the terms or size of the same would require a review of the rating(s) by us. In case there is any change in the terms and conditions or the size of the rated instrument, the same must be brought to our notice before the instrument is used by you. In the event such changes occur after the rating(s) have been assigned by us and their use has been confirmed by you, the rating(s) would be subject to our review, following which there could be a change in the rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the instrument from that specified in this letter, would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The rating assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated NCD availed/issued by your company.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

ICRA Limited

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In line with SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/160 dated November 18, 2024, issuers are encouraged to utilize the penny-drop verification service as provided by banks. This measure is intended to prevent payment failures when disbursing principal and/or interest to respective investors or debenture holders.

Penny-drop verification serves as an efficient method for confirming the bank account details of persons designated to receive payments. Once an account has been verified through this facility, it can be used for subsequent transactions related to interest and principal payments, thereby ensuring successful remittance and avoiding failure.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

SUJOY SAHA

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+05'30'

Sujoy Saha

Vice President

sujoy.saha@icraindia.com

September 22, 2026

Indium Software (India) Private Limited: Rating reaffirmed; outlook revised to Negative

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator [#]
Non-Convertible Debentures	168.00	168.00	[ICRA]A-(Negative); reaffirmed with a revision in outlook to Negative from Stable	SEBI
Total	168.00	168.00		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The revision in the outlook on the long-term rating to Negative reflects a material increase in Indium Software (India) Private Limited's (Indium) obligation towards the acquisition of the residual 47.7% stake in Experion Technologies (India) Private Limited (Experion), which is scheduled in July 2027. The expected payout has increased materially and is currently estimated at around Rs. 650 crore against earlier expectations of around Rs. 450 crore as of September 2025. This is driven by the stronger-than-anticipated performance of Experion and the depreciation of the INR against the USD. The payout remains linked to Experion's performance and exchange-rate movements and could, therefore, vary further from the current estimate. ICRA expects a material increase in the company's leverage and moderation in debt protection metrics over the medium term as the acquisition is expected to be largely funded through incremental debt. The company's consolidated total debt/OPBDITA stood at 1.3 times in FY2026, which could potentially increase beyond 3.0 times in FY2028 due to the additional debt envisaged, however, is likely to moderate subsequently, as per ICRA's estimates. The final payout, funding mix and the resultant impact on the company's capital structure, coverage indicators and liquidity profile will remain key rating monitorables. Further, any sizeable debt-funded inorganic expansion beyond the proposed stake acquisition could exert additional pressure on the company's credit profile.

However, the rating continues to draw comfort from Indium's experienced management, established position in the digital engineering and technology services business, diversified service offerings across product and application engineering, data analytics, quality engineering and gaming services, and its demonstrated track record of healthy revenue growth. Indium's consolidated operating income increased by around 70% to Rs. 1,176.5 crore in FY2026 from Rs. 692.4 crore in FY2025, supported by healthy organic growth and the full-year consolidation of Experion, which was acquired in Q3 FY2025. The acquisition has materially strengthened the company's scale, diversified its customer profile, expanded its presence across industry verticals such as manufacturing, transportation and automotive and enhanced its geographic reach through increased exposure to markets such as Japan and Australia. Moreover, the acquisition has provided cross-selling opportunities across the combined customer base. ICRA expects a healthy mid-to-high teen growth in the company's consolidated revenues in the medium term, aided by a significant orderbook position. The rating also draws comfort from the improvement in Indium's operating profit margin to 16.4% in FY2026 from 13.2% in FY2025 and its healthy cash flow from operations.

The rating remains constrained by Indium's moderate scale of operations compared to larger domestic IT services companies and its exposure to geographic and client concentration risks. The US market accounted for around 83% of revenues in FY2026, while the top five customers contributed around 43% of revenues in FY2026, exposing the company to macroeconomic and geopolitical developments in its key market and any material reduction in business from large customers on the back of the artificial intelligence (AI) led disruptions being witnessed in the sector. However, the client concentration risk is partly mitigated by established relationships with key customers and a high share of repeat business. The company also faces stiff competition

from other prominent players in the IT services industry, limiting its pricing flexibility. Further, the company operates in an intensely competitive industry, which limits its pricing flexibility to an extent. Indium also remains exposed to challenges associated with the acquisition and retention of skilled manpower, as reflected in its relatively high employee attrition rate of 28.6% in FY2026.

ICRA notes that the increasing adoption of Generative AI presents both opportunities and challenges for IT services companies. While AI-driven productivity gains may exert pressure on pricing in some traditional services, they are also expected to create opportunities in AI deployment, data modernisation, digital and consulting services. Indium's investments in such capabilities, proprietary platforms and workforce upskilling are expected to support its competitiveness, operational efficiency, as well as long-term growth.

The Negative outlook on the long-term rating factors in ICRA's expectation of a moderation in the credit metrics due to the sizeable debt-funded payout towards the balance stake acquisition in Experion in FY2028. Nevertheless, the company is expected to continue benefiting from its diversified service portfolio, expanding scale and healthy profitability, supporting steady growth in earnings.

Key rating drivers and their description

Credit strengths

Experienced management - Indium was founded by Mr. Vijayshankar Balaji and Mr. Ramchander Sukumar, who are actively involved in the day-to-day management. The promoters have over 25 years of extensive experience in the IT services industry. In January 2024, EQT Private Capital, through its Asia Mid-market Growth Fund, acquired 75.91% ownership in Indium (75.8% as on March 31, 2026) by purchasing the entire shareholding of the erstwhile private equity partner and a stake from the founder promoters via Sundri BV. Mr. Basab Pradhan, the current Chairman of the board, has more than 30 years of experience in the IT sector. EQT also provides technical and strategic guidance to Indium.

Diversified presence across various service lines and verticals - Indium offers various services related to digital solutions, quality engineering, and game testing and development (including animation). Within digital solutions, services include product and application engineering, data analytics, cloud computing, data mining, artificial intelligence, machine learning (AI & ML), and digital assurance. Digital solutions contributed around 70% of Indium's revenues in FY2026, quality engineering contributed around 22%, while game testing and development accounted for around 8%. Indium's clientele spans various industry verticals, including telecommunications, media and technology (TMT), manufacturing and consumer services (MCS), banking and financial services (BFSI), healthcare and life sciences (HLS), and gaming. In November 2024, the company completed the acquisition of a 52.3% stake in Experion and gained access to new geographies, service verticals and end-user industries, besides cross-selling its existing services.

Healthy revenue growth and earnings profile; comfortable order book position provides revenue visibility - Indium's consolidated revenues increased from Rs. 130.5 crore in FY2021 to Rs. 1,176.5 crore in FY2026, reflecting a CAGR of around 55% over five years, largely driven by growth in its digital solutions portfolio, including AI-related services. This growth has surpassed industry averages, although ICRA notes the relatively moderate revenue base of Indium. The order book remains comfortable (executable through FY2027), providing adequate revenue visibility. Further, Indium's operating profit margin improved to 16.4% in FY2026 from 13.2% in FY2025, and the company's earnings profile is likely to remain healthy going forward.

Credit challenges

Relatively moderate scale of operations with exposure to geographical and client concentration risks - Indium's scale of operations remains moderate compared to larger domestic IT services companies, thereby restricting its pricing flexibility and margins. Moreover, in line with trends in the IT services industry, Indium derives a significant portion of its revenues from the US (which accounted for 83% of its revenues in FY2026), exposing the company's revenues and earnings to structural and region-specific challenges. Indium also remains exposed to macroeconomic uncertainties and any adverse regulatory or

legislative changes in its key operating markets. Further, Indium derived around 43% of its revenues from its top five customers, exposing it to client concentration risks. However, the company has long-standing relationships with its customers, and its client base comprises reputed multinational companies.

High attrition rates and exposure to other industry specific challenges like intense competition - As a highly labour-intensive business, the availability and retention of a skilled workforce continue to be a key challenge. Indium reported an attrition rate of 28.6% in FY2026, which is relatively higher than that of other industry players. Indium's revenue and profit margin also remain susceptible to demand fluctuations and a decline in discretionary spending in the intensely competitive IT services industry.

Likely increase in borrowings for residual stake acquisition in Experion to negatively impact credit metrics in the medium term - On November 14, 2024, Indium acquired a 52.3% equity stake in Experion for a cash consideration of around Rs. 226 crore, which was funded through NCDs of Rs. 168 crore, while the balance was funded through internal accruals. In accordance with the terms of the shareholders' agreement, the non-controlling shareholders hold a put option to sell their remaining 47.7% equity interest to the holding company which is scheduled in July 2027. The payout towards the same remains linked to Experion's performance. Accordingly, the estimated fair value of the option currently stands at Rs. 650 crore, rising from Rs. 450 crore as of March 2025 and Rs. 226 crore at the time of the initial stake acquisition, driven by improvement in Experion's performance and movements in exchange rates (as the payout is \$-denominated). As the acquisition is expected to be funded largely through incremental debt, ICRA expects a material increase in the company's leverage and moderation in debt protection metrics over the medium term. The final payout, funding mix and the resultant impact on the company's capital structure, coverage indicators and liquidity profile will remain key rating monitorables.

Liquidity position: Adequate

Indium's liquidity position is adequate, backed by healthy cash and liquid investment balances and expected healthy cash generation. The company had free cash, bank balances and fixed deposits of Rs. 122.3 crore as on March 31, 2026, in addition to liquid investments of Rs. 68.8 crore. Cash flow from operations is estimated to be in the range of Rs. 125-135 crore in FY2027 vis-à-vis a limited term debt repayment obligation of only Rs. 0.7 crore (excluding leases) and maintenance capex requirements of Rs. 10-15 crore during the year. The liquidity profile is further aided by the availability of unutilised bank lines, with average utilisation of its sanctioned working capital limits of Rs. 45.5 crore remaining moderate at 52% during April 2025 to May 2026 and an unutilised amount of around Rs. 32 crore as on May 31, 2026. The sizeable payout for the acquisition of the minority stake in Experion in FY2028 would be largely funded by debt, resulting in an increase in debt service obligations going forward. Nevertheless, the company's healthy cash and liquid investment portfolio would continue to provide liquidity headroom. ICRA also understands that the cash outlay towards any such further acquisition is likely to be spread over multiple years; however, the size and funding pattern of such inorganic expansion will remain monitorable.

Rating sensitivities

Positive factors – The outlook could be revised to Stable in the event of completion of the acquisition of the residual stake in Experion without any further material increase in the cash outlay for the same, while maintaining the consolidated leverage and debt protection metrics commensurate with the current rating level. This, coupled with demonstration of a significant improvement in the scale of operations, aided by expansion of the clientele and service portfolio, along with healthy profit margins and liquidity position on a sustained basis, could lead to a rating upgrade.

Negative factors – Indium's rating may be downgraded if the quantum and funding pattern of the payout towards the residual stake acquisition in Experion lead to a significant deterioration in the company's credit metrics. Besides, a significant decline in earnings and/or further sizeable debt-funded acquisitions could also exert pressure on the rating. Specific credit metrics that could lead to a downgrade include total debt (including lease liabilities) vis-à-vis operating profit (before depreciation, amortisation, interest and tax) exceeding 2.3 times on a sustained basis.

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 Indium Software (India) Private Limited. Refer to Annexure II for the list of entities considered for consolidation.

About the company

Indium is a digital engineering company focused on building modern solutions across application, data and gaming verticals for its clients. Indium offers a wide range of services, including product and application engineering, low-code development, data engineering, artificial intelligence and machine learning, digital assurance, and end-to-end gaming services. Indium's headquarters are located in Teynampet, Chennai (Tamil Nadu). The company has 13 offices across India, including in cities such as Pune, Hyderabad, Bengaluru and Chennai, with international offices in the US, London and Singapore. Indium has two wholly owned subsidiaries, Indium Software Inc., based in the US and catering to the US and Canadian markets, and Indium Software Pte. Ltd., which caters to the rest of the world, except India (catered to by the Indian entity, ISIPL). Also, Indium acquired a 52.3% equity stake in Experion Technologies (India) Private Limited on November 14, 2024.

Key financial indicators (audited)

Indium (Consolidated)	FY2025	FY2026
Operating income	692.4	1,176.5
PAT	9.0	-133.6
OPBDITA/OI	13.2%	16.4%
PAT/OI	1.3%	-11.4%
Total outside liabilities/Tangible net worth (times)	1.4	3.2
Total debt/OPBDITA (times)	2.5	1.3
Interest coverage (times)	8.9	8.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sep 22, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
NCD	Long-term	168.00	[ICRA]A- (Negative)	Sep 22, 2025	[ICRA]A- (Stable)	Sep 23, 2024	[ICRA]A- (Stable)	-	-
NCD	Long-term	42.00	-	Sep 22, 2025	[ICRA]A- (Stable); reaffirmed	Sep 23, 2024	[ICRA]A- (Stable)	-	-

and
withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Non-Convertible Debentures	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	Financial Sector Regulator [#]
INE04ZW07019	Non-Convertible Debentures	Nov 7, 2024	8.8%	Nov 7, 2029	168.00	[ICRA]A- (Negative)	SEBI

Source: Company

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[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Indium Software INC, USA	100.00%	Full Consolidation
Indium Software Pte Ltd, Singapore	100.00%	Full Consolidation
Experion Technologies (India) Private Limited	52.30%	Full Consolidation

Source: Company data

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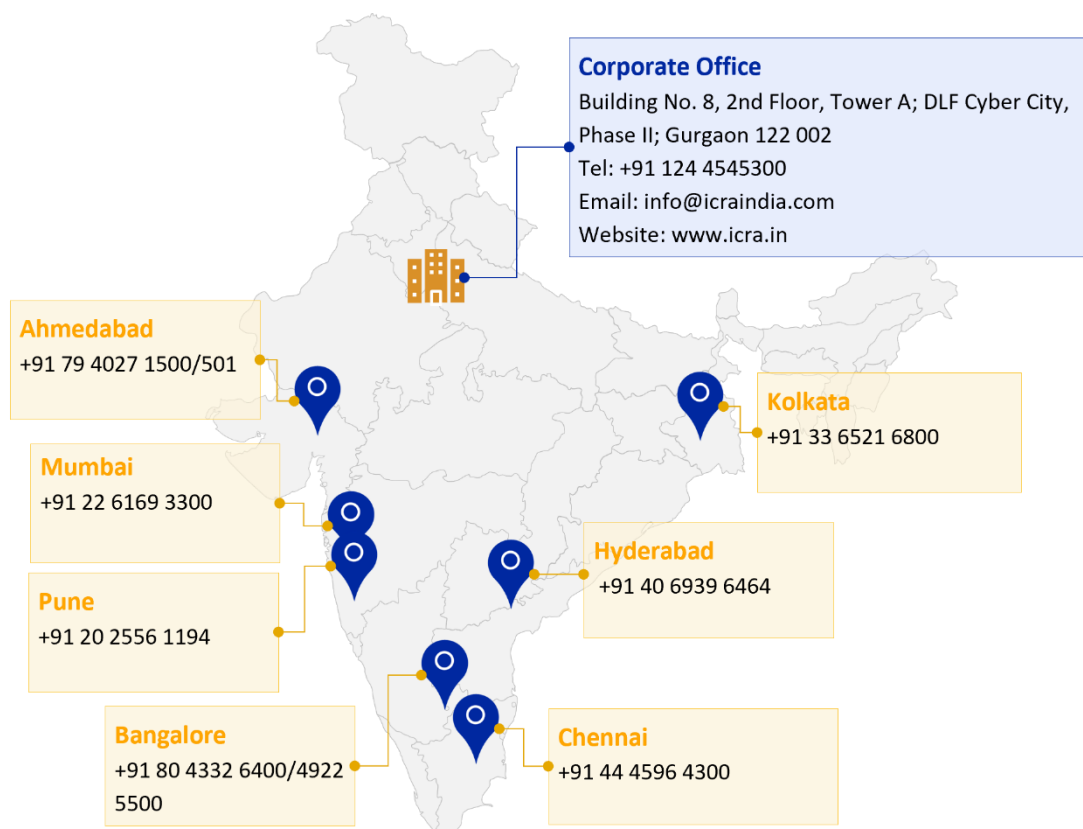
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Branches



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