

September 22, 2025

Indium Software (India) Private Limited: Rating reaffirmed for Rs. 168 crore and reaffirmed and withdrawn for Rs. 42 crore

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-Convertible Debentures	168.00	168.00	[ICRA]A-(Stable); reaffirmed
Non-Convertible Debentures	42.00	0.00	[ICRA]A-(Stable); reaffirmed and withdrawn
Total	210.00	168.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation favourably factors in Indium Software (India) Private Limited's (Indium) experienced management and a diverse presence across various service and industry verticals. Driven by its focus on digital solutions and services, Indium continues to witness a healthy revenue growth, surpassing the industry growth. In November 2024, the company also completed the acquisition of 52.3% of Experion Technologies (India) Private Limited (Experion) and has gained access to new geographies, service verticals and end-user industries, besides cross selling its existing services. The company's order book position also remains healthy, providing strong revenue visibility for FY2026.

The financial profile of the company however, moderated in FY2025 following the debt-funded acquisition of 52.3% stake in Experion. The company's operating profits, also, declined in FY2025, due to necessary investments towards employee additions and consultants. The OPMs improved to 16.2% in Q1 FY2026, though further improvement in the same remains dependant on the realisation of the anticipated synergies from the acquisition of Experion. The same remains critical for the improvement in the debt coverage indicators as well. ICRA also notes that the Indium has the option to buy the remaining 47.7% stake in Experion in July 2027. This could involve a potential payout of Rs. 450 crore, subject to Experion achieving the agreed upon milestones. The exact quantum of the same and its funding pattern would be a key monitorable.

Although Indium's scale of operations has grown at a healthy rate, it remains moderate compared to larger domestic IT players. Furthermore, the company's revenues are heavily concentrated in the US market (which accounted for around 83% of revenues in FY2025), followed by India, Rest of the World markets and Europe, exposing it to macroeconomic uncertainties in such key geographies. The company also faces stiff competition from other prominent players in the global IT services industry, limiting its pricing flexibility. Additionally, industry participants, including Indium, continue to face challenges such as foreign currency fluctuations and talent acquisition and retention, as evidenced by its high employee attrition rates.

The stable outlook on the long-term rating factors in ICRA's opinion that Indium will continue to witness healthy revenue growth, supported by its focus on expanding its digital solutions portfolio. This, coupled with moderate operating profit margins, should adequately support its debt coverage indicators over the medium term.

ICRA has also reaffirmed and withdrawn the rating for Rs. 42 crore of NCD as the company has issued NCD of Rs. 168 crore as against the previous rated limits of Rs. 210 crore.

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 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, 2025) by purchasing the entire shareholding of the erstwhile private equity partner and some 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 technical services related to digital engineering solutions, quality assurance, and game testing and development (including animation). Within digital engineering, services include application engineering, cloud computing, data analytics, data mining, artificial intelligence, machine learning (AI & ML), and digital assurance. Digital engineering solutions contributed to around 60% of Indium's revenues in FY2025, quality assurance services contributed around 28%, while game testing and development accounted for around 12%. Indium's clientele spans various industry verticals, including digital natives (technology), manufacturing and consumer services, banking and financial services, healthcare, and gaming. In November 2024, the company also completed the acquisition of 52.3% of Experion and has gained access to new geographies, service verticals and end-user industries, besides cross selling its existing services.

Healthy revenue growth witnessed over last three years; healthy order book position provides revenue visibility - Indium's consolidated revenues increased from Rs. 103.1 crore in FY2020 to Rs. 692.4 crore in FY2025, reflecting a CAGR of 46% over five years, largely driven by growth in its digital solutions portfolio. This growth has surpassed industry averages, although ICRA notes the relatively small revenue base of Indium. The order book remains strong (executable through FY2026), providing adequate revenue visibility. ICRA notes the decline in operating profit margins to 13.2% in FY2025 due to necessary investments in workforce expansion and expenses incurred in relation to the acquisition. However, the company's operating profits have increased in Q1 FY2026 to 16.2% led by higher profitability in Experion and cost control measures. ICRA notes that further improvement in the same remains dependant on the realisation of the anticipated synergies from the acquisition of Experion.

Credit challenges

Moderation in financial profile - The financial profile of the company moderated in FY2025 following the debt-funded acquisition of 52.3% stake in Experion. The acquisition involved a cash consideration of Rs. 226.1 crore, which was partly funded by non-convertible debentures of Rs. 168.0 crore. Coupled with a decline in operating profitability, this led to an increase in the total debt vis-à-vis operating profit before interest, depreciation and tax to 2.5 times as on March 31, 2025, vis-à-vis 0.4 times as on March 31, 2024. Also, the interest cover declined to 8.9 times in FY2025 from 25.5 times in FY2024. ICRA also notes that the Indium has the option to buy the remaining 47.7% stake in Experion in July 2027. This could involve a potential payout of Rs. 450 crore, subject to Experion achieving the agreed upon milestones. The exact quantum of the same and its funding pattern would be a key monitorable.

Relatively moderate scale of operations and exposure to geographical and client concentration risk - Indium's scale of operations remains moderate compared to some large domestic IT players, thereby restricting its pricing flexibility and margins. Moreover, in line with trends in the global IT services industry, Indium derives a significant portion of its revenues from the US (which accounted for 83% of its revenues in FY2025), followed by India (at 9%), rest of the world (5%) and Europe (3%) in FY2025. This exposes the company's revenues and earnings to the structural and region-specific challenges in the US and other nations. Indium also remains exposed to macroeconomic uncertainties and any adverse regulatory/ legislative changes in its key operating markets of the US, Europe and the rest of the world. Further, Indium derived around 48% of its revenues from top five customers exposing it to client concentration risks. However, Indium has long standing relationships with its customers and its client base comprises of reputed multinational companies.

High attrition rates; exposure to other industry specific challenges like intense competition, forex risk - As a highly labour-intensive business, the availability and retention of a skilled workforce continue to be a key challenge. Indium reported a 24.2% attrition level in FY2025, which is relatively higher than other industry players. Indium's revenue and profit margin also remain susceptible to demand fluctuations and declines in discretionary spending in the intensely competitive IT services industry. Moreover, its revenues and margins are also exposed to forex risks as revenues are derived from the international market. However, the company's hedging mechanisms mitigate this risk to a large extent.

Liquidity position: Adequate

The company's liquidity position is adequate with free cash and bank balance of Rs. 67.3 crore and fixed deposits of Rs. 12.3 crore as on June 30, 2025. Additionally, Indium has liquid and other investments (in debentures, mutual funds and REITs) of Rs. 46.1 crore as on June 30, 2025. Furthermore, Indium has sanctioned cash credit limit of Rs. 45.5 crore with average utilisation of 60% from April 2024 to March 2025. The company has term debt repayment obligations of Rs. 0.4 crore in FY2026 and no major capital expenditure capex plans. Maintenance capex is estimated to be around Rs. 10 crore per annum which will be funded by internal accruals.

Rating sensitivities

Positive factors – The rating could be upgraded if the company demonstrates significant improvement in its scale of business along with healthy sustained profit margins and liquidity position.

Negative factors – Pressure on Indium's rating could arise in case of a significant decline in revenues and profits and/or additional sizeable debt-funded acquisitions that could significantly impact its financial profile and liquidity position. Specific credit metrics that could lead to a downgrade include total debt (including lease liability) vis-à-vis operating profit (before depreciation, 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 Policy On Withdrawal Of Credit Rating
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 fast-growing digital engineering company, focused on building modern solutions across applications, data and gaming verticals for its clients. Indium offers a wide range of services, including product 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 (Tamilnadu). The company has 10 offices spread across India, including in cities such as Pune, Hyderabad, Bengaluru and Chennai, with international offices in US, London as well as in Singapore.

Indium has two wholly owned subsidiaries, Indium Software INC, based in US, catering to US and Canadian markets and Indium Software Pte Ltd, which caters to the rest of the world, except India (catered by the Indian entity, ISIPL). Also, Indium has acquired 52.3% equity shares of Experion Technologies (India) Private Limited on November 14, 2024.

Key financial indicators (audited)

Indium (Consolidated)	FY2024	FY2025
Operating income	466.8	692.4
PAT	2.9	9.0
OPBDIT/OI	18.2%	13.2%
PAT/OI	0.6%	1.3%
Total outside liabilities/Tangible net worth (times)	0.6	1.4
Total debt/OPBDIT (times)	0.4	2.5
Interest coverage (times)	25.5	8.9

Source: Company, ICRA Research; 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

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Sep 22, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
NCD	Long Term	168.00	[ICRA]A-(Stable)	Sep 23, 2024	[ICRA]A-(Stable)	-	-	-	-
NCD	Long Term	42.00	[ICRA]A-(Stable); reaffirmed and withdrawn	Sep 23, 2024	[ICRA]A-(Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term - Non-Convertible Debentures	Very 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
INE04ZW07019	Non-Convertible Debentures	Nov 7, 2024	8.8%	Nov 7, 2029	168.00	[ICRA]A- (Stable)
Yet to be Placed	Non-Convertible Debentures	NA	NA	NA	42.00	[ICRA]A- (Stable); reaffirmed and withdrawn

Source: Company

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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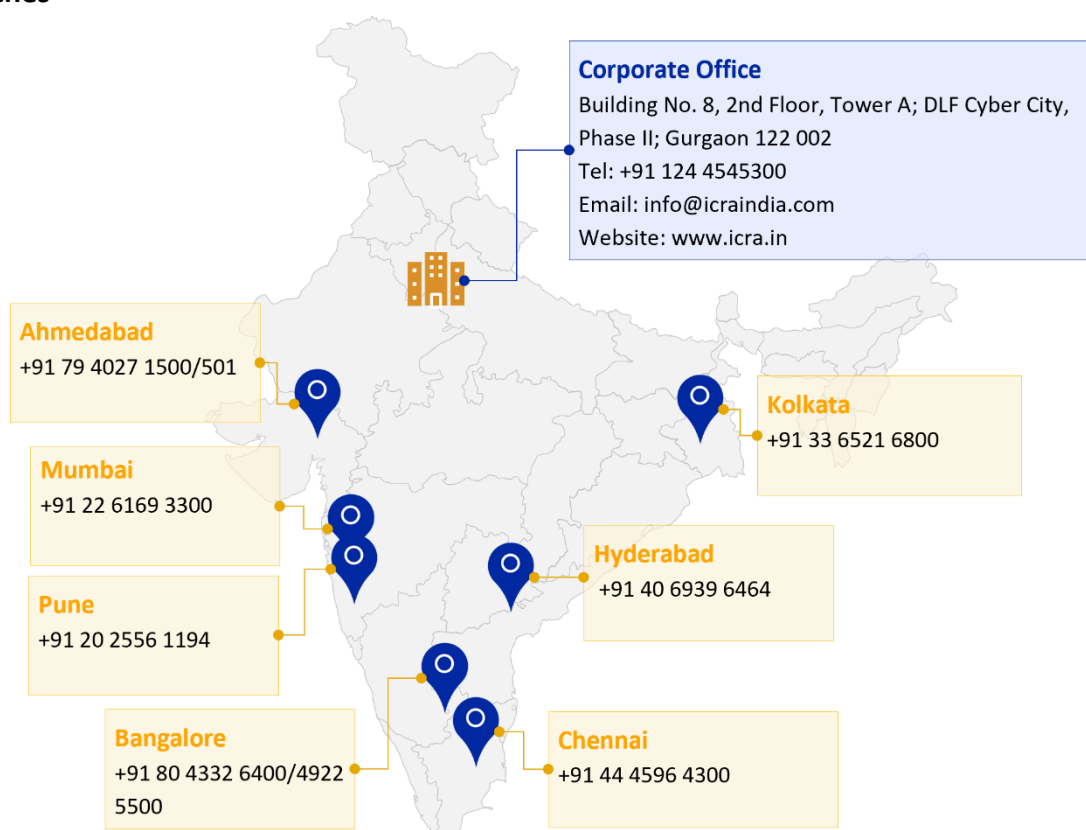
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