ICRA™
Insights that empower

November 11, 2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip Code: 532835

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051, India
Symbol: ICRA

Dear Sir/Madam,

Sub: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed transcript of "Q2 & HI FY27 Results" earnings call held on November 4, 2026.

We have uploaded the transcript on our website and the same can be accessed through the below URL:

https://www.icra.in/InvestorRelation/Index

Kindly take the above on record.

Regards,

Sincerely,

SYED SHAKEB RAHMAN Digitally signed by SYED SHAKEB RAHMAN Date: 2026.11.11 18:22:18 +05'30'

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As above

“ICRA Limited

Half Yearly FY27 Investor and Analyst Conference Call”

November 04, 2026

MANAGEMENT: **MR. RAMNATH KRISHNAN – MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER – ICRA LIMITED**
MR. VENKATESH VISWANATHAN – GROUP CHIEF FINANCIAL OFFICER – ICRA LIMITED
MR. L. SHIVAKUMAR – EXECUTIVE VICE PRESIDENT – BUSINESS DEVELOPMENT & CHIEF BUSINESS OFFICER AND CHIEF EXECUTIVE OFFICER, ICRA ESG RATINGS – ICRA LIMITED
MR. SHAILENDRA M – CHIEF EXECUTIVE OFFICER, ICRA ANALYTICS LIMITED
MR. K. RAVICHANDRAN – EXECUTIVE VICE PRESIDENT AND CHIEF RATING OFFICER – ICRA LIMITED

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Moderator: Ladies and gentlemen, good day, and welcome to the Half Yearly FY27 Conference Call hosted by the company, ICRA Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Joining us today from the management side, we have Mr. Ramnath Krishnan, Managing Director and Group CEO; Mr. Venkatesh Viswanathan, Group Chief Financial Officer; Mr. L. Shivakumar, EVP, Business Development and Chief Business Officer, ICRA Limited, and CEO, ICRA ESG Ratings; Mr. Shailendra M, CEO, ICRA Analytics Limited, to discuss the performance of the company, followed by a Q&A session.

Before we begin today's conference call, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve some risks and uncertainties. ICRA or any of its subsidiaries or the directors, officers or employees of ICRA shall have no liability whatsoever for any loss whatsoever arising from any forward-looking statement or use of the investor presentation or its contents or otherwise arising in connection with this conference call. With that, now I'd like to hand over the call to Mr. Ramnath Krishnan, Managing Director and Group CEO, ICRA Limited, to commence the proceedings. Thank you and over to you, sir.

Ramnath Krishnan: Thank you, moderator, and good evening, everyone. Thank you for attending this call. At the start, I would now like to mention that we have decided to adopt a slightly different approach to this call as opposed to taking you through the financial performance and the numbers and so on and so forth in detail, which I'm sure all of you would have seen from the investor presentation and from the press release that we issued last week.

We thought we will focus more on our strategic priorities and some of the deliverables that we have been working on and some of the deliverables that we will continue to work on. Just to set the clock back in January of 2022, management of ICRA presented five strategic priorities for the group that we have been working on, and we will continue to work on.

So these priorities have not changed. I'll take you through each one of these individually. The first one relates to our Ratings business. Our primary focus here was obviously to continue to grow the top line year after year and to expand our margins. And some of you might recall in 2020 and 2021, our margins in this business were actually quite subdued.

So these two were primarily deliverables for us. I mean, as you can expect, any strategic plan will have financial metrics articulated, which is naturally for our internal consumption and monitoring.

Now in the last 5 years, that is between FY21 and FY26, the Ratings business has generated revenue growth at 12.4% in CAGR. It grew from INR187 crores to INR336 crores in the 5

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years that ended March 2026. The operating margins in the Ratings business, which was at 20.8% in FY21, grew to 37.6% in FY26. That's an expansion of almost about 17% over a 5-year period. So, this was the first strategic priority for us.

The second strategic priority relates to the non-Ratings business, what we now refer to as the Risk & Analytics business. Here, of course, we had two deliverables. One was to increase the contribution of the Risk & Analytics business itself overall to the group revenues. This was roughly about a third of the group revenues 5 years ago at the present time, or at least as of FY26 end, this is 50%, so which is the sort of mix that we as a management team would like to have. This was one of the deliverables for us to rebalance our revenue portfolio, if you like. Within the Risk & Analytics business, we also wanted to actually work towards expanding our BankTech and CapTech verticals from a revenue standpoint. And from a contribution standpoint and reduce the predominance of the KnowTech business. Not to suggest that the KnowTech business was ever meant to scale down, but we wanted to increase the contribution of the BankTech and CapTech businesses. So this at the present time is roughly around 60:40 in terms of mix. The KnowTech business contributes about 60% to the Risk & Analytics business and 40% is contributed to by the other businesses. Growing revenues as far as the Risk & Analytics business again was a key imperative, and we have grown from INR 114.9 crores, which is what we were at 5 years before, and we closed FY26 at INR 313 crores. The other deliverable for us was to reduce the dominance of our anchor client from a revenue share standpoint. So that is now roughly at about 49%, compared with 80% of our KnowTech business 5 years ago.

From an overall group perspective, our revenues more than doubled in the last 5 years. Group revenues were at INR 301 crores in FY21, and this expanded to INR 646.9 crores at the end of FY26. So these two are the two main priorities as far as revenues are concerned. And as you can imagine, there are multiple levers that we have identified under these priorities, which we keep revisiting based on how the market evolves, but there are financial metrics which we track consistent with our strategic plan.

But all I can say with respect to the last 5 years is that we have delivered with respect to whatever expectations that we had set for ourselves and whatever we had actually discussed and agreed with the Board, in terms of growth, in terms of expansion in the operating margins, in terms of rebalancing our book from a revenue contribution standpoint and so on and so forth.

The third priority that we had set for ourselves was with respect to human resources. I mean, there were things that we had to do with respect to our reward mechanism, our talent management process, succession planning, etcetera, etcetera, etcetera. So, when I say rewards, both our fixed compensation, our variable pay and so on and so forth, training and development among other things. So, we've been looking at a number of things over the last 5 years, and this is an ongoing process, but human capital is an area that receives a lot of our attention as a management team.

The fourth pillar was technology. Till about 5 or 6 years ago, ICRA as a group did not have a large or an extremely well-established technology function. So, we hired a new CTO from the

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external market, about 5 or 6 years ago, to draw out the entire tech road map, if you like. We have been expanding our spends quite significantly in the technology space with a view to embedding both tech and AI agents targeted at enhancing client experience, productivity, controls and so on and so forth. So, this is, again, an ongoing journey, but we are at a pretty good place at the present time, and this is something that will keep evolving as we move forward.

Last but not least is inorganic growth. This is the fifth pillar that we had identified for ourselves. Just to set some context, I mean, as you know, Ratings is a regulated industry, regulated business. What we can do is entirely dictated by how the regulatory framework evolves. So we were very clear that we have to expand in the risk analytics space and some of this is being done through organic growth, but we were also very clear that we had to look at inorganic growth opportunities as well. Partly to use some of the liquidity that we typically sit on, but also to actually give us that in terms of growth itself. So as you know, there are two acquisitions that the group has made in the last few years. We started small. There is a deliberate call with D2K Technologies, and we made a more significant acquisition more recently that's Fintellix. Now there is a clearly agreed framework that we work with when we look at opportunities. There are opportunities that come our way very frequently from various sources. We evaluate them against the framework that we have. So, we look at adjacencies, we look at complementarity, we look at scale. We look at profitability, both at the present time and what we expect to see going forward. And once we are convinced that the basic parameters set in the framework are satisfied, we take that to the Board. And then once we get the approval, then we get into the other areas in terms of due diligence and so on and so forth before we make the final acquisition. And the performance of these organizations that we have acquired, naturally they're all monitored and tracked periodically by the management team and by the Board with the framework and with respect to also additional investments that we might have to make in certain products and certain platforms and so on and so forth. But this is an area, again, that will continue to receive our attention.

So just to summarize, the five pillars are: expand our Ratings business; expand our Risk & Analytics business as subset of this, rebalance our book to make sure that both the Ratings and the Risk & Analytics businesses continue to be significant players; human capital being the third pillar; fourth is technology and digital transformation; and fifth is inorganic growth.

So these pillars continue to remain the same. We don't expect any of this to change. But what we expect to change is certainly the approach that we might have to take to deliver on some of these imperatives, or some of the levers that we might have to use to deliver on some of these imperatives might have to be revisited or might have to change depending on how the market evolves.

Now at the present time, or at least it has been the case in the last year & year and a half, our focus has shifted as a management team quite significantly to the Risk & Analytics business. Now to take you through details of what our own approach is, what our strategy is with respect to this business as we move forward, I hand it over to Mr. Shailendra Mruthyunjayappa, CEO of our Risk & Analytics business. Over to you, Shailendra.

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Shailendra M.: Thanks, Ram. Hello to everybody. So in alignment with the group ICRA strategic pillars and priorities, within the R&A world, we have kind of started putting together our base. We started with ICRA Analytics, where bulk of the work that we were doing the kind of data analytics work for Moody's, which was our anchor customer. We had built some satellite offerings around asset management companies catering to their kind of investment intelligence and risk and regulatory compliances.

We had some offerings around banking risk, and we offered certain consulting services. With that as a foundation, over the last few years, we completed the acquisition of D2K, which brought with it larger capabilities around banking software, software engineering, and agile product development. D2K itself was a much smaller entity promoter run, but it kind of gave the base for us to start building out our products and with Fintellix, which was a larger, more scaled-out risk and regulatory provider, it brought with it technology, delivery capabilities, and a mature operating model that we could then integrate and build a base for us to grow and scale the Risk & Analytics business, with these two acquisitions complete in Q1 of the year, the integration has also been completed.

This has been a 9-month intense integration activity that we have undertaken. And as of end of September, we call that integration from an operational standpoint is complete. And now we are sitting on a base which will now start growing and expanding.

This integrated operating platform now is organized around three segments that we serve and deliver value to. One is what we call as knowledge technology, which is tech-enabled data and analytics services that we deliver to global enterprises. The second one is banking technology, these are risk, regulatory and supervisory solutions that we serve the banking and lending universe with. Then the capital markets or capital market technology, which are market data and valuation investment intelligence services and solutions that we cater to the capital markets.

The current way of operating is cutting across the legal entities more organized around these three divisions as we call them. And we are now integrated from a people, process and policy standpoint across all of these three and have created an integrated view of our products, have a single integrated product road map, and we have created a unified customer service organization to cater to all of our customers across the board.

There will be some further simplification and improvements to the model as we go along, one of them being kind of some legal entity simplifications. As we make progress around that, we will be informing the Board and the investors accordingly. In terms of how we are kind of progressing and building on this foundation that we have laid, how we are combining our capabilities and preparing for the future and repositioning ourselves as an organization.

I just want to quickly talk about that. We do come from very deep domain expertise around financial data analytics, ESG, and of course, the credit background gives us that the depth of institutional knowledge. Along with that, we have built some very critical data assets. We are looking to enhance that. We are looking to create a more complete data offering, and we look to

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add a lot more proprietary data assets on top of that which will lead to more analytical outcomes that we can deliver, more decision support that we can deliver for our customers.

Along with that, we are also significantly investing in technology and software platforms, as well as AI and agentic capabilities so that we are future-proofing our product portfolio and reshaping our business models for the future. And a combination of all of these three, we are looking to reposition ourselves as an intelligence as a service provider to be able to cater to risk requirements of enterprises, investment and kind of lending decisions within the banking, financial services, and capital markets.

Our growth opportunities within R&A and some of the key drivers that we look at and how we are looking to expand our capabilities and offerings. I just want to touch upon that. Number one, we are looking at how do we expand our offerings, how do we find adjacencies, how do we create a more complete set of offerings to kind of elevate ourselves to become an enterprise risk solution provider. Moving from providing point solutions on the credit value stream around some investment value stream, we are now beginning to look more holistically and want to become a more comprehensive provider of risk and analytics solutions. This should help us reposition ourselves as a kind of risk intelligence partner for some of the large financial institutions and global enterprises. So that is what we do and how we are trying to redefine what we do.

The second one is how we deliver value to our customers. We are, while we continue to make more investments around creating software products and data products, we believe the true value that we deliver to our customers will be with a combination of software and platforms, a combination of data and proprietary kind of models on top of it. And services and consulting, all brought together to essentially deliver business impact and outcomes for our customers and this is how we are relooking at how we deliver that value for our customers.

In terms of the longer-term objectives of kind of reshaping our offerings, being prepared for a more AI-centric world, we are looking to redefine our products, reshape our products to become more AI-enabled, to have more AI embedded capabilities, to become more AI-centric. And we are identifying select opportunities to kind of make those investments and build up our technology as well as people capabilities. This, I would say, is one of the most significant long-term strategic objectives of ours.

Along with that, we are looking to expand internationally. We have identified certain markets and certain opportunities, very specifically in Europe, the U.S and the Middle East. We will be looking to make both organic and inorganic opportunities possible for us.

So that's broadly what we are looking to achieve, and this is where we are going to be able to expand and grow. So I think that's broadly what I wanted to cover. With that, I want to hand it back to the moderator.

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Moderator: Thank you, sir. We will now begin with the question and answer session. We have the first question from the line of Kunal Thanvi from Banyan Tree Advisors.

Kunal Thanvi: So my one question was on Ram's initial comments about the transition from say, very high mix of Moody's and the mix of non-Rating going to 50%, which we have achieved in 5 years. But when we look at the, say, profit mix over the same period right, the profit mix for non-Rating has actually come down, which used to be like 50% in 2022. Now it has gone down to some 36%, assuming the half yearly profit run rate. So essentially, the question stems from the fact that while revenues have kind of contributed that way, but from a profitability point of view, how we think about it? Because it then stands down further to the IRR that we expect on these acquisitions that we have made, especially the Fintellix one.

So that's the first question. Yes. Two more questions. One is on the Ratings business. So Ratings business has grown slower than peers, and we have lost market share. So if you can just help us understand across the segments, what has happened? And the other one is on the non-Ratings business for the last couple of quarters.

It has been at roughly the same run rate of around INR80 crores. So just wanted to understand what is happening over there? And if you can distill this into the different businesses where is -- what parts are growing and if there are any segments that are also de-growing over here?

Ramnath Krishnan: Okay. So Ram here, and I'll try and let me take the first question first. When you talk about -- when you look at the margins in the Risk & Analytics business, you must also understand that there are three different or distinct product verticals within the Risk & Analytics business. One is Knowledge Tech which used to be the dominant business and relatively speaking, a higher margin-generating business earlier. And we've got BankTech and CapTech, other two businesses, which on a comparative basis have slightly lower margins. Now as the contribution of these two latter verticals actually increases to the top line, will the margin profile change? The answer is yes. From our perspective, it is also a function of ensuring that we have a fairly balanced book from a revenue standpoint and where we are not reliant on just one revenue stream. I think it's a more sustainable model for us to have. And therefore, it's a conscious call that we have taken.

Is the margin compression something that we were actually expecting to see as the revenue mix actually changes in the Risk & Analytics business? The answer is absolutely yes. Is this actually something that we have actually factored into our plans? And is this something which is included in our budget? The answer is absolutely yes.

Now as this mix changes, I mean, there will be some change in the margin profile as well, which is what we are seeing. So we are not surprised by it. We're not disturbed by it. It's consistent with what we were planning to do and consistent with what's there in our budgets as well. That's number one.

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Number two, the second question was with respect to the Ratings business. Now the Ratings business, I mean, this year in the first half of this year has grown by about 15.2%. You must understand that the Ratings business is also, our growth is also a function of, there are certain segments that we would like to actually have a larger share and it is also a function of, in some instances, how if a credit is actually duly rated, there could be timing differences. Some of the agency may have actually issued the release, let's say, in the previous quarter, we may have issued in the following quarter or some of them may have issued in the last quarter of the previous financial year, we may have in the first quarter of this financial year or vice versa.

So there will be some timing differences. So to compare quarter-on-quarter, we may not necessarily give you an accurate picture. Market share, to be very honest, we are conscious of tracking market share in the segments that we want to play in, okay? So I'll leave it at that. And we believe that in those segments where we want to be a significant player, we believe that we have a significant or a healthy market share. Have I answered all the three questions or is there anything that's left unanswered.

Kunal Thanvi: So just one question. On the non-Rating side, the quarterly revenue run rate has been around INR 80 crores since the acquisition, it has not moved. So if you can just decompose what is happening in the non-Rating side, like why is this segment not growing.

Venkatesh Viswanathan: Kunal, there are two parts to this. One is , as you know, that the dominant part of the business is KnowTech, which, as we have always maintained, this has shown a muted growth. The second part which we are talking about, is the BankTech business. Typically, we have seen in at least in the H1, there was some kind of moderation in sales but having said that, typically, H2 if you ask me, we have seen a better run rate. If you are comparing the H2 of last year with H1, typically, the H2s are better for these businesses. So we will have to wait for a full cycle to make a better comment there. And we hope that the H2 should be better.

Shailendra M.: Yes. And this is Shailendra here. Just to add, so the first quarter is where we have bulk of our renewals within the BankTech, right? And we have significant revenues, which are recurring or repeating in nature. And all of those usually come up for renewal in the first quarter. So the first quarter compared to previous year first quarter, we actually had a significant growth. And sequentially from Q1 to Q2, it will be muted. And like Venkat rightly pointed, we tend to see some growth coming through the next the second half of the year. And then again, there is opportunity for us to pump up when we get into Q1 of next financial year.

Moderator: We have the next question from the line of Balaji Subramanian from IIFL.

Balaji Subramanian: I actually have three questions, if I may. Two of them are on Rating. The last one is on non-Rating. So on Rating, we have seen bond yields going up and while the industry revenue growth has been healthy because of the surveillance volumes that have been strong for the last few quarters. How do you see it in case bond yields stay elevated and considering ICRA's relatively higher exposure to the bond rating market, is there a risk that we see a significant slowdown in

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Ratings revenue? That would be number one. I will come back once this is answered for the next two questions.

Ramnath Krishnan: See, in the first half of this year, Balaji, the bank credit has seen growth of about 21.4%. So I do acknowledge that bond yields have been elevated and therefore, bond issuances, in fact, if I recollect right, I mean the volumes have grown by about 3.7%, I think, in the first half of this year. But the bank credit growth has actually remained quite buoyant.

We expect the bank credit growth to be as buoyant in the second half as well, and that is what our view is. And to answer your question, I mean, do we expect similar credit growth to see in the second half, particularly through the bank credit segment, assuming that the bond yields are going to remain elevated and that the activity is going to be subdued? The answer is yes.

Balaji Subramanian: But typically, the rating fee is higher on bond rating compared to bank loans. Does that mean that it will have a slightly dilutive impact on your revenue growth, not just yours, but generally for the industry?

Ramnath Krishnan: You look at all the numbers reported by all the other agencies, Balaji, it's fairly reflective of the word credit growth has been in the first half of this year, right? So yes. So I think it will, but it's also a function of the segment that we actually play in. So that's also a factor that is to be considered.

L. Shivakumar: See, if I may just add, Balaji, even in the first half of the year, as Ram mentioned, while the overall bond issuance growth is a subdued 3.7-odd percent compared to last year, and bank has been significantly higher, an all-time good number of 21.4%. But if you see, to answer your question specifically, if you see our own revenue growth, it's been quite consistent if you see the last 3 to 4 years. While Ram mentioned 12.4% CAGR from 2021 thereabouts. But if you see particularly last 4 years, it's been very consistent. So that in itself shows that while there is a shift within the credit market, clearly from bond to bank, at the same time, several large issuers took whenever they saw an opportunity, there was one opportunity in the second fortnight of June, when the yields dropped. That was the time when there was a truce in West Asia. So I'm just pointing one example. So whenever there was a good opportunity, a lot of bond issuers, the strong ones, they did come out with issues. We saw a window in Q1. Even in Q2, a lot of issuances happened, which is why you see a very strong growth in bond issuances in Q2 vis-a-vis last year, although on a contracted base last year, but a lot of issuances happened because there was an expectation that yield will go up further.

So, all those who had parked their money in commercial paper, which also saw a huge growth in terms of outstanding at 20+ percent. They quickly borrowed because they anticipated a further hike in yields over the year. So, there have been opportunities within this, and it's reflected in our growth number.

Balaji Subramanian: This is quite comprehensive. Secondly, the second question on rating was on how are the, how is the pricing environment in general? What I gathered from my channel checks is that one of

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your competitors have taken a surveillance fee increase. So is that something which is which you have also taken?

Venkatesh Viswanathan: Balaji, the way to look at it would be we have in our agreements, we have an enabling clause for surveillance, which we do. But typically, we have seen negotiations also happening with the client on an ongoing basis. So we approach them, we have a conversation with them. In some cases, we have seen some kind of traction there.

Balaji Subramanian: The last question is on the non-Rating piece. I appreciate your initiative or strategy in terms of reducing your dependence on the anchor customer that is Moody's. But even if I were to look at the absolute numbers, if I'm not wrong, based on your related party transaction disclosures in the annual report, the Moody's revenue has been largely flat. And if I look at your larger competitor, their engagement with their parent, the global parent, has been increasing at a pretty healthy clip, 20% per annum. So I do understand that both of you follow different business models.

But why, is there not a long headroom for growth for you in the Moody's account as well? I understand that you want to get more into the BankTech and CapTech side to diversify your business mix, etcetera. But what is your long-term philosophy on the Moody's relationship?

Venkatesh Viswanathan: On the Moody's side, I think we do have a headroom. It's not that we are saying there's no headroom. There are different opportunities that are being pursued by different teams. So there's a conversation going on and that is something which we are not discounting, Balaji. What we are essentially saying is if we are able to capitalize and grow, I mean, obviously, that remains a focus for us. Shaili did mention that we are investing in the U.S. So obviously, the focus will also be to see if we are able to monetize, get closer to Moody's and see if we can drive some of those relationships. So that is a priority for us. There are multiple conversations which are happening, and we will continue to drive that. So to answer your question, there are opportunities and we are pursuing them.

Shailendra M.: Balaji, just to add, Shailendra here. It's not like we are dropping the ball on our relationship with Moody's. We continue to have a very healthy engagement. We continue to explore new avenues and opportunities together. But the nature of those services is being reshaped, right? With a lot of AI and automation, there's a lot of efficiency that we are getting and that we are able to deliver to Moody's as well.

So it might, the increased level of engagement and more sophisticated level of services may not directly reflect in revenues, but it's definitely elevating our engagement and developing deeper capabilities that we would tap into, right? That is one.

And secondly, I'll not comment on the engagement models of competitors with their respective parent. But we definitely have good ongoing engagement, and we continue to keep an eye out for more than we can do with that parent.

Moderator: We have the next question from the line of Abhijeet Sakhare from Kotak Securities.

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Abhijeet Sakhare: I had a few questions, I'll ask them one by one. So firstly, on the Non-Ratings business, if you could give us some idea about what would be the organic revenue growth rate for D2K, Fintellix, and the rest of the business, especially in the last few quarters? And what would be the current contribution as well? Second question was if you can again, just to help us understand the nature of the business. What percentage of the Non-Moody's business is actually India versus global in nature? And if you could also give us some examples of what type of competitors or peer set that you compete with in the Non- Moody's part of the Non-Ratings business. And I have a couple of more questions, I'll come back to those later.

Venkatesh Viswanathan: So the first question, Abhijeet- we don't give any guidance. I think we have been consistent on that, so we will not be able to tell you how much these businesses are growing.

In the broader context, if we split the business between KnowTech and other verticals, the other verticals have been reasonably growing well. As we have communicated, KnowTech is seeing some kind of a moderation at this point in time. This is the broader answer, but we do not provide guidance. And the second question on this, I will pass on to Shaili to respond.

Shailendra M.: Yes. So, on the geographic spread of our revenue, we do have a very healthy mix of international and domestic. I'll say given our presence and our customer base, more than half of it is domestic, but there is a significant part of it, which is international. But all of this, we have until now been able to acquire and deliver with very limited local presence in those markets, largely through partners or remote engagements. And that is what we are looking to change. With certain investments in specific targeted markets, we should be able to explore those further, and we'll definitely have good opportunities there. And the second part of the question you had was around competition that we are seeing. For the kind of risk and regulatory solutions, we find multiple types of competitors in those markets. Obviously, you have the large global players, information service providers, risk and regulatory technology providers and product providers. That is one segment of global players. Then we also come across the system integrator type of a segment, the ones who offer bespoke software development, bespoke managed services and kind of knowledge services type of work. And we also have the small local/regional players that play in this space. And in certain markets, we also see that the big fours also come into some of the areas that we operate.

Abhijeet Sakhare: Got it. And one more question on Non-Ratings. You highlighted more M&A going forward as well. So if you could maybe kind of talk about what do you, how much cash do you plan to kind of put to use in that direction? And like how does Moody's kind of help you or play a role in kind of finding some of these businesses outside India?

Venkatesh Viswanathan: See, on the M&A side, what we are saying is that we keep on looking for opportunities. We don't have any specific amount earmarked, and we look at it like any other capital allocation.

I think there are ongoing opportunities which keep on coming on an ongoing basis and we do an evaluation. But we've not targeted saying we want to do this XYZ or something on the M&A side. I think the current priorities, as Ram also mentioned is we have done two acquisitions. We

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are also trying to do is absorb this, try to integrate this and there will be a lot of focus that we'll have on these acquisitions. If there are any something which is quite interesting, we'll look at a point in time. Our current focus is to try to see to it that we are focused on these two acquisitions, trying to get them well integrated.

Shailendra M.: And just to add on, in the, we clearly have a strategy in terms of what kind of companies that we want to acquire. That has to fit our framework. That has to be specifically within the areas that expand our capabilities, expand our offerings and geographic presence. But the size and scale of those will vary depending on opportunities that will come our way or that we will discover.

So very difficult to comment at this point in time what the size or what capital will be deployed for those. But one thing I will say is that it has to fit our specific criteria and our framework for it to qualify and for us to evaluate.

Abhijeet Sakhare: Got it. And if I may kind of have one more follow-up on the non-Ratings business. The slowdown or, let's say, the compression in terms of contribution that's coming from the anchor client, can you give us some assessment of how much more there is in terms of hitting the bottom that things kind of start to become more steady. And like you mentioned earlier, there are opportunities to increase engagements, and from that base we can start to see some reasonable growth. Like how far are we from that base getting reached in the Moody's accounts?

And one more is in terms of margins, like we are close to about 20% odd margins. Do you think there is room for margin expansion given some of the recent acquisitions are yet to scale up? And how should we think about it from like a 2- to 3-year point of view?

Venkatesh Viswanathan: Yes, I'll take that. See, from an anchor client perspective, the margins have remained stable, and we don't see a significant drop. Obviously, if there is any major role reduction in the future, that would be a different discussion. But based on the current scenario or visibility, we are not seeing a major decline. Forex has been positive and we are hoping that trend continues, and we do not see any major impact.

On the other side, yes, one of the pointers that we have also put in the presentation is there is a fair amount of depreciation and amortization cost, which is largely with respect to the investment cost amortization, which is hitting these segments. In fact, we have seen around 35% profit growth before depreciation and amortisation.

To answer your questions more specifically, is there a room for growth? I'm sure there is. And if the plan towards sales that we are working towards, including the investments that we are doing outside India, those fructify, I'm sure there's a reasonably good chance of us getting those numbers.

Shailendra M.: Yes. And let me add on to what Venkat has just mentioned. Of course, the margins that you see today is not a true reflection of the actual economics in the business because of those amortization and depreciation, etcetera. But also, it is not a true reflection of what the steady-state economics of the business will be at scale, right? Right now, we are in a build-out phase,

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and we believe the time is now to kind of invest behind our products and technology, invest behind growth and geographic expansion and improve our customer services.

But as the business scales, we'll have several levers to kind of improve and expand our margins, including kind of the operating leverage itself, expansion of recurring revenue, which requires less sales investments and kind of AI-led productivity gains that we believe we will be able to get and kind of the scale of the broader integrated operating model.

But at this stage, I'd say it will be too premature to start looking at those levers and trying to optimize. I think we want to stay invested in all of these, expand and scale it out and then revisit this. At that scale, those levers will deliver far more beneficial economics for us.

Ramnath Krishnan: And further, I mean if your question is do we have a clear path to where we want to get to and then do we know what all we need to do in the meantime to get there? The answer is yes. So we know where we want to get to. We know what we need to do to get there. And then those are the things that Shailendra was talking about. And so that's what we'd like to deliver the results, desired results that we are looking for.

Abhijeet Sakhare: Got it. Just two more questions. On the non-Ratings business, it's good to see how margins have kind of steadily improved over the last few years. Have we reached the kind of target levels where it kind of now stabilizes? Or do you see some more room for growth? Obviously, operating leverage is one part, but in terms of the investments that have happened in the past, we kind of broadly through with that?

Venkatesh Viswanathan: You're talking about Ratings or you're talking about non-Ratings?

Abhijeet Sakhare: Sorry, Rating businesses.

Venkatesh Viswanathan: See, from a Ratings perspective, it is largely a function on the revenue side. I think we have been doing consistently a double-digit growth. This year also, it has been good. So if we are able to maintain that, I'm sure there is a scope for margin expansion if you are able to hit that kind of sales run rate.

And that we have consistently done over the last three years. From a productivity or investment perspective, from the tech side there has been some investment is already done. So if the sales continues at this rate, I'm sure we will see good numbers.

Abhijeet Sakhare: Got it. And just last one, from a shareholder's point of view, we are sitting with a reasonable amount of cash. I mean, given how the stock has done over the last few years, is there a plan to kind of do a buyback or a special dividend? Any thoughts on that, please?

Venkatesh Viswanathan: We are evaluating all these proposals, and we are aware of the cash balance that we are sitting and we review capital allocations. We can't disclose what exactly we are going to do with this, but we consider all options that are available. They are under consideration at various point in time. So rest be assured that we are working and you'll also see that from a dividend perspective,

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if you look at the last 3 or 4 years, there has been a gradual upping. And if there are any opportunities that are available for us, we'll definitely, with the necessary approvals, look into those options. So all these options are on the table, and we keep on reviewing those.

Moderator: We have the next question from the line of Anuj Nand Sharma from SteadFort Investment Managers LLP.

Anuj Sharma: Couple of questions. One is again on the Risk & Analytics segment. Could you dive a little bit more on size and duration of client engagements, especially the subsegments? And what is our wallet share currently? Just some more depth into this. This is the non-anchor client I'm talking about?

Shailendra M.: Yes. So within our portfolio, we have a variety of different products, and we serve different subsegments within that. So the size of the engagement varies, right? It could start from a INR 10-20 lakh ticket size, we could do multi-crore, multimillion type of a deal. So it largely depends on the size, complexity and scope of work that we do. But typical construct of our relationships will involve some level of software, which is on a subscription model or a license and AMC model.

There will be some level of services that goes along in terms of integrating those software into the client environment. And a part of that service will become also ongoing and repeatable and packaged as managed services. And all of the recurring components together is what we track as recurring revenue. And like I said, that forms a substantial part of our business.

Anuj Sharma: Yes. But I would still want some more clarity on what is an optimal size of a client engagement? And generally, how does the sales cycle work? Do we pitch in to take over existing client business or there's a competitor who is already servicing that subsegment and then we pitch in? Just some more clarity will be helpful as to how exactly does the segment work? And is it mining that client a bigger opportunity or having more customers is a bigger opportunity for us? How do we define growth in the three subsegments?

Shailendra M.: Okay. So again, I'll refrain from answering what is a typical ideal size of a customer. Like I said, we cater to different segments. In each of those segments, the size of engagements will vary, right? The size of an engagement with an NBFC will be very, very different from a Tier 1 private bank and we cater to all different segments, right? And our products also have the ability to adapt to the scale and size. We have the ability to deploy on private clouds, on-prem for large scale-out implementations. We have the ability to have more subscription-based, SaaS kind of hosted environments. We have managed services and retainer-based models as well. So that size varies based on segment.

In terms of headroom for growth, India being the market where we have the highest concentration of customers, let me talk about that. It kind of will give you a sense. We track our market share by different segments, private banks, public sector banks and top NBFCs and so on. With the combined portfolio that we currently serve, we have kind of fairly modest footprint

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across these segments. In some, we have better penetration. In some, we have greater opportunity to grow. But more importantly, even within those customers that we have, the bulk of our customers have one product of ours compared to five that we have within our portfolio. So there is, in terms of expanding those relationships, there is a lot of headroom for us and this is typically how it has worked well for us, right, penetrating a customer and then expanding with additional capabilities or offerings that we have for that specific segment.

Likewise, on the capital market side, our footprint is very, very strong. Our market presence is very good in India. And there are opportunities for us to expand those relationships that we currently have. On the international market side, like, we have a very targeted approach to that, on a named account basis, we are pursuing opportunities. Now we want to kind of make a market-wide approach, specifically around some geographies that we have identified, and that will give us opportunities to grow. I hope I've answered your question.

Anuj Sharma: Sure. We'll take this later on offline. But third question is on the Ratings business. So there is this Basel III risk weight reset, which is supposed to be effective 1st April 2027, the capital charge for credit risk. What kind of opportunity we are seeing there? And do we see a traction currently or this is yet to play out for corporates getting prepared for this transition?

L. Shivakumar: Yes. So if I may answer that question. See, while RBI has come out with this regulation, and it is indeed effective 1st April 2027, but still some clarification in terms of the reference period and method of computation is awaited from RBI. But that said, if we go by the intent of what RBI is trying to do, which is to bring in some amount of quality check in terms of ratings, which are being assigned, there our agency stacks up pretty well.

So we feel that if RBI goes ahead with this, we, as a rating agency, are likely to gain from this and this message has gone across to the market. And we see a very clear preference for our ratings in the last few quarters. So this is a positive step for us. We can't quantify it at this stage, but it's a positive step.

Moderator: Sorry to interrupt in between. Anuj, I'd request you to please re-join the queue again for more questions as there are participants waiting for their turn. We have the next question from the line of Lakshminarayanan KG from Tunga Investments.

Lakshminarayanan KG: Could management shed light on how annual revenue targets are framed across your Rating & Analytics divisions, the balance between domestic board-driven objectives and strategic growth targets, which are aligned to Moody's global operation. So how the revenue targets are set and end-to-end how is this being done by the team domestic as well as team at the parent.

Ramnath Krishnan: So, the way we approach this exercise is that typically, our budgets are approved between January and February for the financial year starting April. So, we have all of that sorted before the financial year starts. We have a rolling 5-year strategic plan that is actually put together by our strategy team, which gets presented to the Board. And what we actually put out in terms of

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our operating plan every year is in some form a subset of that, right? For the first year, certainly, it will be almost a replica of it.

For the following years, naturally, both the strategic plan will get revisited and our operating plan will get revisited as well. So, we take into account obviously, the goals that we set for ourselves in the strategic plan, the growth that we're expected to see in the market, any new opportunities that might come our way for that matter, any regulatory changes that are actually anticipated, which might give us more opportunity, etcetera, etcetera. All of these factors are actually baked into our and into our operating plan. Our aspiration, the market dynamics, developments in the market that we expect that might actually present new opportunities, etcetera, etcetera. So and that is how our budgets are actually calibrated and presented to the Board.

Lakshminarayanan KG: Yes. So as I read, there are two parts of the business. One is which is completely domestic, where the management would have some kind of relatively a stronger grip on how this would actually go about, right? And there's another part of the business, which is aligned to the Moody's global operations. So how while the first one is something which you explained very well, how does the second one happens? Like I mean, how is it decided and what kind of, say, the Indian, I mean, how do you ensure that that revenue pool and the resource allocation as well as the profitability is calibrated maybe on an annual basis or on a rolling 3-year basis? I mean, how does that get plugged in?

Ramnath Krishnan: So on an annual basis, we have pretty good visibility because, I mean, our we have ongoing conversations. If you're talking about Moody's specifically, we have ongoing conversations with them pretty much through the year. So there, the advantage that we have also is that their budgets are actually calibrated on a calendar year basis and our budgets are on Indian financial year basis. So, we have an advantage of almost about 3 months in terms of baking in some of those numbers into our budget. So we have pretty clear visibility and our engagements are actually not extremely short-term. They're very long dated. So they're reasonably well understood by us. We have pretty good visibility, and they are naturally baked into our budgets.

Lakshminarayanan KG: All right. So right now, what kind of visibility you would have? For the global operations also, you would have a year visibility as of now?

Ramnath Krishnan: Sorry, global operations or...?

Lakshminarayanan KG: No, I think -- not the domestic, I'm talking about the Moody's business, Visibility will pick up

Venkatesh Viswanathan: Yes, I'll pick this up. See, typically, the way it works out is there are two kinds of business within it. One is FTE or dedicated resource engagement, and the other is a project. So, bulk of our revenue, typically 80% to 90% comes mostly from a FTE or recurring revenue. From a visibility perspective, if you are asking, budgeting-wise, we have a 1-year visibility. But the recurring nature, which we are saying 80% to 90%, we can say that visibility can extend beyond a year. Project has limited visibility beyond 1 year, which is roughly around 10% to 20% of revenue.

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But the majority of revenue here is on a recurring FTE basis, where you typically have higher visibility.

Lakshminarayanan KG: Sir, the second question is that how are you augmenting your convening power? When I say convening power, I mean that your thought leadership in the industry, while you have a strong knowledge, institutional knowledge, how are you measuring your convening power with respect to government, with respect to industries? Is there a quantitative method you actually look at it? And if so, how you have performed in the last year or so, mainly looking at your supremacy in industry knowledge or getting the right set of forums?

Ramnath Krishnan: We are definitely acknowledged as thought leaders in the risk and analytics space. I mean you, we are actually actively engaged with, well, pretty much all the industry forums. We have a relationship with pretty much all the large players in every segment of the industry. We engage with their boards with some of the dominant bodies, including bodies like NITI Aayog and so on and so forth. So, I think, I mean, some of the regulators like RBI and so on. So I think if you pose this question to some of these larger organizations, associations or regulators, they will be able to give you a fairly clear indication of how we are seen, or for that matter where do we figure in terms of their own picking order as a thought leader.

Lakshminarayanan KG: And do you internally measure it, sir, in some way or the other as a part of your scorecard or KPIs? And in that framework, how do you assess across businesses

Ramnath Krishnan: We don't measure as part of our scorecard, not across businesses. There are certain departments which are responsible for outreach and marketing and so on. So, it might feature in their scorecard, but not in everybody's scorecard. But do we track it at an entity level? The answer is yes, obviously.

K. Ravichandran: Just to supplement what Ram said, this is Ravichandran, Chief Rating Officer. From the analytical team point of view, we measure something called share of voice, where ICRA's share with regard to print media, electronic media, and social media, we capture regularly across different sectors. So where ICRA has been quite active through various cohorts and thought leadership articles and so on and so forth.

Otherwise, ICRA Analysts are also quite active on the industry conferences. We also hold in-person physical events. We also hold regular webinars on various topics of interest to the market. So through all these initiatives, we try to maintain our thought leadership status. And all the numbers that our media team captures show that ICRA is at the top of the league.

Moderator: We have the next question from the line of Ravi Purohit from Securities Investment Management Private Limited.

Ravi Purohit: So generally, I wanted to ask about Non-Rating businesses, right? So, if we look at the numbers for the D2K and Fintellix for FY26, right? I think between the two, the companies have reported a loss at the net profit level at the like PAT level of about INR 25 odd crores, right? I understand,

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I think we had mentioned about accelerated depreciation being taken in those companies for tech investments and all those things. Can you give us some glide path?

So effectively, when we look at ICRA's number today, the profits are understated by around INR25 odd crores. So, if you could just help us understand when do these companies, the acquisitions that we have made, become positive EPS accretive for the company, right? And before we kind of take on another acquisition, would it like make sense, or is it like an intermediate goal for us to first make these acquisitions kind of net profit accretive to the company? So if you could just share some thoughts as to when do you expect these companies to actually become profitable?

Ramnath Krishnan: I think Venkat and I may have explained this to you earlier. Profitability is one of the key criteria that we look at either for any of our existing operations or for that matter, when we look at any of the acquisitions and we had also acknowledged that when we make an acquisition, for in the initial first couple of years, we might, might have to actually invest money in certain areas where the companies may be underinvested or for that matter, there may also be a need for them to go through some of these accounting nuances, nuances if you like, which might actually put some pressure on the bottom line in the initial phase. But returning them to profitability and seeing sustainable profitability is a key deliverable for us as a management team and for the Board. So we're not here to make a statement saying we made an acquisition. We're not here to make a statement saying we spent this much of money to add so much to the top line. To us, bottom line, bottom line accretion is extremely important, is a very critical deliverable. Whilst it may not happen in the year of acquisition, or in the following year. Do we have a clear path in terms of by when we expect to do it, and what is it that we expect to deliver? The answer is yes.

Is that plan reviewed internally and is that shared with the Board? The answer is yes. Is it actually tracked by the management team? And is it actually reviewed by the Board? The answer is yes.

So sustainable profitability and delivering on that is extremely important to us as a management team. So whilst you may not see it immediately, we certainly have clear visibility in terms of when we think we will be able to deliver on that.

Ravi Purohit: If you could share some broad time line, D2K, it's almost third year now, right? Each of the 3 years that it has been there with us, it's been a loss-making entity, right? And the losses have really expanded in the last year, right? So do you kind of draw a line in sand saying 3 years is where it will turn around, 4 years or 5 years? So, and same happens also with Fintellix, right? So Fintellix lost about INR 20 crores last year.

Now or maybe you could share what kind of write-offs that you are taking in those, right? Are those tech investments that the companies have made and those are non-cash charges and accelerated, so those will kind of end this year, next year, so, some guide path will be helpful, right, rather than an open-ended guidance saying that it will happen. Because like I said, D2K is already in the third year, right?

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Ramnath Krishnan: I think to provide some perspective, we acquired D2K 3 years ago and we were actually a 60% shareholder, and we had the 2 sponsors of the business who remained invested in the business. So therefore the pace at which we could actually drive change and the number of changes that we could actually implement, we were somewhat constrained because of the fact that we did not have 100% control, point number 1.

Point number 2, D2K is a business that was predominantly run by two individuals over the last couple of decades and therefore the business needed significant investments, continues to need some investments. And that is something also we had to do, but we were reluctant to make those investments till we got 100% control. And we managed to get 100% control literally, what, about 4-5 months ago? Yes. So it's very recently that it's become 100% sub. It is now that we have the flexibility, the latitude to do what we want to do, and therefore investments, etcetera, etcetera, will all happen now.

Now so do we have clear visibility into when these businesses are expected to turn profitable? The answer is absolutely yes. And now, will I be able to share with you whether it's going to be, X or Y by 2027-2028? I'm afraid we will not be able to provide that kind of guidance. Venkat, do you have anything further to add?

Venkatesh Viswanathan: Yes. Ravi, just to add one point here, if you look at the segment, although it might look flattish, we have actually added one commentary which is essentially saying that the R&A segment profit grew around 35% before depreciation and amortization, which is largely the investment. So that will give you some perspective in terms of what is the incremental impact on account of depreciation and amortization this segment is facing.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question for today. And with that, we conclude the question-and-answer session.

On behalf of ICRA management, we conclude this conference. I thank all the participants for joining with us today. And you may now disconnect your lines.

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