

December 26, 2025

CITICORP SERVICES INDIA PRIVATE LIMITED: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/short-term – Fund-based Limits [^]	4,500.00	2,250.00	[ICRA]AAA (Stable)/ [ICRA]A1+; reaffirmed
Total	4,500.00	2,250.00	

*Instrument details are provided in Annexure I; [^]Interchangeable with non-fund based limits

Rationale

The reaffirmation of ratings for Citicorp Services India Private Limited (CSIPL) factors in the strength derived from its strong parentage of Citibank N.A. (rated Aa3/Stable by Moody's Investors Service) and hence, the operational and financial synergies. CSIPL operates as a global capability centre for Citigroup, providing a host of shared services related to technology, analytics, finance, operations and allied services. CSIPL generates its entire revenues from Citibank N.A and its associates across the globe.

Further, the ratings continue to derive comfort from CSIPL's healthy financial risk profile, marked by strong revenue growth over the years, robust internal accrual generation, comfortable leverage levels and debt protection metrics. CSIPL's revenues rose at a compounded annual growth rate (CAGR) of 26% over FY2021-FY2025 to reach Rs. 13,497.5 crore in FY2025, supported by its strategic importance to the Citigroup on account of low-cost advantages and talent availability. CSIPL continues to maintain low attrition rates compared to the industry (6.1% as of September-2025), which supports business operations.

CSIPL's operating profit margins are backed by the cost-plus markup basis of billing to Citigroup entities, which saw some moderation in recent years due to revision in the pricing arrangement. Moreover, healthy accretion to reserves translated into a comfortable capital structure and healthy coverage metrics. Given its strategic importance for Citigroup, ICRA expects CSIPL's revenue growth momentum to remain steady for the near-to-medium term, along with sustenance of its operating profitability. Additionally, its credit profile is expected to remain healthy with robust accrual generation, no material increases in debt and strong liquidity, given the regulatory requirements of maintaining liquidity of six months on monthly average of twelve months of operating expense¹.

The ratings also consider CSIPL's operations being susceptible to industry-specific factors such as talent availability, wage inflation and geographical concentration of revenues, with the US market generating 65-70% of its revenues in recent years. Moreover, as CSIPL generates its entire revenues from Citigroup entities, its revenue growth remains susceptible to any slowdown in the financial services industry. Further, its operations are also exposed to any adverse policy changes in the US market. Any significant dividend payouts, major taxation-related liabilities that may arise in the future, and any major impact of emerging technologies remain a key monitorable for the company.

The Stable outlook on CSIPL's rating reflects ICRA's opinion that the company will continue to benefit from its strategic importance as a key global capability centre for Citigroup, CSIPL's healthy financial profile and strong liquidity position.

¹ As per the US Federal Reserve Resolution Plan for foreign banking organisations, any firm maintaining shared service companies to provide services to affiliates is required to maintain working capital sufficient to permit those entities to continue to provide services for six months or through the period of stabilisation.

Key rating drivers and their description

Credit strengths

Strong parentage ensures exceptional financial flexibility and access to funding support – CSIPL is a step-down subsidiary of the New York-based global bank, Citibank N.A and is wholly owned by Citicorp Overseas Investment Corporation. This strong parentage provides CSIPL with exceptional financial flexibility and access to funding support from the group, if needed.

Entire revenues derived from Citigroup with cost-plus markup arrangement support revenues and profitability – CSIPL acts as a global capability centre for Citigroup, and its entire revenues are generated from Citibank N.A. and its associates. CSIPL provides a host of shared services related to technology, analytics, finance, operations and allied services. The company's contribution and criticality of services to Citigroup have resulted in strong growth momentum for CSIPL over the recent fiscals. CSIPL bills its customers on a cost-plus markup basis. The markup had been revised to 14.5% from April 1, 2023, for five years against 16.5% for the prior years. This resulted in moderation of its operating profit margin (OPM) to about 15% in the past two fiscals. Going forward, the OPM is expected to remain healthy at around 15%. Additionally, CSIPL's strategic importance to the Citigroup will continue to support the growth momentum along with sustenance of its margins.

Strong financial risk profile characterised by healthy capital structure, robust debt protection metrics and strong liquidity position – CSIPL's financial risk profile is strong, characterised by healthy scale of operations, sizeable net worth, healthy debt protection metrics, and a strong liquidity profile. CSIPL recorded a YoY revenue growth of 27% in FY2024, followed by 11% in FY2025, supported by growth emanating from services requirements from its parent. The operating profitability has remained stable at 14.5-15% in the recent two fiscals, leading to healthy accrual generation. This, coupled with its limited reliance on external debt (except lease liabilities), translated into a comfortable capital structure (gearing of 0.3 times as of March 2025) and healthy coverage metrics (Total Debt/OPBITDA of 0.9 times as on March 31, 2025). CSIPL's credit profile is also expected to remain comfortable, supported by strong accruals generation and no significant increase in its debt levels in the near-to-medium term.

Credit challenges

Industry-specific challenges such as talent availability and high exposure to the US market – The company's revenue and earnings are exposed to industry-specific challenges related to talent availability, wage-cost inflation, and high exposure to the US region. In the recent years, 65-70% of the revenues were generated from the US market. However, CSIPL's attrition levels have remained lower than the industry average, at 6.1% as of September 2025.

Susceptible to slowdown in the financial services sector and any adverse policy changes – Given that CSIPL generates its entire revenues from Citigroup entities, its revenue growth is susceptible to any slowdown in the financial services industry. Moreover, its operations remain susceptible to any adverse changes in the policy/regulations in the US market that may restrict the outsourcing to low-cost countries or increase working capital requirements of the business.

Liquidity position: Strong

CSIPL's liquidity remains strong and is supported by healthy cash flow generation and unencumbered deposits of Rs. 6,572 crore as on September 30, 2025. Moreover, no debt-funded capex plans as well as no major debt repayment liability over the near term enhance the company's liquidity profile. ICRA also notes that CSIPL enjoys exceptional financial flexibility owing to its parentage.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – CSIPL’s ratings are underpinned by the support from the ultimate parent, Citibank N.A, any significant change in operational and financial linkages with the parent or a significant deterioration in the credit profile of the parent or any adverse policy changes could warrant a rating downgrade. Pressure on the ratings could emerge if there is a sustained decline in internal accruals or higher-than-expected dividend payout leading to moderation in coverage metrics or weakening of its liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT - Software & Services
Parent/Group support	Parent/Group Company: Citibank N.A. The ratings derive significant strength from the company’s ultimate parentage of Citibank N.A. CSIPL enjoys a high level of operational and financial linkages with its parent, as its entire revenues are generated from its parent and its associates. ICRA expects liquidity support from the parent to be forthcoming, if required.
Consolidation/Standalone	Standalone

About the company

CSIPL, a Citigroup entity in India, is a service-oriented company with its registered office in Mumbai. CSIPL is a wholly-owned subsidiary of Citibank Overseas Investment Corporation and a step-down subsidiary of Citibank N.A.

CSIPL is a global captive capability centre for Citigroup in India. The company is engaged in the business of rendering information technology and information technology-enabled services (IT and ITeS) such as application development, user acceptance testing, production support, monitoring production environment, incident management, infrastructure management, analytics, decision support and operational support in various operational processes, based on application, vendor supervision and allied services.

Key financial indicators (audited)

CSIPL (Standalone)	FY2024	FY2025
Operating income	12,122.5	13,497.5
PAT	1,259.3	1,308.5
OPBDIT/OI	14.9%	15.2%
PAT/OI	10.4%	9.7%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	1.0	0.9
Interest coverage (times)	18.1	15.2

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

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund-based limits[^]	Long-term/Short term	2250.00	Dec 26, 2025	[ICRA]AAA (Stable)/ [ICRA]A1+	Dec 10, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	-	-	
Fund-based limits	Long-term	-	-	-	-	-	Mar 27, 2024	[ICRA]AAA (Stable)	-	-	
Unallocated	Long-term/short-term	-	-	-	-	-	Nov 21, 2023	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	
							Mar 27, 2024	[ICRA]AAA (Stable)/ [ICRA]A1+	-	-	

[^]Interchangeable with non-fund based limits

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund-based Limits[^]	Simple

[^]Interchangeable with non-fund based limits

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

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term/short-term – Fund-based limits [^]	NA	NA	NA	2250.00	[ICRA]AAA (Stable)/ [ICRA]A1+

Source: Company; [^]Interchangeable with non-fund based limits

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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