



ICRA

ICRA Limited

November 4, 2025

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, please find enclosed transcript of "Q2 & H1 FY26 Results" earnings call held on October 29, 2025.

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,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer



“ICRA Limited

Half Yearly FY 2026 Investor and Analyst Conference Call”

October 29, 2025



**MANAGEMENT: MR. RAMNATH KRISHNAN – MANAGING DIRECTOR
AND GROUP CHIEF EXECUTIVE OFFICER – ICRA
LIMITED
MR. VENKATESH VISWANATHAN – GROUP CHIEF
FINANCIAL OFFICER – ICRA LIMITED
MR. L. SHIVAKUMAR – EXECUTIVE VICE PRESIDENT,
BUSINESS DEVELOPMENT AND CHIEF BUSINESS
OFFICER AND CHIEF EXECUTIVE OFFICER-ICRA ESG
RATING – ICRA LIMITED
MR. K. RAVICHANDRAN – EXECUTIVE VICE
PRESIDENT & CHIEF RATING OFFICER – ICRA
LIMITED
MR. ABHISHEK DAFRIA – HEAD, GROUP STRATEGY
AND BUSINESS TRANSFORMATION – ICRA LIMITED
MR. JAYANTA CHATTERJEE – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – ICRA ANALYTICS
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the ICRA Limited Half Yearly FY 2026 Investor and Analyst Conference Call, hosted by ICRA. 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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. K. Ravichandran, Executive Vice President and Chief Rating Officer; Mr. Abhishek Dafria, Head of Group Strategy and Business Transformation; and Mr. Jayanta Chatterjee, MD and CEO of ICRA Analytics Limited, to discuss the performance of the company, followed by the 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. Please refer to Slide number 19 for investor presentation for detailed disclaimer.

ICRA or any of its subsidiaries or the directors, officers, or employees of ICRA or its subsidiaries shall have no liability whatsoever for any loss howsoever arising from any forward-looking statement or use of the investor presentation or its contents or otherwise arising in connection with this conference call.

Now, I would like to hand over the call to Mr. Ramnath Krishnan, Managing Director and Group CEO, ICRA, to commence the proceedings. Thank you, and over to you, sir.

Ramnath Krishnan: Thank you, operator, and good afternoon, everyone. It's my pleasure to welcome you all to ICRA's first half FY '26 earnings call. I would like to thank you for your continued interest and support as we share our progress and performance for the first half of this year.

Coming to the financial performance in the first half, ICRA delivered a strong performance in Q2 of this financial year. Consolidated revenue from operations grew by 8.3% year-on-year to INR136.6 crores and PAT increased by 29.4% to INR48 crores. For the first half of this financial year, revenue grew by 8.4% to INR261.1 crores, while profit after tax increased by 24.4% to INR90.8 crores.

Breaking this down by segment. Ratings revenue grew by 13% in the second quarter and 13.6% for the first half of this financial year. This growth was achieved despite a slowdown in the credit environment, reflecting consistent quality of our ratings. Research and Analytics revenue increased by 2.1% in the second quarter and 1.8% for the first half of this financial year.

This segment benefited from new product launches, expanded offerings and strong traction in risk management and market data solutions. Notably, this growth was achieved despite the

lingering effect of the ESG business discontinuation. These results underscore ICRA's strong client engagement, diversified business model and our ability to deliver value.

The other key updates are as follows:

Key milestone this period was a successful acquisition of Fintellix, a Bangalore-based RegTech and risk solutions company. This acquisition significantly expands our risk technology portfolio and strengthens our position as a preferred partner for risk and investment analytics.

By combining ICRA's domain leadership in credit risk with Fintellix's advanced product suite, we are now able to offer integrated solutions to help banks, NBFCs and regulators navigate complex regulatory environment and leverage data-driven insights for strategic decision-making.

ICRA ESG continues to gain strong traction. In just the first half of this year, we published 7 ratings, already surpassing the total number of ratings issued in the previous year. This rapid growth underscores our commitment to supporting clients and investors with credible and independent ESG assessments that reflects increasing demand for sustainability-linked insights across in our sectors.

Moving on to the external environment.

The macroeconomic environment in the first half was marked by persistent uncertainties driven by geopolitical tensions. However, subdued inflation prompted the RBI to cut rates, supporting domestic demand. While global headwinds remain, domestic consumption is likely to stay upbeat aided by GST rate rationalization, income tax cuts, moderation in food inflation and healthy crop prospects following the above normal monsoon. ICRA has revised its GDP growth forecast for FY 2026 to 6.5% with a possible upside from probable India-U.S. trade deal and the strong festive season.

After an all-time high bond issuances in the first quarter of this financial year driven by rate cuts, quarter 2 saw a 10% decline as bond yields rose and the likelihood of further rate cut receded. Bank bond issuances dipped as credit growth moderated amidst margin pressures, while NBFC bond issuances strong in the first quarter also moderated in the second quarter. With bond yields bottoming out and rising subsequently, bank lending picked up in the second quarter after a subdued quarter 1, resulting in a year-on-year growth of 10.4% as of September 2025, though still lower than 12.9% a year ago. As bank deposit rates repriced downward in quarter 3, their ability to lend at lower rates improves, which may see large borrowers preferring bank loans to bonds. Commercial paper outstanding is expected to remain at current levels and securitization volumes remain strong with likely growth in NBFC AUMs. Geopolitics will continue to create uncertainty and may delay private sector investment, but domestic consumption is likely to remain upbeat.

Despite global headwinds, Indian corporates have demonstrated resilience. In the first half of this financial year, ICRA upgraded ratings of 214 entities and downgraded 75, resulting in a

robust credit ratio of 2.8, a significant improvement over previous period. Upgrades were driven by improvements in business fundamentals, strong parented credit profiles and reduced project risks, especially in power, realty and hospitality sectors. Our default rate remained low at 0.2%, underscoring the accuracy and reliability of our ratings.

Our Research and Analytics segment delivered steady growth, supported by new client wins and expanded offerings. We launched several new and upgraded products, including ECL that stands for Expected Credit Loss version 3 for accurate credit loss computation, InfRE360 for InvIT and REIT analytics and a cloud-based MFI360 Explorer, all of which received good market acceptance. Our dominance in model validation, stress testing, risk analytics, security level valuation and market abuse prevention for asset management companies continued. The Knowledge Services vertical recorded broad-based growth, and we continue to focus on expanding our global client base and leveraging technology-led solutions.

In closing, I would like to thank all our clients, partners and stakeholders for their continued trust and support. ICRA remains committed to delivering value, upholding the highest standards of analytical rigor and supporting the evolving needs of the financial ecosystem. Thank you all once again and I look forward to your questions. Over to you, operator.

- Moderator:** The first question is from the line of Varun Bang from Bandhan Life.
- Varun Bang:** So first question is on the Rating business. Last year...
- Moderator:** I'm sorry to interrupt you, Mr. Varun, can you please speak a bit louder?
- Varun Bang:** Is it better now?
- Moderator:** Yes, much better. Please go ahead.
- Varun Bang:** Yes. So the first question is on the Ratings business. Last 2 years, we have seen significant shift from bank borrowing to capital markets because it was much cheaper raising capital in the capital markets. Now that MCLR reset is happening, do you expect some slowdown in the corporate debt issuances? 2- to 3-year perspective, if you can share what is it that you are seeing.
- L Shiv:** See, if you see last couple of quarters, bank and bond essentially has been driven by how the bonds yield have been. So, H1 and within that also Q1 specifically because of rate cuts, the bond issuances picked up. Otherwise, if you go back to last year, similar period, H1, it was more of bank credit. In fact, last 2 years, quite a bit of bank credit growth happened. So it's essentially a function of large corporates. They tend to go towards that segment of borrowing or funding where they find better rates. The MSME segment continues to rely largely on the bank credit. So, that is something which is prevalent. Going forward -- at one level, it's a function of how yields pan out. So, if we have another rate cut, then possibly there would be a shift to bond market.

If that doesn't happen, quite likely in Q3 and Q4, the banks would be able to reprice their deposits downwards, which can lead to a pickup in bank credit. Now this is purely from the funding side or the borrowing side. In terms of growth segments, we do see infrastructure to continue to remain strong in terms of borrowing, partly driven by government spend. And since we do expect consumption story to stay strong in Q3, Q4, driven by various factors, some of these being the GST rationalization, the income tax benefit, also the policy rate cuts by and large, which has brought down the interest rates and a good monsoon. So driven by various factors, we do believe the consumption story to remain strong in the next 2 quarters. So broadly, we think these would be the drivers for our business.

Varun Bang:

Got it. And in terms of non-ratings business, the business that flows from Moody's and its associates, what challenges are we facing? And what are we doing to fix the challenges and grow it from there? And last year also, we were told that the business is getting impacted because of onetime ESG-related projects. But even this year, we are not seeing any improvement. So what are the challenges? And what are we doing to fix them?

Jayanta Chatterjee:

This is Jayanta Chatterjee here. This business, which is the global business for ICRA Analytics, there are various drivers which are in play in the Moody's business and one, of course, is the fact that there is a lot of automation which keeps happening within Moody's ecosystem.

And as a result of that, some of the business which comes our way does get automated and therefore, there could be an impact there. You are right, the ESG impact was there and that continues to some extent in this year as well because the impact of that business did, the business gradually went away till quarter 3 of last year.

So, some impact of that was also there in H1 of this year. Having said that, in various parts of the Moody's business, we are seeing growth, obviously, because the size of the business is large. So, the growth which has come may not be visible in terms of the scale that you see overall.

But largely there are businesses where technology; technology business particularly, where we see growth and also in addition of FTEs in some parts of the business where there are finalization things which we get work on. So there are, there is growth happening, but the lingering effect of the ESG has an impact on the overall numbers that you see. I hope that covers your question.

Ramnath Krishnan:

Just to add further to that, I mean, if you look at the non-ratings business, despite the discontinuation of the ESG business and the consequent impact on the top line, there has still been growth in the non-ratings business or what we call the Research and Analytics business, albeit modest growth and that is largely on the back of a fairly significant growth that we have seen both in the risk management vertical and in the market data vertical. And we obviously continue to expand both the risk management business and the market data business organically and by looking at inorganic growth opportunities.

Varun Bang:

Got it. Got it. Couple of questions on Fintellix. What was the PAT Fintellix delivered in FY '25? And how is the growth trajectory evolving in FY '26?

- Venkatesh Viswanathan:** Varun, from a number perspective, we have put that out. From an EBIDA perspective, I think it delivered ~ 20% EBIDA. The PAT was negative because there is an amount of accelerated depreciation involved, which will linger around for another 10 to 12 months. But at an EBIDA level, it has been positive. The size of the company as we articulated roughly is around INR91 crores that we see as of date.
- Varun Bang:** Okay. And on the valuation front, we seem to have paid significant premium for this acquisition based on FY '24 earnings. Are we anticipating significant ramp up from current revenue base of, let's say, INR90 crores and 20% margins? And are we expecting this acquisition to be earnings dilutive?
- Venkatesh Viswanathan:** There are 2 aspects that you have covered. One is on the valuation side which is more future-based and when we look at the past financials, we must be mindful that there are some businesses which this firm had discontinued. So, there is some impact in revenue as there has been a gradual shift from a service to a product in the last couple of years. And there's been a fair amount of consulting business that Fintellix used to do, which has been discontinued due to which there will be some bearing on revenue number. From a valuation, when we looked at the valuation, apart from the size of the business and what we are seeing in the next 2 to 3 years, it looks okay for us from that perspective.
- And apart from price, there are a couple of synergies that we see from this acquisition, which we have also articulated, especially there's a global aspect where we are looking to leverage this with our Knowledge Services. There's a tech consolidation opportunity enabling unified offerings and there's a set of talent that this company brings.
- Ramnath Krishnan:** In short, I mean, to respond to your question, do we believe that the consideration that we paid for this is reasonable, the answer is yes. We see significant value in this acquisition going forward, given the way the regulatory landscape is changing and given the proposition that this company has as part of its offering. So, we see a lot of potential there and then we see this acquisition being value-accretive, not dilutive.
- Varun Bang:** In initial years also, we think it will be earnings accretive.
- Ramnath Krishnan:** Yes.
- Venkatesh Viswanathan:** What Ramnath is saying is at EBIDA level. Obviously, when we look at the overall numbers, you will have an amortization which will come on account of the investments. So if your question is whether with that amortization it is, it won't be in the initial 2 to 3 years at least.
- Varun Bang:** And also from the other income perspective, let's say, INR250 crores, we would have earned roughly INR12 crores, INR14 crores post-tax on the other income. So, from that perspective, there will be a shortfall of INR12 crores to INR14 crores at PAT level because that other income will go away.
- Venkatesh Viswanathan:** From a treasury perspective, you are right.

- Varun Bang:** Got it. Got it. And on the D2K, I think we have been able to scale it from the revenue perspective, at least what I see from the annual report. How do you think about the profitability in D2K going forward?
- Venkatesh Viswanathan:** We have to make some investment in this entity and that will continue one or one and a half years, . If you recollect, we had articulated earlier that it's a promoter-driven company and the investment in the product is something which we are looking to ramp up. There's a fair amount of interest for the products, but we'll have to also invest in the company.
- Varun Bang:** Got it. Got it. And just one last question. Let's say, there was always this effort which wasn't talked about, growing the non-rating and non-Moody's business, what progress have we made ex of acquisitions if I see, what progress have we made so far? And how what is it that we are looking for, let's say, in FY '26 and FY '27 on non-rating, non-Moody's and ex of acquisitions?
- Ramnath Krishnan:** Yes. See, the intent, there are 2 parts to this. I mean, one is to increase the size or the proportion of the non-ratings business itself. I mean, there, I think, directionally, we are trending well. So as of FY '25, I mean, you would know this, the composition is roughly around 60-40, 60% of the revenues coming from Ratings business and 40% from the non-ratings business.
- And within the non-ratings business, whilst at the present time, pre-acquisition of Fintellix, the Knowledge Services business or the business which is largely done with Moody's was still a significant contributor to that vertical. We expect this to change with the contribution increasing from the non-Knowledge Services verticals. So that should, so we have, I mean, obviously, plans in terms of rebalancing that book and we believe that with the acquisition of Fintellix and with the scaling up of the D2K business, which is what Venkat was alluding to, I mean, some of our businesses, which are actually small, our focus is actually on increasing the top line quite significantly because that is where the investments are being made. And once that gets corrected, beyond a point, I mean, naturally, they will all become margin accretive.
- Moderator:** The next question is from the line of Harsh Kachchhi from Banyan Tree Advisors.
- Harsh Kachchhi:** My first question is on the Ratings business. Just wanted to understand in a challenging macro environment, what has like, what are the factors that have led to this growth? And like also we see like a sizable improvement in margins on a Y-o-Y basis. So if you can just help us understand that.
- L Shiv:** Yes, I'll take the first part. So essentially, as we've been mentioning in the last couple of analyst calls, we our focus has been in the growth segments, which is infrastructure and BFSI. So we've clearly identified entities, regions where growth is likely to come and we are focused on that. I think that continuous effort has what has helped us in terms of post this kind of revenue growth.
- Venkatesh Viswanathan:** Harsh, on the second part, yes, obviously, the margins are very good for H1 and that's simply, I think, is a leverage of growth

Ramnath Krishnan: And we've also been investing a lot of time and effort in process reengineering, technology, etcetera, etcetera, which is also resulting in a lot of efficiency and that naturally is contributing to improvement in margins as well. And that this trend has been quite noticeable if you notice over the last probably about 7 to 8 quarters.

Harsh Kachchhi: My other question was on the non-rating business. So, we are seeing a decline in margins over there. And as you mentioned that, going ahead, Knowledge Services, you will be trying to grow the non-Knowledge Services business. So, what will be the margin, implication on margins going ahead in the non-rating business?

Ramnath Krishnan: One must acknowledge that the margins in the non-Knowledge Services business just is likely to be lower than what might be the margins in Knowledge Services. That is just the nature of the business. As we rebalance that book will we see some dilution in margins as far as the non-ratings business is concerned and as the non-Knowledge Services business grows, But as long as it is margin-accretive meet our internal thresholds, we will be fine and will be working towards that.

Moderator: The next question is from the line of Ravi Purohit from Securities Investment Management.

Ravi Purohit: Congratulations on a strong set of numbers. Just a couple of things. If you could kind of share some thoughts on Fintellix in terms of what kind of addressable market does it throw open for us? And you had mentioned there were certain synergistic opportunities we have in that. So if you could just throw some light on where, what kind of addressable market, how does it kind of increase our own capabilities, or ability to expand our overall TAM on -- that is on Fintellix.

And second is on the, generally, the acquisitions that we've made over the last few years, how would have, is there a way for us as investors to kind of keep track of how they have performed, whether, of course, one basic metric is always that you invest INR100 and over a period of time, it has added that much value for the investment that we've made.

So from ICRA's point of view, now that this is probably like the third acquisition that we've made, so just to kind of get a sense of every rupee that is being spent, does it kind of give you the commensurate ROIs back? Or how does one kind of really judge? It's like when you send your kid to school, you get a report card every year, right?

So is there any report card that you kind of would share with investors every quarter or at least once in a year to kind of say that this is what we acquired this company for and this is how it has fared so it allows us to kind of judge also or understand or appreciate and understand where these acquisitions are being made or what thought process is going behind that?

Abhishek Dafria: This is Abhishek here. I'll take up the first question. The whole M&A strategy which we have devised in the last few years has been to look at entities which will help us scale our existing portfolio of products which we have on the ICRA Analytics side. So Fintellix was sort of shortlisted with that vision on our minds. It provides us with largely a set of products catering

towards the same lenders or that lending community where ICRA Analytics also would have some presence, but we are now expanding our suite of products which we can offer.

So that's a synergy which comes in. The other thing which it opens up is new geographies. So ICRA Analytics, if you keep the Knowledge Services aside, is largely a domestic-focused business so far. While a good share of Fintellix sales is happening in the foreign geographies, they have a good presence in the Middle East, in the U.S. as well.

And this is something which we plan to leverage. It adds, our products also add value when Fintellix goes to these products, these geographies in terms of the offerings which they would have. So we definitely see a lot of synergies. And as one sort of integrates with them over a period of time, we are sure more capabilities will be assessed. There would be certain cost synergies also which will come into the picture.

And that's the action plan which we have in mind when we decided also on the valuation. So there are certain thresholds in terms of what kind of IRRs, let's say, one would want to achieve with these investments. And we feel it is something very much doable with keeping Fintellix in mind. The second question, probably, Venkat, you can take over.

Venkatesh Viswanathan: Yes. Ravi, on the second question, In the last 3 years, this is the second acquisition, there's only two acquisitions that we have done - One is D2K, which was a very small acquisition, and this (Fintellix) is larger. In terms of tracking this, these are separate entities, some of these numbers will get published as a part of the financial statement wherein we will publish the results of the subsidiaries in the annual report itself. I'm sure some of this information will cover what you are referring here.

It will be straightforward for us to track progress on the analytics space, and we can explain how we can carve this out by excluding Knowledge Services

Ravi Purohit: Okay. So Venkat, I heard you mentioned during earlier part of the call that I think in the presentation, we have mentioned it's about 20% EBIDA margin. But at the, below the EBIDA level, there are accelerated depreciation because of which there is probably not a lot of profit left. These are all noncash charges, right? So, I'm assuming these are all investments that Fintellix has already made in the past.

We are acquiring that company and the company is basically writing off the investments that it has made in the past from its P&L, right? So in a sense, when we report our numbers, will we be actually showing, I don't know what, cash profits, because I'm assuming what you from what you said and please correct me if I'm wrong, at the cash level, it's not a loss-making entity, right? It's a 20% EBIDA margin, which I'm assuming it's like a 20% cash margin basis, right? And that's I'm assuming the rest of it is all noncash charge?

Venkatesh Viswanathan: That's correct. One is the EBIDA, which is we are saying it's 20%. That is essentially cash and you will see that kind of a cash coming The second is when we actually talk about the other noncash charge item, which is essentially the investment amortization, what we have paid, the

INR250 crores, that will also come out as a charge to the P&L and it will impact EPS, but it won't impact future cash because we have already paid that

Ravi Purohit: And so okay. I was referring to the depreciation in Fintellix because I heard you mention that Fintellix also like EBIDA -- below EBIDA, they did not have much profit. And I heard you mention that it is because of some depreciation that they are taking. So, I was actually referring to Fintellix numbers.

Venkatesh Viswanathan: Correct. PAT is negative mainly because of noncash charge and at EBIDA level, it is cash positive. And as a business, it is cash-generating.

Ravi Purohit: Okay. Okay. Okay. And I'm assuming these are investments that they would have made in tech side or so if you could just throw some light as to what kind of products do they sell? And how do you how do that kind of help ICRA Analytics to kind of, because if the end customer is still the same bank or financial institution, so to speak, what kind of areas do they cover and how and what kind of areas do we cover? So, and when we kind of approach the same client, how does that kind of help?

Ramnath Krishnan: Sure. See, the addressable market, I mean, essentially for the entire risk analytics space is basically the BFSI segment, be it in India or be it outside. So, what we are looking to do when we look at inorganic growth opportunities is to try and see which are the organizations that might have a proposition that is complementary to what we already have in ICRA Analytics in the risk analytics space but essentially targeted at the BFSI segment. So that is how we have been evaluating opportunities. Naturally, there are a few other criteria that we look at in terms of size, scale, the strategic fit and synergies and so on and so forth.

Now if you look at D2K, ICRA Analytics risk products and Fintellix for that matter, which has just come into the ICRA folio very recently, all each one of them has products which are complementary and pretty much all the products are largely targeted at the BFSI segment. Now to explain simply, Fintellix essentially has a Reg reporting tech platform, which is, again, targeted at the BFSI segment, be it the insurance sector, be it banks, be it NBFCs and so on and so forth.

So the client universe from an addressable market standpoint, it's uniform for us across these 3 entities. So what we will naturally work towards is to try and ensure that we have a higher share of wallet in this entire space by having a product suite which is much larger than where we probably started about a couple of years ago.

Ravi Purohit: Okay. Okay. And last question from my side. So, when we kind of hear S&P and Moody's discuss the impact of AI in their con calls and annual reports and presentations, there is a fair bit of adoption that is taking place there. And because we as rating agencies with more than 50, 60, 70 years historic data, there is lot of data that is sitting on, in the universe of the rating agencies, right, and will AI be able to kind of help them monetize some of these assets?

So in that sense, they have, of course, discussed a lot of those things, but how does ICRA at the India entity level, how are we kind of looking at that aspect? Does it kind of help? Are we allowed to or is it possible to monetize or utilize the depth of information and historic data that we have and use agentic AI tools to kind of monetize those? So if you could just share some of the things that we would have thought or looked at?

Ramnath Krishnan: Sure. AI is an area that's receiving a lot of attention, not just within the Moody's ecosystem, but within the ICRA ecosystem as well. But if I look at just the Ratings business, I mean, naturally, we are not looking at using AI tools to monetize any of the data that we have. But what we are looking at and some of it has gone into application or into production already, is to use AI to bring in better operating efficiencies in our processes itself. So, some use cases have gone into, gone live. They've gone into production already. Some are getting tested as we speak.

And there are a lot more that are in the pipe, which are getting evaluated. So, this is something that is being looked at pretty much daily and we will continue to look at it. But within the Ratings business, we will be using this essentially to drive better operating efficiencies, to reduce the load on the analytical team. That is what we are looking to achieve and by achieving that, by ensuring that the analytical team has more time at their disposal, which can be repurposed.

Moderator: The next question is a follow-up question from Mr. Varun Bang from Bandhan Life.

Varun Bang: On the Fintellix, again, if I see between FY '22 to FY '24, the revenue and profitability of Fintellix declined sharply. Actually, margins also fell from 38%, 39% to 14%. So, what were some of the reasons for this decline if you can highlight on that?

Venkatesh Viswanathan: So, Varun, I'll tell you a couple of reasons, which we have mentioned earlier. One is there was an entity in US, wherein certain client billings were transitioned earlier but not consolidated. So, that's why we have put a note which clarifies that some of the revenue from the US, if we add it back, that's the whole size of Fintellix. The US revenue was not getting consolidated in the Indian arm and hence not getting reported. As a part of this deal, a separate entity is formed in U.S., and all the client contracts will be transitioned there. So, post our acquisition, this will come as a part of Fintellix / ICRA's consolidated revenue and margins. The revenue drop largely happened because they tapered down their consulting services.

Varun Bang: Got it. And expenses, I think employee costs and other expenses kept on rising in this period. So how should one look at it?

Venkatesh Viswanathan: The better way to look at it would be as per shared by us in the presentation with INR91 crores turnover and 20% EBIDA which is the current sizing. We have factored all these nuances and put it across which we thought will help you better understand the numbers

Ramnath Krishnan: The other thing that have also happened, Fintellix, about a year or 2 ago, they changed their revenue recognition model from taking the license cost upfront to a subscription model. So this will result in more stable annuity kind of revenues going forward.

Varun Bang: Got it and thanks for the follow-up

Moderator: As there are no further questions, ladies and gentlemen, on behalf of ICRA management, that concludes this conference call. I thank all the participants for joining us. Thank you.