

September 9, 2025

## Pravartaka Tooling Services Private Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*  | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action                          |
|--|-----------------------------------|----------------------------------|--|
| Long Term – Fund Based – Term Loans                                | 35.00                             | 35.00                            | [ICRA]A (Stable); reaffirmed           |
| Long Term/Short – Term-Fund Based/Non-Fund Based – Working Capital | 40.00                             | 40.00                            | [ICRA]A (Stable) /[ICRA]A1; reaffirmed |
| Long-Term/Short Term – Unallocated Limits                          | 45.00                             | 45.00                            | [ICRA]A (Stable) /[ICRA]A1; reaffirmed |
| <b>Total</b>   | <b>120.00</b>                     | <b>120.00</b>                    |  |

\*Instrument details are provided in Annexure-I

### Rationale

The reaffirmation of ratings for Pravartaka Tooling Services Private Limited (PTS) considers the strong financial support from its parent, Amber Enterprises India Limited (AEIL, rated [ICRA]AA- (Stable)/[ICRA]1+), and its technical expertise in injection moulding tools. PTS derives a significant portion of its revenue from established clients such as LG Electronics India Private Limited (LG) and maintains long relationships with its key clients across multiple industries.

PTS has been expanding its operations, though its overall scale remains moderate. A significant portion of its revenue continues to be generated from the consumer durables sector, exposing the company to inherent cyclicity, particularly in the room air conditioner (RAC) segment. However, the company also earns sizeable revenue from electronic components and manufacturing, which helps in diversification of revenue stream to some extent. ICRA expects PTS to record a healthy growth in its scale of operations over the medium term, benefiting from AEIL's support and established position in the consumer durables industry. The company's debt protection metrics have also witnessed some improvement in FY2025 due to higher earnings and are expected to remain adequate, going forward.

The Stable outlook on the long-term rating reflects ICRA's expectation that PTS will maintain a comfortable credit profile, aided by stable cash flow from operations and continued support from its parent.

### Key Rating drivers and their description

#### Credit strengths

**Access to operational and financial support from parent entity, AEIL** – PTS benefits from the high likelihood of parent support from AEIL, which enjoys a prominent position in the air conditioner manufacturing industry. While PTS does not depend materially on AEIL for revenues, it has been acquired by AEIL for leveraging its tool-building capability for several consumer durable products. Further, PTS' business will benefit from AEIL's established position in the industry as the parent entity focuses on ramping up the business of PTS with its existing customers.

**Improvement in financial profile, led by healthy increase in profitability** – PTS has reported a significant improvement in its financial profile in FY2025, led by a healthy increase in its profitability. The company's interest coverage and DSCR improved significantly to 5.8 times and 2.6 times, respectively, in FY2025 from 2.5 times and 1.2 times, respectively in FY2024. Going forward, the company would continue to maintain its adequate financial profile with moderate reliance on debt and healthy profit margin.

## Credit challenges

**Moderate scale of operations** – PTS’ scale of operations remains limited, with recorded revenues of about Rs. 372 crore in FY2025 from the domestic market. Further, LG Electronics India Private Limited contributes the major part to its total revenues, leading to a high customer concentration risk. The expected growth in business through various customers of the Amber Group is likely to moderate customer concentration, going forward.

**Dependency on consumer durables industry results in seasonality of business** – About 50% of PTS’ clients and products caters to the consumer durables industry, with around 30% exposure to the RAC industry alone. This exposes the company to slight risks of seasonality, inherent in the consumer durables business, particularly the RAC sector. Subdued demand in the RAC industry on the back of unseasonal rains in Q1 FY2026 is likely to moderate growth to some extent in FY2026.

## Liquidity position - Adequate

PTS maintains adequate liquidity, supported by steady operational cash flows and an average buffer of Rs. 9-10 crore (over the 15-month period ending in June 2025) against the sanctioned limit of Rs. 25 crore. The company has scheduled repayments of Rs. 6-8 crore each in FY2026 and FY2027, which are expected to be adequately met through internal accruals. Additionally, ICRA anticipates funding support from its parent entity, if required.

## Rating sensitivities

**Positive factors** – The ability of the entity to record a material and continued increase in its scale of operations/earnings, while reducing customer concentration may lead to improved ratings. Any improvement in the credit profile of the parent entity may also lead to rating upgrade.

**Negative factors** – Pressure on the ratings may emerge if there is a steady increase in working capital intensity, any significant debt-funded capital expenditure, or a decline in profitability, resulting in a sustained weakening of the company’s liquidity and credit metrics. Additionally, any deterioration in the credit profile of the parent company or weakening of the strategic and operational linkages with the parent could also exert pressure on the ratings.

## Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>  |
| Parent/Group support            | The ratings assigned to PTS factor in the high likelihood of its parent company extending financial support to it due to its strategic importance and close business linkages. ICRA also expects AEIL to be willing to extend financial support to PTS to protect its reputation from the consequences of a Group entity's distress. |
| Consolidation/Standalone        | The ratings are based on the standalone financial statements of the entity.  |

## About the company

PTS, incorporated in April 2021, trades in and manufactures injection moulding components, tools, moulds, and dies for consumer durables, automotive and electronics industries. At present, the company has three manufacturing units, two in Greater Noida (Uttar Pradesh) and one in Manesar (Haryana). As on March 31, 2025, AEIL owned about 60% of PTS, with an option and intent to eventually purchase 100% of the business over the next few years.

### Key financial indicators

| PTS – Standalone                                     | FY2024 | FY2025 |
|--|--------|--------|
| Operating income                                     | 231.4  | 371.8  |
| PAT  | 0.4    | 17.2   |
| OPBDIT/OI  | 6.3%   | 11.0%  |
| PAT/OI   | 0.2%   | 4.6%   |
| Total outside liabilities/Tangible net worth (times) | 4.5    | 2.8    |
| Total debt/OPBDIT (times)                            | 5.7    | 1.7    |
| Interest coverage (times)                            | 2.5    | 5.8    |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

| Instrument  | Type                 | Current year (FY2026)   |             | Chronology of rating history for the past 3 years |              |                           |              |                           |              |                           |
|---|----------------------|-------------------------|-------------|---|--------------|---------------------------|--------------|---------------------------|--------------|---------------------------|
|   |                      | Amount Rated (Rs Crore) | FY2026      |   | FY2025       |                           | FY2024       |                           | FY2023       |                           |
|   |                      |                         | Date        | Rating  | Date         | Rating                    | Date         | Rating                    | Date         | Rating                    |
| <b>Fund based/ Non fund based - Working Capital</b> | Long-term/short-term | 40.00                   | Sep 9, 2025 | [ICRA]A (Stable)/[ICRA]A1                         | Aug 06, 2024 | [ICRA]A (Stable)/[ICRA]A1 | Nov 30, 2023 | [ICRA]A (Stable)/[ICRA]A1 | Aug 19, 2022 | [ICRA]A (Stable)/[ICRA]A1 |
| <b>Term Loan</b>                                    | Long-term            | 35.00                   | Sep 9, 2025 | [ICRA]A (Stable)                                  | Aug 06, 2024 | [ICRA]A (Stable)          | Nov 30, 2023 | [ICRA]A (Stable)          | Aug 19, 2022 | [ICRA]A (Stable)          |
| <b>Unallocated limits</b>                           | Long-term/short-term | 45.00                   | Sep 9, 2025 | [ICRA]A (Stable)/[ICRA]A1                         | Aug 06, 2024 | [ICRA]A (Stable)/[ICRA]A1 | Nov 30, 2023 | [ICRA]A (Stable)/[ICRA]A1 | Aug 19, 2022 | [ICRA]A (Stable)/[ICRA]A1 |

## Complexity level of the rated instruments

| Instrument  | Complexity Indicator |
|---|----------------------|
| <b>Long Term – Fund Based – Term Loans</b>                                | Simple               |
| <b>Long Term/Short – Term-Fund Based/Non-Fund Based – Working Capital</b> | Simple               |
| <b>Long-Term/Short Term – Unallocated Limits</b>                          | Not Applicable       |

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   | Fund based/ Non fund based -Working Capital | NA               | NA          | NA       | 40.00                    | [ICRA]A (Stable)/ [ICRA]A1 |
| NA   | Term Loan                                   | Mar-22           | 7-8%        | Mar-30   | 35.00                    | [ICRA]A (Stable)           |
| NA   | Unallocated limits                          | NA               | NA          | NA       | 45.00                    | [ICRA]A (Stable)/ [ICRA]A1 |

Source: Company

[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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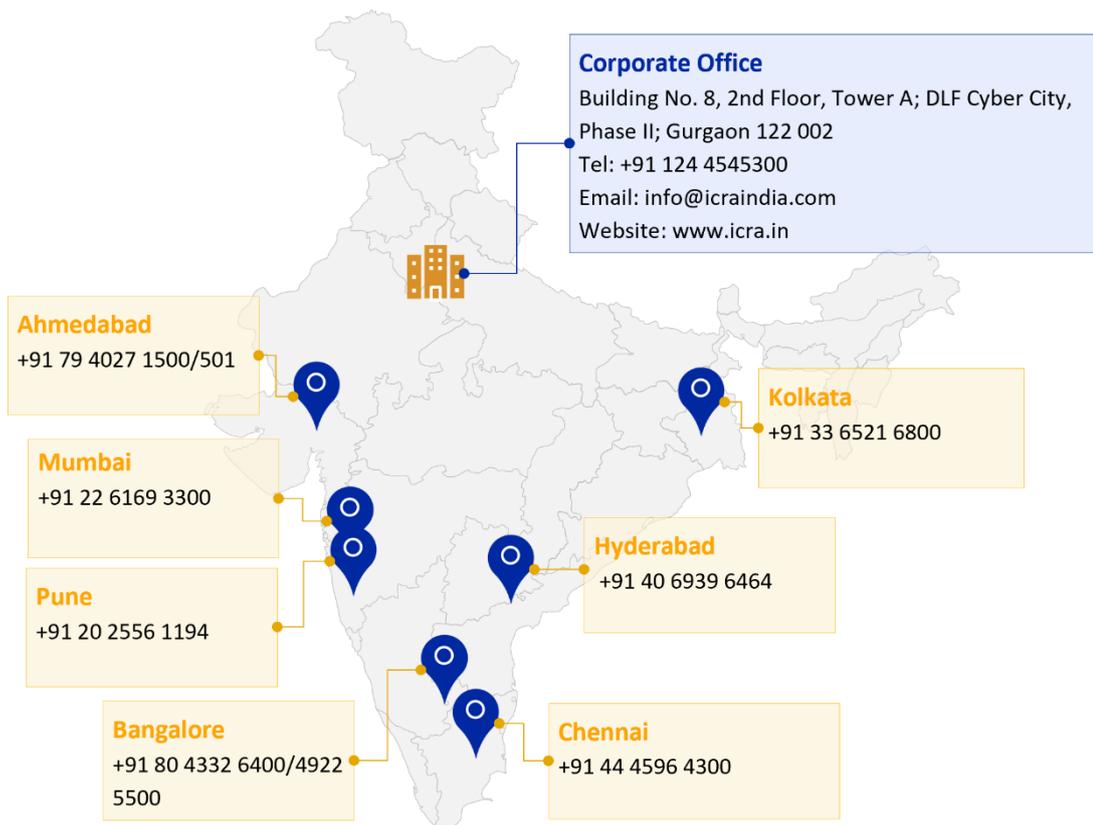
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