

September 11, 2025

## Grant Thornton Bharat LLP: Rating reaffirmed; rated amount enhanced

### Summary of rating action

| Instrument*                                 | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action   |
|---|--------------------------------------|-------------------------------------|---|
| Long term - Fund based - Cash Credit        | 35.50                                | 100.00                              | [ICRA]A+(Stable); reaffirmed and assigned for enhanced amount |
| Long term - Non-fund based – Bank guarantee | 50.00                                | 100.00                              | [ICRA]A+(Stable); reaffirmed and assigned for enhanced amount |
| <b>Total</b>                                | <b>85.50</b>                         | <b>200.00</b>                       |   |

\*Instrument details are provided in Annexure-I

### Rationale

While assessing the ratings, ICRA has taken a consolidated view of Grant Thornton Bharat LLP (GTBLLP) and Grant Thornton Advisory Private Limited (GTAPL), given the similar line of business, strong operational, financial and managerial linkages between the entities. This is also reflected in their shareholding, common promoters, and operational synergies. For analysing the financials, ICRA has consolidated the financials of the above two entities along with Unravel Realty 90A LLP<sup>1</sup>, given the corporate guarantee (CG) extended by GTAPL for its entire debt (for full tenor). The three entities are collectively referred to as the 'GT Group' from here onwards.

The rating reaffirmation continues to factor in the GT Group's strong financial risk profile, with healthy revenue growth, sustained low debt levels, robust debt protection metrics, and strong liquidity, which are expected to be sustained over the medium term. The rating also continues to factor in the Group's established business position and long operational track record, with wide service offerings in the consulting business in India. Its membership in the global network of Grant Thornton International (GTI, a network of leading global accounting and consulting firms) provides brand strength and benefits in terms of access to an extensive knowledge base, compliance with international quality standards and processes, and also supports the rating. Leveraging the same, the GT Group has developed a diversified customer base, including reputed Government and private sector companies. Repeat business from its clientele continues to support the Group's revenue growth.

In FY2025, the company reported a healthy YoY revenue growth of 37% to Rs. 1,470.6 crore (provisional figures), and the momentum is expected to sustain over the medium term, supported by the ramp-up in revenues from the advisory and audit divisions. While operating margins moderated slightly in the last couple of years owing to higher overhead costs and stiff competition, they are expected to remain healthy at 14-15% in the near term. ICRA notes that the Group has extended CGs for a term loan availed by one of its investee companies (Unravel Realty 90A LLP). As the CGs have been extended for the entire tenor, ICRA has consolidated the entity in the rating analysis, thereby accounting for this debt. Despite this, the debt coverage metrics are expected to remain at comfortable levels, with the interest coverage ratio (ICR) and debt service coverage ratio (DSCR) estimated to remain above 10 times and 5 times, respectively, over the medium term.

The rating is, however, constrained by the GT Group's moderate capital base due to continued and sizeable capital withdrawals (by partners in the case of GTBLLP) and limited pricing flexibility owing to stiff competition from other established consulting firms within the Group's operational segments. While capital withdrawals towards the share of profits earned are likely to continue, healthy revenue and profitability growth are expected to support strong liquidity levels. Moreover, the rating continues to factor in the vulnerability of operations to regulatory and reputational risks, given the dynamic regulatory environment and the increasing challenges in retaining key personnel. The Group's ability to ramp up revenues from other services to achieve a more balanced revenue mix, given the current concentration in the advisory business (over 75% contribution in FY2025), also remains a key rating monitorable.

<sup>1</sup> A project stage investee company undertaking construction of a multi-story commercial building

The Stable outlook reflects ICRA's opinion that the GT Group will sustain its operating profile owing to a diverse service offering and a wide client base, along with its membership in the GTI global network. Such factors are expected to enable the Group to sustain its business growth, profitability levels, and liquidity position commensurate with the rating level.

## Key rating drivers and their description

### Credit strengths

**Healthy financial risk profile** - While the scale remains relatively moderate compared to several peers, the Group's revenues have grown at a healthy CAGR of 28% over the last five years to reach ~Rs. 1,470 crore (provisional). The growth in FY2025 was supported by steady business in advisory services and a healthy ramp-up in tax services provided to various public sector undertakings, Government entities, and private companies. Going forward, revenue growth is expected to remain healthy, supported by new customer additions and the deepening of services offered to existing clientele. While OPM has moderated over the last five years (from over 20% in FY2021 to 16% in FY2025), it improved on a YoY basis in FY2025 and is expected to sustain at healthy levels of around 14-15% in the medium term. Further, the capital structure is expected to remain conservative, with total debt/tangible net worth (TD/TNW) below 0.5 times, despite the increase in debt pertaining to Unravel Realty 90A LLP.

**Benefits of GTI network membership** – The GT Group has an established business position and an operational track record of several decades in the consultancy space in India. GT and GTAPL are members of the GTI network and benefit from the latter's brand strength. Further, the Indian operations receive support from the international methodologies, processes, and knowledge base of the GTI network. Each of the member firms shares processes and knowledge with others through the network, and the Group can draw upon the expertise of other member firms to provide a wide range of services to its clients and work on cross-border assignments.

**Diverse client and service base** – Given its diverse service offerings, strong brand, and established operational track record, the GT Group has developed a wide client base that includes reputed names from the private sector, the public sector, and multilateral agencies. While healthy growth in revenues has been witnessed across advisory and taxation-related services, the skewed dependence on the advisory business (contributing over 75% of revenues in FY2025) may expose the Group to revenue volatility. Nonetheless, repeat business from clients and services provided to various international GTI member firms are expected to support revenue stability and diversification to some extent.

### Credit challenges

**Intense competition limits pricing flexibility, operations remain exposed to employee attrition** – The Group faces stiff competition from other established consulting majors (Ernst & Young, PricewaterhouseCoopers, KPMG and Deloitte), which limits its pricing flexibility. Given the strong relationship-driven nature of operations, employee attrition is generally a major concern for consulting firms. The loss of a significant number of key employees could materially affect the GT Group's service delivery and profitability. The Group has a reasonable track record in employee retention, reflecting favourably on its brand strength, employee policies, and compensation packages. However, the Group's ability to attract and retain quality manpower remains a challenge.

**Moderate capital base owing to regular capital withdrawals** – As is inherent in partnership firms (GTLLP in this case), the capital structure remains vulnerable to the risk of large capital withdrawals by the partners. ICRA notes that in the last few years, average capital withdrawals stood at ~60-70% of profits, resulting in a moderate capital base for the Group. In FY2025, the Group received an equity infusion of ~Rs. 144 crore from GT UK, leading to an increase in net worth to Rs. 392.3 crore as on March 31, 2025 (against Rs. 194.3 crore as on March 31, 2024). However, the investment is expected to be reversed by the end of FY2026. Going forward, the extent of withdrawals and their impact on liquidity, leverage, and the financial risk profile will continue to remain a key rating sensitivity.

**Exposed to reputation and regulatory risks** – The GT Group faces significant market/reputational risks due to the stringent controls imposed by regulatory authorities. Further, any adverse event could lead to its de-affiliation from the global network and impact future revenue prospects.

### Liquidity position: Strong

The Group's liquidity position is expected to remain strong, with steady cash flows from operations, supported by undrawn bank lines, free cash balances (~Rs. 290 crore as of March 2025), and no major debt repayment liability over the next 12 months. A steady increase in the Group's internal accruals and regular capital contributions by the partners will keep reliance on external debt limited. ICRA has factored in the CGs extended by GTAPL for debt raised by Unravel Realty 90A LLP and the susceptibility of the Group's liquidity to capital withdrawals (by partners) and employee payouts, which are expected to remain high.

### Rating sensitivities

**Positive factors** – A significant increase in the scale of operations and a sustained improvement in profitability, while maintaining strong credit metrics and liquidity position, could result in a rating upgrade.

**Negative factors** – The rating could be downgraded if there is a considerable decline in revenue, profit margins, and cash flow generation on a sustained basis. Additionally, stretching of the working capital cycle due to the accumulation of debtor levels on a sustained basis or substantial capital withdrawals leading to a weakening of the liquidity position, could also lead to a rating downgrade.

### Analytical approach

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>   |
| Parent/Group support            | Not applicable  |
| Consolidation/Standalone        | For arriving at the ratings, ICRA has taken a consolidated the financials of GTB, GTAPL and Unravel Realty 90A LLP, which are enlisted under Annexure-II. |

### About the company

Grant Thornton Bharat LLP (GT), a limited liability partnership firm majorly owned by GTAPL, is part of the global network of accounting firms under Grant Thornton International (GTI), a non-practicing, international umbrella entity. GTI has a long track record in the advisory and auditing business and a wide international presence. GT broadly offers three lines of services: tax and regulatory services, specialist advisory services and international assurance services. The firm has a pan-India presence with extensive experience of working with a diverse range of clients. Advisory services operation is the largest revenue contributor with 65-70% share.

### Key financial indicators (audited)

| GT Consolidated                                      | FY2024  | FY2025  |
|--|---------|---------|
| Operating income (Rs. crore)                         | 1,076.0 | 1,470.6 |
| PAT (Rs. crore)                                      | 110.6   | 189.9   |
| OPBDIT/OI (%)  | 13.0%   | 16.1%   |
| PAT/OI (%)   | 10.3%   | 12.9%   |
| Total outside liabilities/Tangible net worth (times) | 0.6     | 0.4     |
| Total debt/OPBDIT (times)                            | 0.5     | 0.3     |
| Interest coverage (times)                            | 12.3    | 23.4    |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; 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

| Chronology of rating history for the past 3 years |           |  |                      |           |                      |           |                      |           |                      |
|---|-----------|--|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Instrument  | Type      | Current (FY2026)<br>Amount<br>rated<br>(Rs. crore) | FY2025               |           | FY2024               |           | FY2023               |           |                      |
|   |           |  | Sept 11, 2025        | Date      | Rating               | Date      | Rating               | Date      | Rating               |
| Cash Credit                                       | Long term | 100.00   | [ICRA]A+<br>(Stable) | Aug-13-24 | [ICRA]A+<br>(Stable) | Jun-08-23 | [ICRA]A+<br>(Stable) | Apr-29-22 | [ICRA]A+<br>(Stable) |
|   |           |  | -                    | -         | -                    | Jul-03-23 | [ICRA]A+<br>(Stable) | -         | -                    |
| Bank Guarantee                                    | Long term | 100.00   | [ICRA]A+<br>(Stable) | Aug-13-24 | [ICRA]A+<br>(Stable) | Jun-08-23 | [ICRA]A+<br>(Stable) | Apr-29-22 | [ICRA]A+<br>(Stable) |
|   |           |  | -                    | -         | -                    | Jul-03-23 | [ICRA]A+<br>(Stable) | -         | -                    |

## Complexity level of the rated instruments

| Instrument                                  | Complexity Indicator |
|---|----------------------|
| Long term - Fund based – Cash Credit        | Simple               |
| Long term - Non-fund based – Bank Guarantee | Very simple          |

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

**Annexure I: Instrument details**

| ISIN | Instrument Name                             | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|---|------------------|-------------|----------|--------------------------|----------------------------|
| NA   | Long term - Fund based - Cash Credit        | -                | -           | -        | 100.0                    | [ICRA]A+(Stable)           |
| NA   | Long term - Non-fund based – Bank Guarantee | -                | -           | -        | 100.0                    | [ICRA]A+(Stable)           |

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis**

| Instrument Name                         | Ownership | Consolidation Approach |
|---|-----------|------------------------|
| Grant Thornton Bharat LLP               | -         | Full Consolidation     |
| Grant Thornton Advisory Private Limited | -         | Full Consolidation     |
| Unravel Realty 90A LLP                  | -         | Full Consolidation     |

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