

November 14, 2025

PricewaterhouseCoopers Services LLP: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/ Short-term – Fund based/ Non-fund based – Others^	650.00	1,515.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed and assigned for enhanced amount
Total	650.00	1,515.00	

**Instrument details are provided in Annexure I; ^interchangeable between fund-based and non-fund based limits*

Rationale

While assigning the ratings, ICRA has taken a consolidated view of PricewaterhouseCoopers Services LLP, PricewaterhouseCoopers Professional Services LLP and PricewaterhouseCoopers Private Limited – all engaged in consultancy business in India. For analysing the financials, ICRA has consolidated the financials of seven entities (captured in Annexure II), including the above three entities - given the similar line of business and close operational, financial and managerial linkages between the entities. These seven entities are herein collectively referred to as PwCC (PwC – Consultancy).

The ratings draw strength from PwCC's strong operational and financial profiles, supported by its long track record of operations in India and its status as a member of the global network of PricewaterhouseCoopers (PwC) — one of the largest global professional services firms. These have helped PwCC establish a reputed and diversified customer base, providing repeat business of more than 90% with low counterparty risk. Further, PwCC benefits from the business outsourced to it by various member firms of the PwC network spread across multiple countries, providing diversity to its earnings. These operational strengths support its large scale of operations and sustained improvement in operating margins since FY2023. Despite the improvement, interest coverage has moderated due to increased utilisation of fund-based limits following the management's decision to retain a certain level of liquidity on books in the form of bonds and mutual funds, which were earlier available for daily operations. Nonetheless, PwCC's debt protection metrics continue to be comfortable, reflected by a conservative capital structure (Total Debt/TNW of 0.9 times as on March 31, 2025) and a strong liquidity position. PwCC is expected to maintain healthy coverage metrics (adjusted for non-operating income from liquid investments), despite the working capital-intensive nature of operations owing to strong cash accruals and limited capex outlays.

The long-term rating is, however, constrained by the intense competition in the segments where PwCC operates, resulting in limited pricing power. Additionally, its profitability is susceptible to employee payouts, the largest cost component. Given the increasing scale of operations and working capital-intensive nature of the business, the utilisation of working capital limits has been increasing since FY2023 and reached pre-pandemic levels in FY2025. Nonetheless, PwCC has maintained strong liquidity cushion and secured timely enhancement in the working capital limits to support its funding requirement. As applicable to any partnership model, the capital structure remains vulnerable to the risk of large capital withdrawal/payouts to the partners. While capital withdrawals linked to profit sharing are expected to continue, healthy revenue growth and profits is likely to sustain liquidity. Given the relationship-driven nature of operations, PwCC's ability to maintain a healthy talent base remains a crucial determinant of its performance.

With respect to the fine imposed by the Enforcement Directorate (ED) for alleged violations of FEMA provisions, ICRA has taken note of the adverse decision by the FEMA tribunal, which was upheld by ED Kolkata order, while reducing the penalty to ~Rs. 81 crore from the original Rs. 230 crore. PwCC has subsequently challenged the tribunal's decision before the Calcutta High Court, where the matter is pending adjudication. While ICRA does not foresee any immediate adverse impact, it will monitor the developments and take rating action, as and when required.

The Stable outlook on the long-term rating reflects ICRA's opinion that PwCC is likely to sustain a healthy growth in revenue and maintain stable profit margins. Further, the outlook underlines ICRA's expectations that PwCC's working capital

requirements would be funded in a manner that it is able to durably sustain its debt protection metrics commensurate with the existing ratings, while maintaining a strong liquidity.

Key rating drivers and their description

Credit strengths

Established track record; benefit as a part of PwC global network – PwCC is a member of PwC global network, which is one of the largest global professional services firms. Besides brand strength, the Indian operations derive support from international methodologies, processes and knowledge base of the PwC global network. Each member firms share processes and knowledge among them through the network, which help PwCC to provide a wide range of services to its clients and work on cross-border assignments.

Reputed and diversified client profile with high potential of repeat business – Diverse service offerings, strong brand and established operational track record enabled PwCC to develop a wide client base that includes reputed names from the private and public sectors as well as multilateral agencies, which provide regular repeat business of over 90%. Additionally, PwCC provides services to other network firms, which leads to revenue diversification to some extent. Further, the entity has a geographically spread-out revenue base.

Comfortable financial risk profile – PwCC reported a healthy 15% YoY growth in operating income in FY2025 with improvement in operating margins to 8.7% (PY: 7.7%). Strong cash flows from operations, along with limited capex requirements have kept reliance on long-term borrowings minimal (excluding working capital requirements). Overall, PwCC's financial risk profile remains comfortable, supported by a conservative capital structure (debt/net worth of 0.9 times as on March 31, 2025) and a strong liquidity position. While the interest coverage has moderated (5.2 times in FY2025 Vs. 6.1 times in FY2024) due to increased utilisation of fund-based limits – following the management's decision to retain liquidity on books – it continues to remain comfortable, aided by non-operating income from such investments. As on March 31, 2025, PwCC had moderate net debt (total debt, including lease liabilities, net of available liquidity) of ~Rs. 689 crore. ICRA expects continued revenue growth, stable margins and only a proportionate rise in working capital (vis-à-vis revenues) to support comfortable debt protection metrics.

Credit challenges

Exposed to legal and reputational risks – PwCC's operations are exposed to high legal and reputational risks, given the strict control by regulatory authorities and the nature of its operations. Reputational damage could severely impact its ability to attract and retain employees and clients, which could materially dampen the profitability and cash flow. In September 2019, the Enforcement Directorate (ED) imposed a penalty of ~Rs. 230 crore on PwCC and six other key personnel and former employees for alleged violations of FEMA provisions. PwCC appealed the ED order before the FEMA Tribunal, which upheld the order but reduced the penalty to Rs. 81 crore (vide order dated July 9, 2025). PwCC, subsequently, challenged the tribunal's decision before the Calcutta High Court, where the matter is pending adjudication. While ICRA does not foresee any immediate adverse impact, it will continue to monitor the developments and take rating action, as and when required.

Working capital-intensive business; exposed to risk of capital withdrawals – PwCC's business is working capital intensive, with receivable cycle of around 80-90 days (in addition to unbilled revenue) and blockage of a sizeable amount in income tax receivable/GST. Also, employee payout, the largest cost component, and staggered revenue realisation further increases funding needs. To manage the increasing scale of operations, PwCC's working capital limits are expected to be enhanced on a timely basis. The share of business being done in the partnership structure is on the rise which makes the capital structure vulnerable to the risk of large capital withdrawal/payouts to the partners. The extent of these payouts to the partners/directors and the impact of the same on liquidity, leverage and financial risk profile remains a key rating sensitivity.

Intense competition limits pricing flexibility; vulnerability to employee attrition risks – PwCC faces stiff competition from other established consulting majors, which limits its pricing flexibility. Nevertheless, the impact is partly mitigated by its strong brand and market positioning. Given the highly 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 PwCC’s service delivery and profitability. However, it has a reasonable track record in employee retention, reflecting favourably on its brand strength, employee policies and compensation packages. ICRA draws comfort from PwCC’s brand name as well as track record and has noted the steps being taken by it to address the said risk.

Liquidity position: Strong

PwCC’s liquidity position is expected to remain strong, driven by healthy surplus cash flow generated from operations and supported by unencumbered cash and investments of ~Rs. 846 crore (including bank balances of ~Rs. 245 crore, and investments in mutual funds, corporate bonds and fixed deposits, etc of ~Rs. 601 crore), besides a healthy buffer available in fund-based working capital limits (~Rs. 647 crore as on March 31, 2025; average utilisation of ~81% for 12-month period that ended on March 31, 2025). With regular increase in business, PwCC’s working capital limits are expected to be enhanced on a timely basis for maintaining adequate cushion. Considering the robust business fundamentals, no external long-term debt obligations (except lease liability obligations) and modest capex outflows, its liquidity is expected to remain strong. However, the extent of payouts to the partners/directors from the profits of PwCC and the impact of the same on liquidity remains a key rating sensitivity.

Rating sensitivities

Positive factors – A significant improvement in revenues and profitability, while maintaining a strong liquidity profile and debt protection metrics on a sustained basis, would be the key factors for a rating upgrade.

Negative factors – Pressure on PwCC’s ratings could arise in case of an adverse legal or regulatory action against the PwC network firms in India, or if there is a significant decline in revenues and operational cash flows. Additionally, a significant deterioration in debt protection metrics and liquidity profile, for reasons including but not limited to sizeable capital withdrawals in firms, could be triggers for a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of seven PwC network entities (as mentioned in Annexure II) in India involved in consultancy business given the close business, financial and managerial linkages among the same.

About the company

PricewaterhouseCoopers Services LLP (PwC S LLP) is one of the seven PwC network member entities involved in the consultancy business in India. It offers advisory services through four strategic business units: (i) Consulting, (ii) Government Reforms and Infrastructure Development (GRID), (iii) Deals and (iv) Advisory Corporate. PwC S LLP has a pan-India presence and a diverse clientele including the Government, multinational companies, domestic corporate houses and multilateral organisations.

Key financial indicators (audited)

PwCC – Consolidated*	FY2024	FY2025
Operating income (Rs. crore)	6,424.5	7,384.4
PAT (Rs. crore)	448.3	443.2
OPBDIT/OI (%)	7.7%	8.7%
PAT/OI (%)	7.0%	6.0%
Total outside liabilities/Tangible net worth (times)	1.7	1.9
Total debt/OPBDIT (times)	2.9	2.4
Interest coverage (times)	6.1	5.2

Source: PwCC, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

*The consolidated financial statements mentioned are prepared by the management based on the standalone audited financials of each entity enlisted under Annexure-II, with adjustments made for inter-entity transactions. While these consolidated statements are not subject to a separate audit, reliance is placed on them as they are derived from audited standalone financials.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Nov 14, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based/ Non-fund based – Others[^]	Long-term/ Short-term	1,515.00	[ICRA]AA-(Stable)/ [ICRA]A1+	Aug 30, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	May 19, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-
				-	-	Sep 04, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-

[^]interchangeable between fund-based and non-fund based limits

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based/ Non-fund based – Others	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	Fund-based/ Non-fund based – Others [^]	NA	NA	NA	1,515.00	[ICRA]AA- (Stable)/ [ICRA]A1+

Source: PwCC, ICRA Research; [^]interchangeable between fund-based and non-fund based category

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

Annexure II: List of entities considered for consolidated analysis

Entity name	Ownership	Consolidation approach
PricewaterhouseCoopers India LLP	NA	Full consolidation
PricewaterhouseCoopers Services LLP	NA	Full consolidation
PricewaterhouseCoopers Private Limited	NA	Full consolidation
PricewaterhouseCoopers Professional Services LLP	NA	Full consolidation
PricewaterhouseCoopers Digital Services Private Limited	NA	Full consolidation
PricewaterhouseCoopers Business Consulting Services LLP	NA	Full consolidation
PricewaterhouseCoopers Corporate Business Services LLP	NA	Full consolidation

Source: PwCC, ICRA Research

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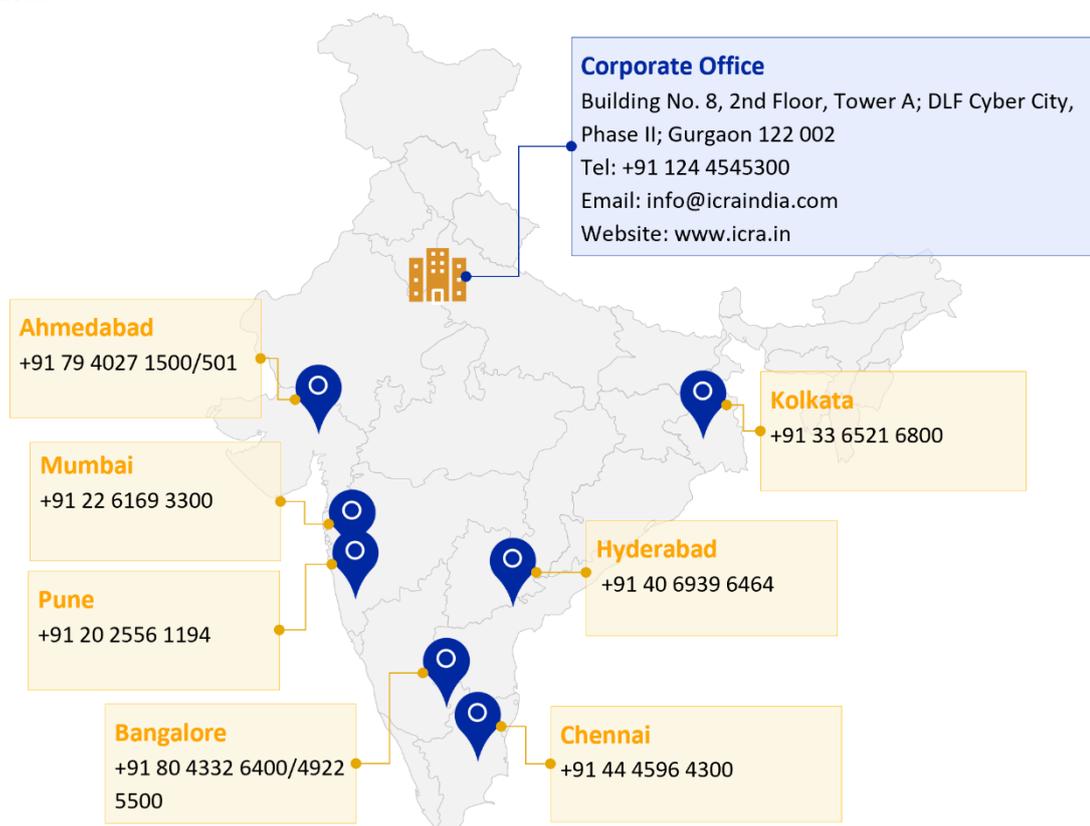
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