

November 14, 2025

Price Waterhouse & Co Chartered Accountants LLP: 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/Non Fund Based-Others^	180.00	180.00	[ICRA]AA (Stable)/[ICRA]A1+; Reaffirmed
Total	180.00	180.00	

*Instrument details are provided in Annexure I; ^Rs. 150.0 crore is available for utilisation among Price Waterhouse Chartered Accountants LLP, Price Waterhouse & Co Chartered Accountants LLP and Price Waterhouse & Co LLP. Also, it is interchangeable between fund-based & non-fund-based limits to the extent of Rs. 10 crore.

Rationale

While assessing the ratings, ICRA has taken a consolidated view on Price Waterhouse & Co Chartered Accountants LLP, Price Waterhouse Chartered Accountants LLP and Price Waterhouse & Co LLP – all engaged in assurance/audit business. For analysing the financials, ICRA has consolidated the financials of 11 entities, including the above three entities, given the similar line of business and strong operational, financial and managerial linkages between the entities. These 11 entities are hereinafter collectively referred to as PwCA (PwC – Assurance).

The rating reaffirmation continues to factor in PwCA's strong operational risk profile, 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. The association has helped PwCA establish a reputed and a diversified customer base, providing repeat business (~90% of overall revenues) with a low counterparty risk. Further, the ratings derive strength from PwCA's robust financial position as reflected in healthy revenue growth (~18% in FY2025) and profitability margins (~38% in FY2025 Vs. 36.8% in FY2024), which translates to robust return metrics. The assurance business generally has relatively longer-term contacts with the clients, which provide long-term revenue visibility. Healthy cash flows, along with limited capex outlays, leads to minimal reliance on borrowings, thereby facilitating robust debt coverage metrics (interest cover of 66.4 times and DSCR of 13.3 times in FY2025) and a strong liquidity position. The coverage metrics are expected to remain robust with PwCA likely to remain net debt free in the medium term.

The long-term rating is, however, constrained by the risks emanating from the regulatory landscape of the assurance business. This has been witnessed in the past when SEBI imposed a two-year ban (ended in March 2020) on the PwC network entities from auditing listed companies, which intermittently disrupted operations and affected revenues. Additionally, intense competition in PwCA's operating segments restricts pricing flexibility. The business model is working capital intensive, with receivable cycle of around 80-90 days (in addition to unbilled revenue)—leading to reliance on borrowings and creditors. The profitability is also vulnerable employee payouts, which form the largest cost component. Also, capital withdrawals linked to profit sharing are expected to continue, healthy revenue growth and profits should sustain the liquidity levels. Given the relationship-driven nature of the business, retaining skilled talent remains critical to performance.

The Stable outlook on the long-term rating reflects ICRA's opinion that PwCA will maintain robust capitalisation and debt coverage metrics, supported by healthy profits and strong cash flow from operations. Further, the outlook underlines ICRA's expectation that its 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; benefits from being a part of PwC network – PwCA 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 of the member firms share processes and knowledge among them through the network, which helps PwCA provide a wide range of services to its clients and work on cross-border assignments.

Reputed and diversified client profile; long-term revenue visibility of regulated business – Diverse service offerings, strong brand and established operational track record enabled PwCA to develop a wide client base that includes reputed names from the private and public sectors as well as multilateral agencies, which provides regular repeat business (comprising around 90% of the total annual revenues). The assurance business generally has relatively longer-term contacts with the clients, which provide long-term revenue visibility. This, along with healthy profitability, enables robust return metrics for PwCA entities. Additionally, PwCA provides services to other network firms, which leads to revenue diversification to some extent. It also has a geographically diversified revenue base.

Robust financial risk profile – PwCA's performance remained healthy in FY2025 with ~18% YoY growth in operating income. Strong cash flow from operations, along with limited capex outflow leads to minimal reliance on borrowings, thereby facilitating robust debt protection and coverage metrics. Overall, PwCA's financial risk profile is healthy, characterised by a conservative capital structure (Total Debt/OPBDITA of almost nil in FY2025), robust debt protection metrics (interest cover of 66.4 times and DSCR of 13.3 times in FY2025), and a strong liquidity position. The coverage metrics are expected to remain robust with PwCA likely to remain net debt free in the medium term.

Credit challenges

Exposed to legal and reputational risks – PwCA faces high legal and reputational risks, given the strict control by regulatory authorities and the nature of its operations. It is reflected by the two-year ban imposed by SEBI on PwC network entities in carrying out audits for listed companies till March 2020, intermittently disrupted operations and affected revenues. While the ban period is over and the incremental impact on PwCA has been limited, the sector remains exposed to regulatory risks.

Working capital-intensive business; exposed to risk of capital withdrawals – PwCA's business is working capital intensive, with receivable cycle of around 80-90 days (in addition to unbilled revenue) and large employee payouts, which is the largest cost component further increase the funding needs. As applicable to any partnership model, the capital structure remains vulnerable to the risk of large capital withdrawal by the partners. The extent of payout to partners from the profits and the impact of the same on liquidity, leverage and financial risk profile remains a key rating sensitivity. However, ICRA notes that due to strong cash flow from operations and negligible debt in PwCA, the overall debt protection metrics remain strong.

Intense competition limits pricing flexibility, vulnerability to employee attrition risks – PwCA faces stiff competition from other established audit and consulting majors, which limits its pricing flexibility. Nevertheless, the impact is partly mitigated by its strong brand and market positioning. Given the service-oriented nature of operations, loss of a significant number of key employees could materially affect PwCA's service delivery ability. 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 PwCA's brand name as well as track record and has noted the steps taken by it to address the said risk.

Liquidity position: Strong

PwCA's liquidity position is expected to remain strong, driven by healthy cash flows from operations, supported by unencumbered liquidity of ~Rs. 492.4 crore on books (comprising cash and cash equivalents, investments in financial assets – such as mutual funds, corporate bonds and fixed deposits, among others) besides healthy cushion available in fund-based working capital limits (Rs. 310 crore as on March 31, 2025, with average utilisation of 30-35% over the trailing 15 months). With strong business fundamentals, no external long-term debt obligations and no major capex plans, PwCA's cash flows from operations are expected to remain strong at over ~Rs. 500 crore. However, the extent of payouts to the partners from the profits of PwCA 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 PwCA'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 the 11 PwC network entities in India involved in assurance/audit business (as mentioned in Annexure-II) given the strong business, financial and managerial linkages among the same.

About the company

Price Waterhouse & Co Chartered Accountants LLP is a part of PwC network entities, which provides assurance and tax services in India. Its range of services include financial statement audit, financial accounting, independent controls and systems process assurance, as well as regulatory compliance and reporting. Price Waterhouse & Co Chartered Accountants LLP has a pan-India presence and a diverse clientele viz., the Government, multinational companies, domestic corporate houses, and multilateral organisations. The entity is one of the 11 in the PwC India Group, which are involved in assurance and tax-related services.

Key financial indicators (audited)

Consolidated*	FY2024	FY2025
Operating income	2483.6	2922.5
PAT	642.5	792.8
OPBDIT/OI	36.8%	38.0%
PAT/OI	25.9%	27.1%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	0.1	0.0
Interest coverage (times)	57.6	66.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * The consolidated financial statements for the entities mentioned in Annexure II are prepared by the company based on the standalone audited

financials of each entity, 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					
	Type	Amount rated (Rs crore)	Nov 14, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund Based/Non Fund Based- Others^	Long Tem/Short Term	180.00	[ICRA]AA (Stable)/[ICRA] A1+	Aug 30, 2024	[ICRA]AA (Stable)/[ICRA]A1+	May 18, 2023	[ICRA]AA (Stable)/[ICRA]A1+	-	-
Fund Based-Cash Credit	Long Term			-	-	May 18, 2023	[ICRA]AA (Stable)	-	-

^Rs. 150.0 crore is available for utilisation among Price Waterhouse Chartered Accountants LLP, Price Waterhouse & Co Chartered Accountants LLP and Price Waterhouse & Co LLP. Also, it is interchangeable between fund-based & non-fund-based limits to the extent of Rs. 10 crore.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term / Short Term-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	Long-term/ Short-term – Fund-based/ Non-fund based^	-	-	-	180.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company; ^Rs. 150.0 crore is available for utilisation among Price Waterhouse Chartered Accountants LLP, Price Waterhouse & Co Chartered Accountants LLP and Price Waterhouse & Co LLP. Also, it is interchangeable between fund-based & non-fund-based limits to the extent of Rs. 10 crore.

[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
Price Waterhouse & Co Chartered Accountants LLP	NA	Full Consolidation
Price Waterhouse Chartered Accountants LLP	NA	Full Consolidation
Price Waterhouse & Co LLP	NA	Full Consolidation
Price Waterhouse LLP	NA	Full Consolidation
Price Waterhouse Bangalore	NA	Full Consolidation
Price Waterhouse & Co.	NA	Full Consolidation
Lovelock & Lewes Chartered Accountants LLP	NA	Full Consolidation
Price Waterhouse & Co Bangalore LLP	NA	Full Consolidation
Dalal & Shah Chartered Accountants LLP	NA	Full Consolidation
Lovelock & Lewes LLP	NA	Full Consolidation
Choksey Bhargava & Co LLP	NA	Full Consolidation

Source: Management discussion

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Ritu Goswami
+91 124 4545 826
ritu.goswami@icraindia.com

Sahil Sardana
+91 124 4545 855
sahil.sardana@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.