February 16, 2026

PICL (INDIA) PRIVATE LIMITED: [ICRA] A+(Stable)/[ICRA]A1; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long Term – Fund based – Term loan	100.00	[ICRA]A+ (Stable); assigned
Long term/Short term – Fund based – Proposed working capital facility	55.00	[ICRA]A+ (Stable)/[ICRA]A1; assigned
Total	**155.00**	

**Instrument details are provided in Annexure I*

Rationale

The assigned ratings of PICL India Private Limited (PICL) factor in its established operational track record of more than two decades and its position as a key supplier in the domestic air-conditioning (AC) motor segment. The company's revenue profile is diversified across induction motors, which contribute 75-80% to the overall revenue, and energy-efficient brushless direct current (BLDC) motors, which account for another 10-12%. PICL's business position is further supported by established relationships with reputed original equipment manufacturers (OEMs)/contract manufacturers such as Daikin, Blue Star, Voltas, PG Electroplast and Epack Durables, with the consumer-durables segment generating 80-85% of revenues, resulting in steady order offtake. The ratings also derive comfort from the company's strong business and financial linkages with its parent, Amber Enterprises India Limited (AEIL; rated [ICRA]AA-(Stable)/[ICRA]A1+), reflected in common management and financial support in the form of advances and corporate guarantees. ICRA expects AEIL to continue to provide need-based funding support. PICL's financial profile is adequate, supported by a healthy five-year revenue CAGR of around 30%, reaching Rs. 482.4 crore in FY2025, steady operating margins of 9.5-10%, moderate debt levels and adequate coverage metrics, with total debt/OPBITDA of 1.9 times in FY2025. ICRA expects the company's leverage and coverage indicators to remain stable as it has no major debt-funded capital expenditure planned in the near term.

However, the ratings are constrained by PICL's moderate scale of operations and exposure to segmental concentration, with the AC segment contributing 80-85% of revenues, making its performance dependent on seasonal demand trends in the AC industry. PICL also continues to depend on imported raw materials, particularly magnets and copper, exposing it to foreign exchange fluctuations and raw material price volatility. However, the presence of pass-through arrangements and hedging mechanisms mitigates this risk to some extent.

The Stable outlook on the long-term rating reflects ICRA's expectation that PICL's credit profile will remain healthy, supported by its established business position and close integration with its parent.

Key rating drivers and their description

Credit strengths

Established operational track record of operations – PICL, incorporated in 1994, has an established operational track record of over two decades in the domestic AC motor segment. Over the years, the company has developed strong technical capabilities, including the ability to manufacture BLDC motors that are around 25% more energy-efficient than conventional induction motors. The company's diverse product profile, established customer relationships with leading OEMs and strong linkages with its parent entity support its strong market presence.

PICL benefits from its strong parentage – PICL, as a wholly owned subsidiary of AEIL, benefits from strong operational and financial linkages with its parent. Apart from deriving about 30% of its revenue from its parent, it also benefits from AEIL's strong customer base. The parent provides financial support in the form of inter-corporate deposits, advances and corporate guarantees. Further, close integration is underpinned by common board representation, demonstrating strong governance linkages and strategic alignment between PICL and its parent.

Reputed clientele – PICL's business profile is supported by its long-standing relationships with reputed OEMs in the air-conditioning and consumer-durables sectors, which ensures stable and recurring order flows. The company supplies its products to established industry players such as Daikin, Blue Star, Voltas and PG Electroplast, reflecting its strong market position. Additionally, PICL derives a significant share of its revenues from its parent, AEIL, which further enhances operational stability.

Adequate financial risk profile – PICL reported a healthy five-year revenue CAGR of around 30%, reaching Rs. 482.4 crore in FY2025, supported by strong demand in the AC segment (accounting for 80-85% of revenue) and volume-led growth in both induction and BLDC motors. However, revenue growth moderated in H1 FY2026 owing to weaker seasonal demand in the AC industry. Nonetheless, an improvement is anticipated in H2 FY2026 with the expected pick-up in seasonal offtake. The company's operating margins remained stable at 9.5-10%. PICL's financial profile is adequate, marked by moderate debt of Rs. 96.4 crore (including Rs. 25.6 crore of advances from the parent) and a net worth of Rs. 70.8 crore as on March 31, 2025. While debt levels increased in H1 FY2026 due to higher working-capital requirements amid lower sales, gearing is expected to moderate by the end of FY2026. ICRA expects leverage metrics to remain adequate, supported by stable earnings, with total debt/OPBDITA projected at 1.8-2.3 times over the medium term.

Credit challenges

Exposed to segmental concentration – The company derives around 80-85% of its revenue from the AC segment, which exposes it to the inherent seasonality of the AC industry. In addition, around 75-80% of revenue is derived from induction motors. The Indian AC industry is seasonal, with a large portion of revenue generated between April and June; hence, a conducive summer season is crucial for the industry. However, established relationships with key OEMs and the company's position as one of the leading suppliers of motors mitigate this risk to some extent. Moreover, operational linkages with the parent provide revenue stability.

Import dependence for key raw materials exposes the company to forex fluctuations – PICL procures copper, aluminium, steel, chemicals and magnets. While a large portion of raw materials is procured domestically, key inputs such as magnets and copper are imported from China. This exposes the company to foreign exchange fluctuation risk, commodity price volatility and supply-chain disruptions. The foreign exchange risk is partly offset through natural hedges arising from export receipts and the use of forward contracts. Besides, volatility in key input prices is largely passed on to customers.

Liquidity position: Adequate

PICL's liquidity is adequate, supported by healthy cash flow generation and cash and bank balances of Rs. 5-6 crore, along with unutilised working capital limits of Rs. 62 crore (fully interchangeable against non-fund-based limits) as of January 2026. The company also avails of factoring and vendor-financing facilities, which further support liquidity. In FY2026 and FY2027, the company is expected to incur an annual aggregate capex of Rs. 20-30 crore towards maintenance, while annual repayment obligations are expected to be Rs. 19-20 crore. The company's capex and repayment obligations are expected to be adequately met through operational cash flows and available liquidity.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company reports strong growth in revenues and earnings alongside an improvement in credit metrics. The ratings could also be upgraded if there is an improvement in the parent company's credit profile.

Negative factors – Pressure on the company's ratings could arise if there is a material deterioration in its earnings, weakening its credit metrics. The ratings could also be downgraded if there is a deterioration in the parent company's credit profile or a weakening of PICL's linkages with its parent.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent company: AEIL ICRA expects PICL's parent, AEIL, to extend operational and financial support to the company, given its strategic importance and strong business linkages. The ratings also factor in AEIL's willingness to provide financial assistance whenever required, supported by the reputational sensitivity associated with PICL being a wholly owned subsidiary.
Consolidation/Standalone	The ratings are based on the standalone financial statements of the entity.

About the company

Incorporated in 1994, PICL is engaged in the manufacturing of electric motors, including induction and BLDC motors, catering to applications in air conditioners, washing machines, and ceiling fans (including energy-efficient variants), with usage across both residential and commercial segments. The company operates from its facility at Faridabad, Haryana, which has an aggregate installed capacity of 7.5 million motors per annum.

AEIL acquired a 100% stake in PICL in 2012 to facilitate backward integration.

About the parent – AEIL

Incorporated in 1990 and headquartered in Gurugram, Haryana, AEIL is India's largest contract manufacturer of room air conditioners (RACs) and caters to leading brands such as Voltas, Blue Star, LG, Panasonic and Daikin. As on March 31, 2025, it operated 30 manufacturing plants on a consolidated basis across eight states. Over the years, it has diversified through backward integration into induction motors, printed circuit board (PCB) assembly, roof-mounted AC units for mobility applications and injection moulding for refrigeration and automobile components through strategic acquisitions and organic expansion.

Key financial indicators (audited)

PICL - Standalone	FY2024	FY2025
Operating income	338.8	482.4
PAT	7.1	18.7
OPBDIT/OI	9.9%	10.3%
PAT/OI	2.1%	3.9%
Total outside liabilities/Tangible net worth (times)	4.5	3.5
Total debt/OPBDIT (times)	3.2	1.9
Interest coverage (times)	2.4	3.9

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

Current (FY2026)					Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	100.00	Feb 16, 2026	**[ICRA]A+ (Stable)**	-	-	-	-	-	-
Fund based - Working capital facility	Long term/Short term	55.00	Feb 16, 2026	**[ICRA]A+ (Stable)/ [ICRA]A1**	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund based – Term loan	Simple
Long term/Short term– Fund based - Working capital facility	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 – Term loan***	NA	NA	NA	100.00	[ICRA]A+ (Stable)
NA	**Long term/Short term– Fund based - Working capital facility ***	NA	NA	NA	55.00	[ICRA]A+ (Stable)/[ICRA]A1

*Source: Company; * Proposed*

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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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.

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