

Pilani Investment and Industries Corporation Limited

September 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Commercial paper	2,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of rating for the commercial paper (CP) issue of Pilani Investment and Industries Corporation Limited (PIICL) reflects its integral role as an investment holding company of the Aditya Birla group, bolstered by its equity stakes in prominent Birla group companies. The company has robust financial flexibility emanating from the equity ownership in the Aditya Birla group entities, including Grasim Industries Limited (rated 'CARE AAA; Stable/CARE A1+'), Hindalco Industries Limited (rated 'CARE AA+; Stable/CARE A1+'), Ultratech Cement Limited (rated 'CARE AAA; Stable/CARE A1+'), Aditya Birla Real Estate Limited (earlier Century Textiles and Industries Limited; rated 'CARE AA; Stable/CARE A1+'), Aditya Birla Capital Limited (ABCL), Aditya Birla Lifestyle Brands Limited (ABLBL) and Aditya Birla Fashion and Retail Limited (ABFRL) among others.

The rating derives strength from the Aditya Birla group's esteemed legacy and the robust credit profiles of its diverse operating entities, which have consistently distributed dividends. Additionally, the rating is supported by PIICL's robust financial position, evidenced by the market valuation of its investments in group companies, providing healthy debt cover for existing and any proposed borrowings.

The market value of investments as on June 30, 2025, stood at ₹26,121 crore. The company has a healthy debt cover of 13.75x providing adequate cover against external debt (existing and proposed). CARE Ratings Limited (CareEdge Ratings) notes that the management intends to maintain the consolidated external borrowings to ₹3,000-3,500 crore in the near-to-medium term. In February 2025, the company participated in the Preferential Issuance of Aditya Birla Fashion and Retail Limited requiring funds, thereby increase in external borrowings.

The above rating strengths are, however, offset by the exposure of investments to market-related volatility as well as dependence on the group entities for interest and dividend.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

Not applicable

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Fall in cover of market value of investments in the Aditya Birla group entities over the external outstanding debt exposure of PIICL, including those of its subsidiaries below 4.00x owing to decline in the share price of investee companies or rise in debt levels of PIICL.
- Deterioration in credit profile of group entities of the Aditya Birla group entities, in which PIICL has equity holdings impacting PIICL's credit profile.
- Change in stance of support by the Aditya Birla group.

Analytical approach: Standalone

PIICL has been assessed based on investment holding company criteria basis of its investment holdings in "Aditya Birla group" entities. Furthermore, for the purpose of analysis, CareEdge Ratings has included the consolidated debt of PIICL, and its standalone contingent liability limited to guarantees, if any, extended to associates or companies within the group.

Outlook: Not applicable

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Diversified business investments with strong parentage

The Aditya Birla group has demonstrated and well-established management track record. With a simplified holding structure, PIICL has greater diversity in terms of investments in group companies. It holds equity shares in several flagship group companies including Hindalco Industries Limited, Grasim Industries Limited, Ultratech Cement Limited, Aditya Birla Real Estate Limited (erstwhile Century Textiles and Industries Limited), ABCL, ABLBL and ABFRL among others. The company also holds shares in some unlisted companies of the group. CareEdge Ratings notes that the strong credit risk profile of Aditya Birla group companies will ensure steady dividend inflows for PIICL, which will remain a key rating monitorable.

Strong financial flexibility with healthy capital structure driven by investments in Aditya Birla group companies

PIICL derives strong flexibility from stake in listed and unlisted group companies of the Aditya Birla group. The investment in listed companies translates into market value of ₹26,121 crore (as on June 30, 2025). Being an investment holding company, PIICL extends support to its group companies through equity investments, loans, and advances. Adequate debt cover of 13.75x as on June 30, 2025, considering existing borrowings maintained by PIICL provides it with strong flexibility to refinance existing debt exposure. Significant rise in debt levels or substantial decline in the market capitalisation in investments will remain a key rating monitorable.

Expected sustenance of comfortable cover and likely support from the Aditya Birla group

The market value of investments as on June 30, 2025, stood at ₹26,121 crore. The company has a healthy debt cover of 13.75x providing adequate cover against external debt (existing and proposed). CareEdge Ratings notes that the management intends to maintain the consolidated external borrowings to ₹3,000 - 3,500 crore in the near-to-medium term. In February 2025, the company participated in the Preferential Issuance of ABFRL. Any further debt availed by the company for investment or extending loans and advances to companies within the group is expected to be supported by market value of its investment and strong financial flexibility by virtue of being part of Aditya Birla Group.

Comfortable financial risk profile

PIICL's financial risk profile is marked by steady dividend income and comfortable capital structure with overall gearing of 0.13x as on March 31, 2025 (PY: 0.07x). The holding company derives income through dividend, interest income or sale of investments given the predominance of investments (equity and mutual funds) in its asset base.

Key weaknesses

Exposure to fluctuation in market value of investments

PIICL's investment value in Aditya Birla group companies remains susceptible to the economic downturn and deterioration in the performance of key operating entities of the group. Financial flexibility in terms of cover available would depend largely on market sentiments and share price of listed entities. Any increase in market-related risks leading to a sharp fall in the share prices of its investments will be a key rating sensitivity factor. In case of substantial diminution in the value of investments, PIICL's financial flexibility will also be impacted.

Dependence on group companies for growth

PIICL's major income source includes dividend and interest income. The company received dividend and interest income of ₹79.21 crore and ₹235.85 crore, respectively in FY25 (₹65.68 crore and ₹235.47 crore, respectively in FY24). With dividend and interest income being PIICL's major source of income, its projected performance is directly linked to the performance of its group companies. Given the regulatory exposure of the sectors, in which the group is operating, decline in the industry's performance or adverse regulatory stance might affect PIICL's revenue stream.

As on June 30, 2025, the company's borrowing is in the form of outstanding CP and non-banking financial company (NBFC) loan. For its repayment obligations, PIICL may have to rely on refinancing, in addition to dividend and interest income. As the major income source is not sufficient to cover principal repayments, the company is highly exposed to the refinancing risk. However, the high market value of its holdings in listed group entities against the outstanding debt provides a mitigant against refinancing risk.

Liquidity: Strong

PIICL enjoys strong financial flexibility emanating from investments in Aditya Birla group companies (₹26,121 crore investment value as on June 30, 2025). PIICL's management intends to maintain debt at ~₹3,000-3,500 crore in the medium-term, which at current value of shareholdings shall help in maintaining adequate cover and this is expected to sustain in the medium term. The cover gives sufficient financial flexibility to refinance the maturing repayment obligation. Also, in case of adverse market movements, adequate financial flexibility through Aditya Birla group companies shall be available to improve the cover.

Assumptions/Covenants: Not applicable**Environment, social, and governance (ESG) risks**Environmental risk

As the company is engaged in investment and financing activities, it does not have adverse impact to environment, but it commits to ensure to reduction in wastage of electricity, office stationeries, and water among others. The company encourages the use of electronic methods of communication. The company promotes virtual meetings to reduce travel, eventually leading to reduction in its carbon footprint.

Social risk

Promoting healthcare including preventive healthcare and promoting education.

Governance

The company's board of directors comprises seven members consisting of non-executive and independent directors, account for 100% of the board strength. Independent directors are eminent professionals/experts drawn from among persons with experience in business and industry, finance and law.

Applicable criteria

[Definition of Default](#)

[Investment Holding Companies](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Investment company

Incorporated in August 1948, PIICL is an investment holding company of Birla group with investments in group companies including Hindalco Industries Limited (CARE AA+; Stable/ CARE A1+), Grasim Industries Limited (CARE AAA; Stable/ CARE A1+), UltraTech Cement Limited (CARE AAA; Stable/CARE A1+), Aditya Birla Real Estate Limited (CARE AA; Stable/CARE A1+), ABCL, and ABFRL. The company has been granted Certificate of Registration by Reserve Bank of India as a Core Investment Company (CIC) in terms of Core Investment Companies (Reserve Bank) Directions, 2016 in May 2025. The company core functions include investments in shares and securities of Aditya Birla group companies apart from providing finance to them.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	301.15	315.06	48.74
PAT	167.07	169.41	4.32
Interest coverage (times)	3.94	3.51	1.15
Total Assets	15,492.78	18,405.27	-
Net NPA (%)	-	-	-
ROTA (%)	1.24	0.99	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper- Commercial Paper (Standalone)	INE417C14959	23-May-2025	-	22-Aug-2025	300.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14967	27-May-2025	-	26-Aug-2025	50.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14975	04-Jun-2025	-	03-Sep-2025	50.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14983	12-Jun-2025	-	11-Sep-2025	75.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14991	20-Jun-2025	-	15-Sep-2025	175.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14991	19-Jun-2025	-	15-Sep-2025	50.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14AA7	16-Jul-2025	-	15-Oct-2025	200.00	CARE A1+
Commercial Paper- Commercial	INE417C14892	05-Mar-2025	-	16-Oct-2025	75.00	CARE A1+

Paper (Standalone)						
Commercial Paper- Commercial Paper (Standalone)	INE417C14850	21-Jan-2025	-	21-Jan-2026	50.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	Proposed	-	-	-	650.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14868	11-Mar-2025	-	06-Feb-2026	75.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14868	13-Mar-2025	-	06-Feb-2026	25.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14868	06-Feb-2025	-	06-Feb-2026	75.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14868	07-Feb-2025	-	06-Feb-2026	25.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14868	07-Feb-2025	-	06-Feb-2026	75.00	CARE A1+
Commercial Paper- Commercial Paper (Standalone)	INE417C14934	21-Mar-2025	-	12-Mar-2026	50.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Commercial Paper-Commercial Paper (Standalone)	ST	2000.00	CARE A1+	-	1)CARE A1+ (17-Feb-25) 2)CARE A1+ (20-Aug-24)	1)CARE A1+ (24-Aug-23)	1)CARE A1+ (25-Aug-22)

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple

Annexure-5: Lender details: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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