

Pilani Investment and Industries Corporation Limited

February 17, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|----------------------------|------------------|---------------------|---------------|
| Non-Convertible Debentures | 1,000.00 | CARE AA+; Stable | Assigned |
| Commercial paper | 2,000.00 | CARE A1+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the Non-Convertible Debenture (NCD) and 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 January 31, 2026, stood at ₹23,307 crore. The company has a healthy debt cover of 8.48x providing adequate cover against existing external debt. 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.

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

- Significant improvement in debt coverage, driven by the increased market value of holdings and/or reduction in external debt.
- Improvement in the credit risk profiles of the operating entities of the group

Negative factors

- 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 6.00x.
- 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: Stable

PIICL is expected to sustain comfortable debt coverage over the medium term, supported by the healthy value of its investments and strong financial flexibility arising from its position within the Aditya Birla Group.

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 expected sustenance of comfortable debt cover levels, supported by the healthy value of investments in Aditya Birla Group companies.

PIICL derives strong flexibility from its stake in listed and unlisted group companies of the Aditya Birla group. The investment in listed companies translates into market value of ₹23,307 crore (as on January 31, 2026). Being an investment holding company, PIICL extends support to its group companies through equity investments, loans, and advances. Adequate debt cover of 8.48x as on January 31, 2026, considering existing borrowings maintained by PIICL provides it with strong flexibility to refinance existing debt exposure. 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. Further, the company's management has articulated its aim to maintain net debt cover (ratio of total market value of investments in listed companies to net external debt) of 7x over the medium term.

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 along with refinancing risk

PIICL's major income source includes dividend and interest income. The company received dividend and interest income of ₹83.05 crore and ₹159.54 crore, respectively in 9MFY26 (₹79.21 crore and ₹235.85 crore, respectively in FY25). 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 January 31, 2026, 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 (₹23,307 crore investment value as on January 31, 2026). 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

The company promotes healthcare including preventive healthcare and promoting education.

Governance

The company's board of directors comprises seven members consisting of non-executive and independent directors, who 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 – Non 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.

| Brief Financials (₹ Crore) | March 31, 2024 (A) | March 31, 2025 (A) | 9MFY26 (UA) |
|----------------------------|--------------------|--------------------|-------------|
| Total operating income | 301.15 | 315.06 | 242.51 |
| PAT | 167.07 | 169.41 | 71.04 |
| Interest coverage (times) | 3.94 | 3.51 | 1.79 |
| 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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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) | 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+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AF6 | 21-Nov-2025 | - | 20-Feb-2026 | 150.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AH2 | 10-Dec-2025 | - | 11-Mar-2026 | 475.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AI0 | 12-Dec-2025 | - | 13-Mar-2026 | 500.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AJ8 | 15-Dec-2025 | - | 16-Mar-2026 | 200.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AG4 | 26-Nov-2025 | - | 25-Feb-2026 | 250.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | INE417C14AK6 | 30-Jan-2026 | - | 29-Jan-2026 | 100.00 | CARE A1+ |
| Debentures-Non-Convertible Debentures | Proposed | - | - | - | 1000.00 | CARE AA+; Stable |

*outstanding as on January 31, 2026

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+ (01-Sep-25) 2)CARE A1+ (20-Aug-24) | 1)CARE A1+ (17-Feb-25) 2)CARE A1+ (24-Aug-23) | 1)CARE A1+ (25-Aug-22) | |
| 2 | Debentures-Non-Convertible Debentures | LT | 1000.00 | CARE AA+; Stable | | | | |

LT: Long term; ST: Short term; LT/ST: Long term/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 |
| 2 | Debentures-Non-Convertible Debentures | 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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