July 28, 2025

Indutch Composites Technology Pvt. Ltd.: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Term loan	27.50	21.10	[ICRA]A- (Stable); reaffirmed
Long-term fund-based – Cash credit	70.00	145.00	[ICRA]A- (Stable); reaffirmed / assigned for enhanced amount
Short-term – Non-fund based	62.00	52.00	[ICRA]A2+; reaffirmed
Total	**159.50**	**218.10**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings action for Indutch Composite Technologies Pvt. Ltd. (Indutch) factors in its established business position and extensive experience of its founders in the composite-based windmill blade manufacturing industry, and its strong parentage in the form of Munjal Auto Industries Limited (MAIL; rated [ICRA]AA-(Stable)/[ICRA]A1+). Offtake agreements with a reputed clientele of global wind turbine manufacturers have translated into healthy ramp-up in sales volumes, driving Indutch's revenue growth in FY2025. Moreover, the momentum is expected to sustain in FY2026, given the company's strong order book position, planned expansion of capacities in some of its manufacturing facilities and favourable demand for its products. While the operating margins witnessed some moderation in FY2025 due to an increase in revenue contribution from the low-margin manufacturing business with Enercon, the same are expected to improve over the near-to-medium term, aided by increasing economies of scale, rise in revenue contribution of high-margin products such as mould and components. Besides, no significant addition to debt level is expected to strengthen the company's credit profile.

The ratings are, however, constrained by moderate credit metrics on account of volatility in profit margins and return indicators in recent years. The ratings also reflect the high segment concentration risk, with the company deriving most of its revenue from windmill blades and allied products, although its end-customers are geographically diversified. Additionally, ICRA notes an increase in the working capital requirements due to revised terms with Enercon Wind Energy Private Limited, effective October 2024. The company's operations are dependent on a limited client base, with 80-85% of FY2025 revenue expected from its top five clients. However, this concentration risk is likely to moderate over the medium term with the onboarding of new clients.

The Stable outlook on the long-term rating factors in ICRA's expectation that Indutch will continue to benefit from its established business position in the industry and report a healthy revenue growth and improvement in earnings, supporting its credit profile.

Key rating drivers and their description

Credit strengths

Strong parentage of MAIL – Indutch is of strategic importance to MAIL, with expected long-term diversification benefits to the consolidated profile of MAIL. The strong parentage is expected to help the company bid for bigger projects, provide healthy financial flexibility with lenders, as well as receive need-based financial support. Also, the non-independent directors are common between MAIL and Indutch.

Extensive experience of founding directors and a qualified management – Indutch's founders have significant experience in the composite industry, especially in wind energy application. The founders have established relationships with reputed wind turbine original equipment manufacturers (OEMs), leading to repeat business and contract renewals. The current clientele includes reputed names such as Enercon Wind Energy Private Limited (Enercon), Nordex India Private Limited (Nordex), Senvion Wind Technology Pvt. Ltd., and LM Wind Power Blades (India) Pvt. Ltd. (a General Electric Group company), among others.

Reputed client base with established track record of operations – Indutch's clientele comprises reputed global wind turbine manufacturers that have established cost-effective manufacturing bases in India, given the highly technical, customised, and labour-intensive nature of blade production. The company operates exclusive facilities for these clients, producing customised blades tailored to their specifications. While Indutch has a tooling facility in Vadodara (Gujarat), its remaining four production units are primarily dedicated to a single client. These clients have made substantial investments in plant and machinery, with Indutch maintaining an asset-light model—owning minimal assets and paying lease rentals for four manufacturing plants, while the rental for the Trichy plant is borne by the customers. Additionally, Indutch receives fixed-cost reimbursements and mobilisation or working capital advances from key clients.

Ramp-up of operations and healthy revenue visibility backed by orders – Indutch witnessed a healthy increase in revenues which touched Rs. 796 crore in FY2025 from Rs. 209 crore in FY2022. There has been a healthy ramp-up of operations across customers and manufacturing plants. Indutch has an estimated order book of more than Rs. 850 crore, to be executed over FY2026, which lends healthy medium-term revenue visibility.

Credit challenges

Moderate credit metrics, to improve gradually – Indutch's credit metrics remain moderate due to fluctuating cash generation from operations and relatively high debt repayments, resulting in a DSCR of 1.2-1.3 times and an interest coverage ratio of 2.7-2.8 times during FY2024-FY2025. Operating under an asset-light model, the company carries elevated lease liabilities, leading to a total debt/OPBDITA of 3.8 times in FY2025. Additionally, Indutch made a one-time payment of Rs. 10.3 crore to Senvion in FY2025 to address defects in windmill blades supplied in the past. Any recurrence of such events could adversely impact the credit profile. While the operating margins moderated in FY2025 due to increased competition, limiting pricing power, they are expected to improve over the near-to-medium term. This improvement will be driven by economies of scale and an increased revenue contribution from high-margin products such as moulds and components. Along with no significant increase in debt levels, these factors are expected to strengthen the company's credit profile.

Exposed to high customer concentration risk – The customer concentration remains high, as 80-85% of the company's revenues was generated from its top five customers in FY2025 with Enercon constituting 50-55% to the total revenues. Such dependence on a few clients is expected to reduce gradually over the medium term with the addition of new clients. Further, ICRA notes that the existing customers are reputed global wind turbine players with long-term offtake arrangements with them, mitigating the risk to some extent.

Exposure to high product concentration risk – At present, Indutch's entire revenue is derived from manufacturing windmill blades, moulds and allied products. Any slowdown in capacity addition in the wind energy sector may impact offtake from the existing (and prospective) clientele. However, India is emerging as a cost-effective destination for windmill manufacturers. Indutch has a unique business model, which offers exclusive production facilities to its clients, with offtake commitments that give it a competitive advantage.

Liquidity position: Adequate

Indutch's liquidity profile remains adequate. The average utilisation of sanctioned bank limits stood at 60-70% over the past 15 months ending in June 2025, indicating an average buffer of Rs. 10-15 crore. The entity has scheduled repayments of Rs. 9 crore in FY2026 and Rs. 5-7 crore annually during FY2027-FY2028, along with a planned capex of Rs. 15 crore in FY2026, which is expected to be funded through term debt. These repayment obligations are likely to be comfortably met through internal cash accruals, going forward.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company is able to consistently scale up its operations along with sustenance of healthy margins, leading to improvement in credit metrics and liquidity position. Any improvement in the credit profile of the parent could also trigger ratings upgrade.

Negative factors – The ratings could witness pressure in case of a significant decline in the top line or margins, resulting in material weakening in the credit profile of Indutch. Weakening of the parent's credit profile or linkages may also trigger negative ratings action. Moreover, inability to manage performance/defect warranties, which exert pressure on its credit metrics, may trigger ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	ICRA expects Indutch's parent, MAIL, to extend operational and financial support to Indutch, should there be a need.
Consolidation/Standalone	Standalone

About the company

Indutch, established in 2010, is an ISO:9001-certified manufacturer, exporter and trader of various composite products that find applications in sectors such as wind energy, railways, marine, industrial and aerospace. Indutch primarily derives its revenues from manufacturing windmill blades and ancillary products for global players using composite-based materials. At present, the company has five operational units including two in Vadodara and Halol (Gujarat), Mappedu and Trichy (Tamil Nadu) and one in Sullurpeta (Andhra Pradesh). Indutch has established its presence in East Europe, East Asia and North America and its clientele includes some of the world's largest windmill manufacturers namely Nordex, LM Wind Power, Enercon and Senvion, among others. MAIL acquired a 68% stake in Indutch in FY2019 and became its holding company, while the balance stake is held mainly by Indutch's founding promoters.

Key financial indicators (audited)

INDUTCH Standalone	FY2024	FY2025
Operating income (Rs. crore)	559.4	795.8
PAT (Rs. crore)	-2.1	8.2
OPBDIT/OI (%)	13.0%	10.5%
PAT/OI (%)	-0.4%	1.0%
Total Outside Liabilities/Tangible Net Worth (times)	20.4	15.9
Total Debt/OPBDIT (times)	3.8	3.8
Interest Coverage (times)	2.7	2.8

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, Note: All financial ratios as per ICRA's calculation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2026)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loans	Long Term	21.10	Jul 28, 2025	[ICRA]A- (Stable)	Jul 31, 2024	[ICRA]A- (Stable)	Feb 22, 2024	[ICRA]A- (Negative)	Nov 03, 2022	[ICRA]A- (Stable)
					-	-	Jul 20, 2023	[ICRA]A- (Negative)	-	-
Cash Credit	Long Term	145.00	Jul 28, 2025	[ICRA]A- (Stable)	Jul 31, 2024	[ICRA]A- (Stable)	Feb 22, 2024	[ICRA]A- (Negative)	Nov 03, 2022	[ICRA]A- (Stable)
					-	-	Jul 20, 2023	[ICRA]A- (Negative)	-	-
Non-fund-based bank facilities	Short Term	52.00	Jul 28, 2025	[ICRA]A2+	Jul 31, 2024	[ICRA]A2+	Feb 22, 2024	[ICRA]A2+	Nov 03, 2022	[ICRA]A2+
					-	-	Jul 20, 2023	[ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long-term – Fund based – Cash credit	Simple
Short-term – Non-fund based facilities	Very 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	**Term loans**	March 2020	NA	March 2028	21.10	[ICRA]A- (Stable)
NA	**Cash credit**	NA	NA	NA	145.00	[ICRA]A- (Stable)
NA	**Non-fund based limits**	NA	NA	NA	52.00	[ICRA]A2+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545368
jitinm@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Deepak Jotwani
+91 124 4545 870
deepak.jotwani@icraindia.com

Uday Kumar
+91 124 4545 867
uday.kumar@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