

March 09, 2026

## India Motor Parts & Accessories Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*                           | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                 |
|---------------------------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Long-term Fund-based – Cash credit    | 70.00                                | 70.00                               | [ICRA]AA (Stable); reaffirmed |
| Short-term – Fund-based – (sub limit) | (60.00)                              | (60.00)                             | [ICRA]A1+; reaffirmed         |
| <b>Total</b>                          | <b>70.00</b>                         | <b>70.00</b>                        |                               |

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation on the bank lines of India Motor Parts and Accessories Limited (IMPAL) considers ICRA's expectations of sustained financial performance by the company aided by its established presence in the automotive spare parts and accessories distribution space, and its strong liquidity position. The company has been a pan-India aftermarket player for the last several decades with more than 23,000 dealers. IMPAL caters to a wide range of products including brake systems, steering linkages, fasteners, power train components, engine parts and lubricants, etc., sourced from over 30 auto component manufacturers. The T.S. Santhanam Group (a faction of the larger TVS Group of companies) owns a 33.81% stake in the company, with 24.97% held by Trichur Sundaram Santhanam & Family Private Limited (as on December 31, 2025). Although IMPAL does not require financial support, it enjoys strong financial and operational flexibility as part of the T.S. Santhanam Group.

The company has remained net-debt negative for the last several years, achieved on the back of prudent working capital management and limited capex requirements due to its asset-light strategy. IMPAL had cash and bank balances and liquid investments of over Rs. 65.0 crore as on December 31, 2025. In addition, it had Rs. 135.9 crore in mutual funds with a tenor of more than a year, as on December 31, 2025. Further, it has long-term investments in other listed TSF Group companies, fair valued at over Rs. 1,800 crore as on December 31, 2025. The company is open to long-term investments in other Group entities. Nevertheless, the company is expected to remain net-debt negative over the medium term with sizeable cash and bank balances and liquid investments.

IMPAL is a moderate scale player with an operating income of Rs. 788.8 crore in FY2025 and Rs. 626.4 crore in 9M FY2026. Also, its sizeable dependence on commercial vehicle (CV) and passenger vehicle (PV) spares exposes the company to the inherent cyclicity in the CV and PV segments, which are largely linked to economic cycles. Further, IMPAL's limited value addition due to its trading nature of operations and intense competition restrict its pricing flexibility. The company reported an operating margin of 7.4% in 9M FY2026, largely similar to levels of 7.0-9.0% over the past few years. Its return on capital employed (RoCE) was low at 4.5% for FY2025, although upon adjusting net worth for fair value of investments, the same was higher at 14.6% for FY2025.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company will be able to sustain its credit profile, supported by its healthy business profile, strong liquidity position and comfortable debt metrics, amid a favourable demand outlook.

### Key rating drivers and their description

#### Credit strengths

**Established relationships with auto component suppliers; diversified product profile and pan-India presence with well-entrenched distribution network** – IMPAL is an established automotive spare parts and accessories distributor with a pan-India presence and with nearly 100 branches and 23,000 dealers. IMPAL's product portfolio is diverse, including brake systems,

steering linkages, fasteners, power train components, engine parts and lubricants, etc. The company caters to products from more than 30 auto component manufacturers, including Brakes India Private Limited, Rane (Madras) Limited, Sundram Fasteners Limited and ZF Commercial Vehicle Control Systems India Limited.

**Significant cash and liquid investments and market value of long-term investments; negligible utilisation of working capital lines for several years** – As on December 31, 2025, IMPAL remained debt free, with free cash and liquid investments of over Rs. 65.0 crore and undrawn working capital limits of Rs. 70.0 crore. Its utilisation of working capital lines remained negligible for the past several years. In addition, it had Rs. 135.9 crore in mutual funds with tenor of more than a year, as on December 31, 2025. Further, the company had over Rs. 1,800.0 crore of investments in listed TSF Group companies as on December 31, 2025. Being an asset-light company, IMPAL's capex is expected to remain negligible over the medium term, akin to past trends. ICRA expects the company's capital structure and coverage metrics to remain comfortable over the medium term, with sizeable cash balance/liquid investments and non-current investments.

**Financial and operational flexibility as part of T.S. Santhanam Group** – IMPAL enjoys strong operational and financial flexibility as part of the T.S. Santhanam Group (TSF Group, a faction of the larger TVS Group of companies, an established name in the domestic auto ancillary industry). The promoters own a 33.81% stake in the company, with a 24.97% stake held by Trichur Sundaram Santhanam & Family Private Limited (rated [ICRA]AA+ (Stable)/[ICRA]A1+) as on December 31, 2025. Apart from this, TSF investments Limited also held a 21.90% stake in the company as on December 31, 2025.

### Credit challenges

**Trading nature of operations and stiff competition limit pricing flexibility** – IMPAL's revenues remain moderate, at less than Rs. 1,000 crore. For 9M FY2026, the company's revenues stood at Rs. 626.4 crore (against Rs. 600.0 crore in 9M FY2025, a YoY growth of 4.4%). The growth was aided by increase in volume across all segments. Its value addition to products remains limited, given its trading nature of operations. Further, akin to other players in the automobile spares distribution business, the company witnesses intense competition, restricting its pricing flexibility and margins. Accordingly, its operating margin remains range-bound at 7.0-9.0%. Its RoCE was also low at 4.5% for FY2025, although upon adjusting net worth for fair value of investments, the same was higher at 14.6%.

**Sizeable dependence on commercial vehicle and passenger vehicle segments** – The CV and PV spares generated sizeable part of IMPAL's overall sales in 9M FY2026. This exposes the company to the inherent cyclicity in CV and PV aftermarket component sales, which are in turn linked to economic cycles. While the increasing share from tractors and other consumables mitigates the risk to an extent.

### Environment and social risks

**Environmental considerations** – The company, being a distributor, is not exposed to physical climate risks. IMPAL's branches and warehouses are exposed to natural disasters (such as hurricanes and floods) and extreme weather conditions, which could interrupt operations or damage properties. However, the availability of insurance acts as a safeguard in these circumstances.

**Social considerations** – The company is exposed to changing consumer preferences, including but not restricted to impact of scrappage policy and replacement of vehicles, and societal trends like the preference for ride sharing.

### Liquidity position: Strong

IMPAL's liquidity is Strong with healthy cash flow from operations of Rs. 25.0 crore – Rs. 40.0 crore, cash and bank balances and liquid investments of over Rs. 65.0 crore and undrawn working capital limits of Rs. 70.0 crore as on December 31, 2025. In addition to this, it had Rs. 135.9 crore in mutual funds with tenor of more than a year, as on December 31, 2025. In relation to these sources of cash, IMPAL has negligible capex commitment over the medium term and no debt repayments. The company also has over Rs. 1,800.0 crore of investments in listed TSF Group companies. Overall, ICRA expects IMPAL to be able to meet its near-term commitments through internal sources of cash and yet be left with sufficient cash/liquid investments surplus.

### Rating sensitivities

**Positive factors** – ICRA could upgrade IMPAL's ratings if it achieves material improvement in its scale of operations and profit margins on a sustained basis while maintaining its strong credit profile.

**Negative factors** – Negative pressure on IMPAL’s ratings could emerge with sharp deterioration in the earnings or significant rise in debt levels on a sustained basis.

## Analytical approach

| Analytical approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>                       |
| Parent/group Support            | Not Applicable  |
| Consolidation/standalone        | The ratings are based on the standalone financial profile of the company. |

## About the company

Incorporated in 1954, IMPAL is a leading player in the distribution of automotive spare parts and accessories in India. IMPAL was jointly incorporated by TV Sundaram Iyengar & Sons Limited and Sundaram Finance Limited in 1954. However, following the TVS Group’s restructuring, the company became part of the T S Santhanam faction, with Trichur Sundaram Santhanam & Family Private Limited (rated [ICRA]AA+ (Stable)/[ICRA]A1+) holding a 24.97% stake (as on December 31, 2025). The promoters own a 33.8% stake in the company. Sundaram Finance Holdings Limited held a 20.0% stake, as of March 2025, however, the same was transferred to TSF Investments Limited (TSFIL) during the current fiscal. At present, TSFIL holds a 21.9% stake in IMPAL. Over the years the company has diversified from the distribution of spares and accessories of General Motors into distribution of spares for all major OEMs, particularly in the commercial vehicle and PV segments.

## Key financial indicators (audited)

| India Motor Parts & Accessories Limited (Consolidated) | FY2024 | FY2025 |
|--|--------|--------|
| Operating income                                       | 741.2  | 788.8  |
| PAT  | 73.9   | 83.7   |
| OPBDITA/OI   | 7.7%   | 7.8%   |
| PAT/OI   | 10.0%  | 10.6%  |
| Total outside liabilities/tangible net worth (times)   | 0.1    | 0.1    |
| Total debt/OPBDITA (times)                             | 0.0    | 0.0    |
| Interest coverage (times)                              | 2851.5 | NM*    |

Source: Company, ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances;

\*NM – Not meaningful considering nil interest cost

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

### Rating history for past three years

| Instrument                           | Current rating (FY2026) |                            |                      |              |                      | Chronology of rating history for the past 3 years |                      |              |                      |              |                      |
|--------------------------------------|-------------------------|----------------------------|----------------------|--------------|----------------------|---|----------------------|--------------|----------------------|--------------|----------------------|
|                                      | Type                    | Amount rated<br>(Rs crore) | March 09, 2026       | Date         | Rating               | FY2025  |                      | FY2024       |                      | FY2023       |                      |
|                                      |                         |                            |                      |              |                      | Date  | Rating               | Date         | Rating               | Date         | Rating               |
| <b>Fund-based-Cash credit</b>        | Long- term              | 70.00                      | [ICRA]AA<br>(Stable) | Apr 08, 2025 | [ICRA]AA<br>(Stable) | Apr 02, 2024                                      | [ICRA]AA<br>(Stable) | Apr 06, 2023 | [ICRA]AA<br>(Stable) | May 19, 2022 | [ICRA]AA<br>(Stable) |
| <b>Interchangeable limits-Others</b> | Short- term             | (60.00)                    | [ICRA]A1+            | Apr 08, 2025 | [ICRA]A1+            | Apr 02, 2024                                      | [ICRA]A1+            | Apr 06, 2023 | [ICRA]A1+            | May 19, 2022 | [ICRA]A1+            |

## Complexity level of the rated instruments

| Instrument  | Complexity Indicator |
|---|----------------------|
| Long-term Fund-based – Cash Credit                                  | Simple               |
| Short -term – Fund Based Working Capital (sub-limit of cash credit) | 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              | NA               | NA          | NA       | 70.00                    | [ICRA]AA (Stable)          |
| NA   | Short-term fund based (sub limit) | NA               | NA          | NA       | (60.00)                  | [ICRA]A1+                  |

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

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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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## ICRA Limited

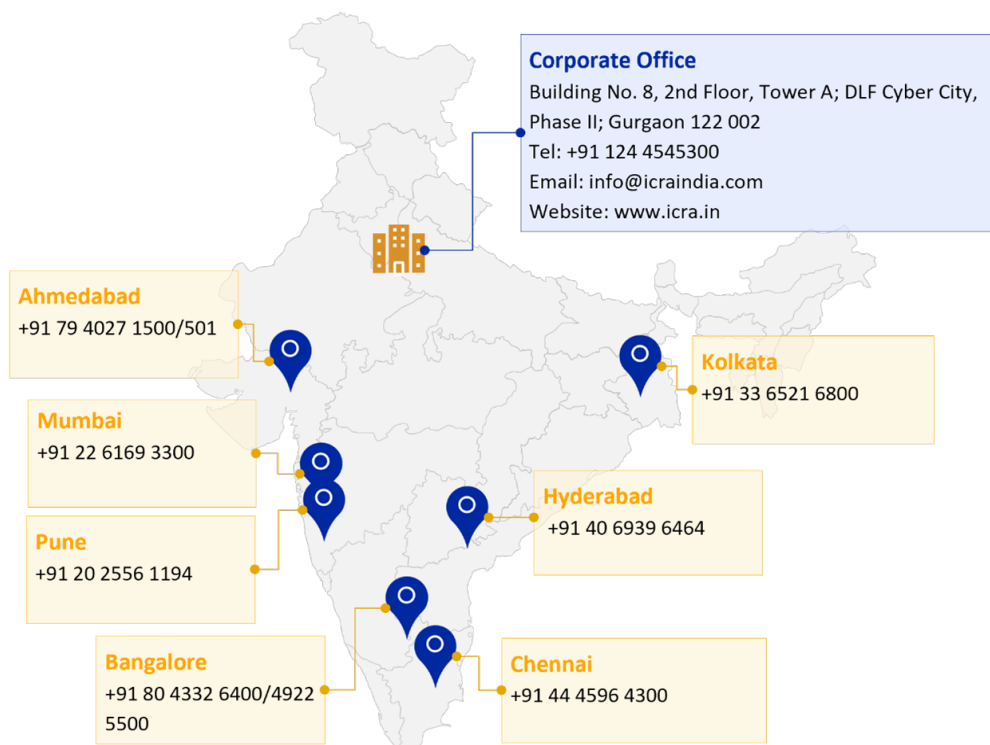


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