

April 07, 2026

Indo-MIM Limited: Rating reaffirmed

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loans	1,749.10	1,489.10	[ICRA]AA+ (Stable): reaffirmed
Long term – Fund based – Cash credit	748.00	958.00	[ICRA]AA+ (Stable); reaffirmed
Total	2,497.10	2,447.10	

[^]Instrument details are provided in Annexure I

Rationale

The rating reaffirmation considers the dominant market position of Indo-MIM Limited (IML/the company) as a leading player in the global metal injection moulding (MIM) industry, having manufacturing presence across multiple locations, including India, the US, Mexico and the United Kingdom. IML's track record of consistently reporting attractive operating profit margins across business cycles reflects that its business model enjoys a strong competitive moat, with limited competition from a handful of players present globally. This is due to a combination of factors like high technological entry barriers, the capital-intensive operations, the long approval process in securing new customers and high client stickiness as the quality of MIM components is critical in determining the performance of the final product.

IML's revenues have improved significantly, at a compounded annual growth rate (CAGR) of ~17% between FY2020 and FY2025, driven by healthy demand from diversified client segments, such as automotive, defence, medical, consumer products and aerospace. The revenue growth is expected to remain healthy over the medium term, aided by stable demand and the expansion of product offering. The company has also been able to forge strong client relationships in the US and Europe, corroborated by repeat orders from them.

The rating favourably factors in IML's healthy financial profile, characterised by low gearing, comfortable debt coverage metrics and attractive business return indicators. However, ICRA notes a moderation in profitability and leverage indicators since FY2023, driven by higher director/promoter remuneration, increased capex and elevated dividend payouts. With the consolidated borrowings rising by nearly 100% between FY2022 and FY2025, the total debt/OPBITDA has steadily increased since FY2023. Notwithstanding this, IML reported consolidated revenues of ~Rs. 3,159 crore and a PAT of ~Rs. 522 crore in 9M FY2026 (provisional), and supported by higher revenues and strong operating profitability, the company's total debt/OPBITDA is expected to improve in FY2026. Nevertheless, any substantial dividend payout or increase in working capital intensity may limit the extent of improvement.

ICRA expects the leverage indicators to improve after the proposed IPO in FY2027 with the utilisation of fresh proceeds for debt reduction. The IPO, earlier envisaged for FY2026, has been deferred to FY2027 due to subdued market conditions. IML's ability to keep the consolidated total debt/OPBITDA below 1.20 times on sustained basis would be a key monitorable from a credit perspective.

The rating, however, remains constrained by IML's exposure to the overseas market amid rising protectionist trade policies in several developed markets, particularly the US, which contributes ~50% to its revenues. IML's inability to fully pass on the higher tariffs to customers could affect the operations and earnings, given the company's significant export dependence. In addition, IML imports a large part of its raw material, which exposes it to input price volatility and a heightened risk of supply chain vulnerability, making it necessary for the company to maintain higher inventory to avoid any disruption in the timely

availability of the products. Nevertheless, despite recent US tariff actions during FY2026, IML's healthy revenue and profits in 9M FY2026 indicates that the impact on margins and product demand has remained limited.

The rating also remains constrained by the company's capital-intensive operations, which requires continuous part debt-funded capacity expansions. While this would keep the debt level moderately elevated, ICRA expects the company's capitalisation and debt coverage metrics to remain healthy, supported by a steady operating performance and consistent positive cash flow from operations.

Further, while IML may face competition from certain Asian peers, the advantages of large economies of scale and competitive manpower cost derived from the location of its global production hub in India are expected to partly shield the company from pricing pressure.

The Stable outlook on IML's rating reflects ICRA's opinion that the company's dominant position in its addressable markets is expected to support a healthy earnings growth, which would keep its credit metrics and liquidity comfortable levels, going forward.

Key rating drivers and their description

Credit strengths

Dominant position in the metal injection moulding (MIM) industry – IML is one of the largest players in the metal injection moulding industry globally, with a track record of almost three decades. The company has manufacturing presence across four different parts of the world - India, the US, Mexico and the United Kingdom. Its large scale has aided access to different markets and offered a wide array of products and solutions. Moreover, the competitive manpower cost derived from the location of its global production hub in India is expected to partly shield the company from pricing pressures.

Significant technological entry barriers and limited number of players ensures attractive profit margins – IML is present in the niche business of metal injection moulding technology with a limited number of players worldwide. With no major competitors in India as of now, IML's major competitors globally include Jiangsu Gian Technology Company Limited (China) and ARC Group (USA). The critical nature of MIM products and its fractional contribution to the overall product cost enable the company to enjoy a superior pricing power, thereby aiding attractive profit margins.

Strong revenue growth, backed by healthy demand for MIM products in diversified client segments - IML's revenues have improved significantly over the last five years ended FY2025 owing to a healthy demand growth from various client segments, such as automotive, defence, medical, consumer goods and aerospace. The entity has been able to forge a strong relationship with these clients over the years, corroborated by the repeat orders received from them.

Healthy financial risk profile, characterised by low gearing and comfortable debt coverage indicators – IML's healthy financial profile is characterised by low gearing, comfortable debt coverage indicators and attractive business return indicators. There has been a nearly 100% increase in borrowings since FY2022 which is largely on account of high dividend payouts, high remuneration to promoter/directors and increased working capital intensity which has moderated the leverage and coverage indicators. Nevertheless, IML's financial profile continues to be healthy, reflected in a gearing of 0.7 times as on March 31, 2025, total debt/OPBDITA of 1.54 times and an interest coverage of 9.70 times in FY2025. While IML's total debt/OPBITDA had breached the negative rating trigger threshold of 1.20 times in FY2024 and FY2025, it is likely to improve in FY2026 aided by higher revenues, strong operating profitability and the absence of any dividend payout.

IML has reported consolidated revenues of ~Rs. 3,159 crore and PAT of ~Rs. 522 crore in 9M FY2026 on a provisional basis. However, any substantial dividend payout or rise in working capital intensity may limit the extent of improvement. ICRA expects the leverage indicators to improve post the proposed IPO in FY2027 with the utilisation of fresh proceeds for debt reduction. The IPO, earlier envisaged for FY2026, has been deferred to FY2027 due to subdued market conditions. IML's ability

to keep the consolidated total debt/OPBITDA below 1.20 times on sustained basis would be a key monitorable from a credit perspective.

Credit challenges

Exposure to heightened protectionist trade measures and geopolitical risks in key overseas markets – IML derives 85-90% of its revenues from exports, with the US being a major market forming ~50% of its revenues. It also has a high share of imports of raw material. With the adoption of protectionist trade policies by many countries via the levy of tariff/duty, IML will be exposed to disruptions if a key overseas market imposes an adverse trade barrier. This may result in a displacement of global trade flows and reduce the market access for players for products on which additional tariffs are being imposed. IML's inability to fully pass on the impact of higher tariffs to customers may impact its business operations and earnings and would be a key credit monitorable. Nevertheless, despite the recent US tariff actions during FY2026, IML's healthy revenue and profits in 9M FY2026 indicate that the impact on margins and product demand has remained limited.

Exposed to raw material price volatility, disruption in timely availability and high inventory holding period – IML imports key raw materials, such as carbonyl iron powder, stainless steel iron powder etc, from Germany, Japan and China. The high share of imported raw materials in the consumption mix exposes IML to input price volatility. Further, the company always maintains a high inventory to avoid any disruption in the timely availability of raw material, reflected in an average inventory holding period of 125-135 days.

Capital-intensive operations; susceptibility of leverage to cash outflows towards dividends and director remuneration – The company undertakes regular debt-funded capacity expansion to maintain adequate spare capacity to cater to the customers in a timely manner. However, ICRA expects the company's capitalisation and debt coverage metrics to remain healthy, supported by a steady operating performance and consistent positive cash flow from operations. Further, the company has been paying higher dividends of ~Rs.374 crore in FY2024 and ~Rs. 284 crore in FY2025 against Rs. 131 crore in FY2023. Also, the directors' remuneration has increased multi-fold to ~Rs. 90 crore in FY2025 and ~Rs. 100 crore in FY2024 from ~Rs. 18 crore in FY2022. This, coupled with a higher capex intensity during this period, has substantially increased the company's borrowings.

Liquidity position: Adequate

IML's liquidity position is adequate, supported by healthy cash flow from operations and an adequate buffer in the form of undrawn working capital limits. The projected cash flow from operations of Rs.750-800 crore in FY2027 is expected to be adequate against an annual estimated repayment obligation of Rs. 300-310 crore (repayment includes assumption for additional debt to be availed towards ongoing capex which is expected to be funded in a debt and internal accrual mix of 80:20 and repayable from FY2027 in five years). Further, the company had a cash and bank balance of ~Rs. 275 crore as on December 31, 2025, at a consolidated level. The average utilisation of the fund-based working capital limit has been ~52% for the last 12 months ended December 2025. Further, the recent sanction of an additional Rs. 210 crore in working capital limits provides incremental liquidity cushion.

Rating sensitivities

Positive factors – The rating could be upgraded if the company is able to significantly scale up its revenues and profitability and diversify the geographic and customer industry profile on a sustained basis

Negative factors – The rating could be revised downwards if any adverse impact on the company's revenue/profitability deteriorates the debt coverage metrics. Further, any sizeable dividend payout or a higher working capital requirement, adversely impacting the liquidity position of the company, can trigger a downward rating revision. A specific credit metric for downgrade includes the total debt/OPBITDA increasing to more than 1.20 times at a consolidated level on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial profile of the company. The list of subsidiaries considered for consolidation is provided in Annexure II

About the company

Indo-MIM Limited (IML), incorporated in 1996, is one of the world's largest metal injection moulding (MIM) part manufacturers with 15 manufacturing facilities across India, USA, UK and Mexico. It caters to various segments, including automobile, consumer products, defence, industrial products and medical products. The company is also vertically integrated with plating, heat treatment, grinding, industrial casting and machining capabilities.

Key financial indicators (Audited)

IML	FY2024	FY2025
Operating income	2,870.4	3,329.6
PAT	283.7	423.7
OPBDIT/OI	25.9%	28.0%
PAT/OI	9.9%	12.7%
Total outside liabilities/Tangible net worth (times)	0.83	0.88
Total debt/OPBDIT (times)	1.71	1.54
Interest coverage (times)	8.51	9.70

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

Instrument	Current year (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr 07, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	1,489.10	[ICRA]AA+ (Stable)	Sep 16, 2025	[ICRA]AA+ (Stable)	Mar 31, 2025	[ICRA]AA+ (Stable)	Mar 04, 2024	[ICRA]AA+ (Stable)
Cash credit	Long term	958.00	[ICRA]AA+ (Stable)	Sep 16, 2025	[ICRA]AA+ (Stable)	Mar 31, 2025	[ICRA]AA+ (Stable)	Mar 04, 2024	[ICRA]AA+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Term loans	Simple
Long term – Fund based – 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	Term loan – 1	Jun-21	-	FY2028	56.50	[ICRA]AA+ (Stable)
NA	Term loan – 2	Oct-23	-	FY2029	112.50	[ICRA]AA+ (Stable)
NA	Term loan – 3	Jun-25	-	FY2031	200.00	[ICRA]AA+ (Stable)
NA	Term loan – 4	Jul-21	-	FY2028	29.99	[ICRA]AA+ (Stable)
NA	Term loan – 5	Sep-25	-	FY 2031	139.00	[ICRA]AA+ (Stable)
NA	Term loan – 6	Nov-20	-	FY2027	21.92	[ICRA]AA+ (Stable)
NA	Term loan – 7	Jun-21	-	FY2028	103.55	[ICRA]AA+ (Stable)
NA	Term loan – 8	Nov-22	-	FY2029	91.67	[ICRA]AA+ (Stable)
NA	Term Loan – 9	Jun-25	-	FY2031	125.00	[ICRA]AA+ (Stable)
NA	Term loan – 10	Jul-21	-	FY2028	13.80	[ICRA]AA+ (Stable)
NA	Term loan – 11	Mar-25	-	FY2031	150.00	[ICRA]AA+ (Stable)
NA	Term loan – 12	May-20	-	FY2027	4.50	[ICRA]AA+ (Stable)
NA	Term loan – 13	Jun-21	-	FY2027	17.50	[ICRA]AA+ (Stable)
NA	Term loan – 14	Apr-23	-	FY2029	49.52	[ICRA]AA+ (Stable)
NA	Term loan – 15	Apr-25	-	FY2031	150.00	[ICRA]AA+ (Stable)
NA	Term loan – 16	Mar-23	-	FY2029	30.88	[ICRA]AA+ (Stable)
NA	Term loan – 17	Mar-25	-	FY2031	75.00	[ICRA]AA+ (Stable)
NA	Term loan – 18	May-21	-	FY2028	51.27	[ICRA]AA+ (Stable)
NA	Term loan – 19	Nov-24	-	FY2030	66.50	[ICRA]AA+ (Stable)
NA	Cash credit	NA	NA	NA	958.00	[ICRA]AA+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership of IML	Consolidation approach
Indo-MIM Inc., USA	100.00%	Full consolidation
Triax Industries LLC, USA	100.00%	Full consolidation
Conway Marsh Garrett Technologies Limited, UK	100.00%	Full consolidation

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