

January 08, 2026

Innomotics India Private Limited: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Fund - based - Others	1.00	[ICRA]BBB (Stable)/[ICRA]A3+; assigned
Long term/Short term - Non - fund based - Others	299.00	[ICRA]BBB (Stable)/[ICRA]A3+; assigned
Total	300.00	

*Instrument details are provided in Annexure I

Rationale

The assigned ratings to Innomotics India Private Limited (IIPL) reflects its established presence in the domestic motors and large drive systems with diversified revenue mix and sectorial presence. IIPL's operational performance witnessed steady improvement over the years, with operating income increasing to Rs. 706.4 crore in FY2025 from Rs. 470.9 crore in FY2023, supported by healthy order execution across its high voltage motors (HVM), medium voltage drives (MVD), and integrated solutions segments. The company has sizeable unexecuted order book of Rs. 685.16 crore as on Q1 FY2026 end providing near-term revenue visibility. The company's operating profitability has improved significantly, with OPBDITA margins expanding to 16.6% in FY2025 from 5.1% in FY2023, aided by better product mix, increased domestic value addition in MVDs, and cost efficiencies. The rating also draws comfort from IIPL's healthy financial risk profile, marked by low gearing (Total Debt/TNW at 0.1x), strong coverage metrics (Interest Coverage at 16.4x), and healthy liquidity supported by Rs. 213.1 crore in cash and liquid investments as on March 31, 2025.

The ratings, however, remain constrained by moderate scale of operations relative to larger peers in the electrical equipment sector with the majority of revenues derived from domestic markets. The company's dependence on imported components, particularly in the drives segment, exposes it to supply chain and forex risks. While ongoing localization efforts and commodity hedging strategies are expected to mitigate these risks over the medium term, the absence of price escalation clauses in customer contracts may exert pressure on margins during periods of sharp input cost volatility. IIPL is expected to make significant payouts to the parent in the form of dividends, royalty, etc. Any large outflow impacting the liquidity position of the company remains key monitorable.

ICRA also notes the announcement of Siemens Limited for sale of Low Voltage Motors and Geared Motors business to IIPL for as consideration of Rs. 2,200 crore. ICRA understands that the acquisition cost would be supported by IIPL's parent Innomotics GmbH, Germany and likely to be completed by June 2026. ICRA will continue to monitor the developments in this regard.

The Stable outlook reflects ICRA's expectation that IIPL will continue to benefit from healthy demand across industrial segments, supporting sustained revenue growth and profitability.

Key rating drivers and their description

Credit strengths

Diversified revenue mix and sectoral exposure: IIPL's revenue is distributed across four business segments—High Voltage Motors, Medium Voltage Drives, Solutions, and Customer Services. This diversification reduces dependence on any single product line and supports business stability. The company caters to a wide range of end-user industries including food & beverage, mining, minerals, metals, and cement.

Robust financial risk profile: IIPL maintains a conservative capital structure, with Total Debt/TNW at 0.1x and Interest Coverage at 16.4x in FY2025. It remains debt-free on a net basis and has cash and liquid investments of Rs. 213.1 crore as on March end, 2025. The company has exhibited prudent working capital management, as reflected in the reduction in debtor days to 71 in FY2025 from 149 in FY2023. Further, the net working capital to operating income ratio turned negative during the period.

Credit challenges

Import dependency and lack of price escalation clauses: The company remains dependent on imported components, especially in the drives segment, which exposes it to forex volatility and supply chain risks. While localization efforts are underway, the current import exposure remains material. Additionally, the absence of price escalation clause in customer contracts limits the company’s ability to pass on input cost increases, particularly during periods of commodity price volatility. Although renegotiations are pursued in extreme cases, this structure may pressure margins in volatile markets.

Exposure to Intense Competition and Raw Material Price Volatility: IIPL operates in a competitive industrial equipment landscape, with several domestic and multinational players offering motor and drive solutions. This competitive intensity can constrain pricing flexibility and margin expansion. Additionally, the company remains exposed to volatility in key raw materials such as copper and aluminum, which form a significant portion of its cost structure. While hedging mechanisms and supplier negotiations help manage this risk, fluctuations in input costs may still impact profitability, especially in the absence of pass-through mechanisms.

Liquidity position: Adequate

IIPL’s liquidity is adequate, supported by healthy cash flow from operations and cash and liquid investments of Rs. 213.1 crore as on March 31, 2025, with no long-term debt or major repayment obligations. While substantial dividend payouts to the parent are expected, liquidity is expected to remain adequate. Further, planned capex requirements are expected to be met through internal accruals.

Rating sensitivities

Positive factors: The ratings may be upgraded if there is sustained improvement in scale and profitability while maintaining debt coverage metrics and liquidity position.

Negative Triggers: Pressure on the ratings could arise if there is a significant decline in the scale and profitability and large debt funded capex/acquisition weakening the debt coverage metrics and liquidity position. Any deterioration in the credit profile of the parent group could also be a negative for the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Innomotics India Private Limited (IIPL), incorporated in 2022, is the Indian subsidiary of Innomotics GmbH, Germany, a global major in motors and large drive systems. The company was carved out from Siemens AG’s Large Drive Applications division and transitioned to new ownership following a global divestment in October 2024. It is now indirectly held by KPS Capital Partners through its ultimate parent entity, Dynamo Midco B.V. Its operations span across four core business verticals: High

Voltage Motors, Medium Voltage Drives, Solutions, and Customer Services. IIPL focuses on delivering customized motors and drive systems tailored for critical industrial applications in sectors such as metals, cement, mining, and food & beverage.

Key financial indicators (audited)

MTAR- Consolidated	FY2024	FY2025
Operating income	698.2	706.4
PAT	63.7	88.6
OPBDITA/OI	14.2%	16.6%
PAT/OI	9.1%	12.5%
Total outside liabilities/Tangible net worth (times)	1.2	1.0
Total debt/OPBDITA (times)	0.2	0.3
Interest coverage (times)	30.2	16.4

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDITA: 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 rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jan 08, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Others	Long Tem/Short Term	1.00	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-	-	-
Non-fund based- Others	Long Tem/Short Term	299.00	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund – based - Others	Simple
Long term/Short term - Non - fund based - Others	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/Short term – Fund – based - Others	NA	NA	NA	1.00	[ICRA]BBB (Stable)/ [ICRA]A3+
NA	Long term/Short term - Non - fund based - Others	NA	NA	NA	299.00	[ICRA]BBB (Stable)/ [ICRA]A3+

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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