

Indus Motor Company Private Limited

October 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	44.06	CARE BBB+ (RWD)	Placed on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	369.00	CARE BBB+ / CARE A2 (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Indus Motor Company Private Limited (Indus) have been placed on "Rating watch with developing implications" in lieu of recent developments in the company with an earlier litigation between the company's minority shareholders and majority shareholders/management. CARE Ratings Limited (CareEdge Ratings) notes that the honourable National Company Law Tribunal (NCLT) has passed an order, which inter alia instructs the Ministry of Corporate Affairs (MCA) to conduct a comprehensive investigation into the company's affairs from FY12 and has appointed a former High Court judge as interim administrator to oversee the company's operations in the interim period. While the company has obtained a stay on this order from the Kerala High court and is preferring an appeal to the National Company Law Appellate Tribunal (NCLAT), CareEdge Ratings would monitor developments in this regard on the company's operations, when greater clarity emerges.

CareEdge Ratings also notes that the order also has imposed penalties on directors and majority shareholders of the company, which do not directly have an impact on its business operations but are in the nature of governance lapses. These include directions for refund of remuneration/management fees drawn by them during the period of disqualification and direction to compensate the company for losses incurred from investment made in the IPO of Aster DM Healthcare with applicable interest.

Ratings assigned to bank facilities of Indus continue to draw strength from the company's established presence in the automotive dealership business with a large network of showrooms and service centres spread across Kerala, long-standing relationship with the principal, Maruti Suzuki India Limited (MSIL), and leverage of being the market leader for MSIL's passenger vehicles in Kerala. However, ratings remain constrained by concentration of operations in the Kerala market and susceptibility to the region's socio-economic condition, and moderately high leverage levels. Elevated inventory levels as on March 2025, adding pressure for discounted sales, thin operating margins inherent to dealership nature of business, and exposure to intense competition also constrain ratings.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently growing sales volumes with operating margin of 5% or above on a sustained basis.
- Consistently improving overall gearing below 1x.

Negative factors

- Consistently declining sales volumes, impacting profitability levels and liquidity position.
- Deteriorating capital structure with overall gearing beyond 2.50x.

Analytical approach: Standalone

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****Established presence in automotive dealership with a large network of showrooms and service centres**

The company commenced its first sales outlet of MSIL dealership in 1986 with one single branch, and since, has diversified its presence across Kerala. The company has a large network of sales outlets with 85 vehicle sales outlets and 84 service workshops. This apart, the company also has diversified presence in sale of pre-owned cars with 24 "True Value" Showrooms and MSIL commercial vehicle (CV) sales with six CV outlets. Except for one showroom in Chennai, the entire network is concentrated across Kerala.

Long-standing relationship with principal and leadership position in Kerala

Indus is the largest dealer of MSIL passenger vehicles in Kerala and has been associated with the principal for almost three decades. The dealer's performance is closely related to the principal's performance. MSIL is the leader in the passenger vehicle segment in the country with a strong market share of ~39% in FY25. Indus is the market leader for MSIL passenger vehicles in Kerala with a share of ~36% in the MSIL passenger vehicle sales in FY25 (PY: ~35%). With strong brand recognition and wide showroom network, Indus increased its share in MSIL's overall domestic sales to 2.29% in FY25 (PY: 2.02%).

Stable operational performance

The company's total operating income (TOI) increased by 11% to ₹3348.50 crore (PY: ₹2999.91 crore), driven by the increased sales volume, particularly the Nexa variant. In FY25, Indus achieved a 14% increase in volume, reaching 40,397 units (PY: 35,399 units), aided by improved sales performance of existing and newly added showrooms. In the last three years, the company has expanded its market reach by adding 17 new showrooms, contributing to revenue growth. In FY25, Indus earned 70% of the revenue from sale of new vehicles followed by 13% income from sale of spares and service, and ~10% revenue from sale of pre-owned cars. The company also runs a rental car business, where it operates a fleet of 800 passenger vehicles for local transportation under the "IndusGo" brand, which accounted for ~0.50% of the total revenue.

Key weaknesses**Moderate capital structure**

Capital structure remains moderate, marked by an overall gearing of 2.34x as of March 2025 (PY: 2.31x). Moderation in gearing was due to higher utilisation of inventory funding limits amid elevated inventory levels in FY25. The company has planned a capex of ~₹30-40 crore for setting up 13 new showrooms, for which it intends to avail a term loan of ₹34 crore in FY26. Despite the additional debt, with steady improvement in internal accruals overall gearing is expected to improve in the next few years. Debt coverage indicators stood satisfactory with total debt to gross cash accruals (TD/GCA) at 6.91x as on March 31, 2025, and interest coverage at 2.57x in FY25.

NCLT litigation

In January 2020, Minority Shareholders of Indus, have filed a Company Petition, against the company, majority shareholders, and the CEO, with allegations of oppression and mismanagement and Hon'ble Tribunal (NCLT) has vide order dated January 17, 2020, had directed the parties to maintain status quo on all aspects. In February 2021, minority shareholders again filed a petition stating that the company should not go for external debt and sought for clarification in COVID-19 loans availed stating it amounted to violation of the status quo order. NCLT gave decree in favour of minority shareholders vide its order dated June 18, 2021. The company filed an appeal against this decree with NCLAT contesting that availment of COVID-19 loans and other debt availment is part of regular operations and the management needs to carry on business, which the company is maintaining status quo. The company received order from NCLAT vide order dated May 11, 2022, where the earlier order from NCLT dated June 18, 2021,

was quashed and set aside. Hereafter, the NCLT appointed a forensic auditor, who submitted the audit report in April 2024. Based on the hearings and submissions from both parties, NCLT issued its final order on September 03, 2025. The order, among other directions, instructs the MCA to conduct a comprehensive investigation into the company's affairs from FY2012 and appointed a former High Court judge as administrator to oversee the company's operations in the interim period. The order also mandated the recovery of remuneration/management fees drawn by directors during the period of disqualification, reimbursement of losses incurred in the investment made in the IPO of Aster DM Healthcare by the company, and correction of governance lapses, while restricting disposal of assets or transactions outside the ordinary course of business. The company obtained an interim stay on the tribunal order from the Kerala High Court while pursuing an appeal before the NCLAT.

Thin profitability margins inherent to dealership nature of business

The company's operating margin from dealership business has been thin primarily due to the trading nature of operations. The company has limited negotiating power and limited pricing flexibility with the principal. The market also faces aggressive competition from other established automobile dealers of companies. Despite steady revenue growth, the company's operating margin declined to 2.64% in FY25 (PY 2.98%), impacted by higher discounts offered to boost sales and a muted growth in service and spare parts income. Revenue contribution from service and spares has decreased from 13.44% in FY24 to 13.21% in FY25 primarily due to major workshops being under renovation in the year.

Intense competition and cyclical nature in industry

Indian automobile industry is highly competitive in nature as there are large numbers of players operating in the market. Entry of global players in the Indian market further intensified competition. Hence, original equipment manufacturers (OEMs) offer discount schemes to attract customers. Due to high competition in the industry, dealers are also forced to pass on discounts and exchange schemes to attract customers as this is a volume-driven business. The automotive sector depends on economic growth, credit conditions, and consumer confidence. The auto industry is inherently vulnerable to economic cycles and is highly sensitive to interest rates and fuel prices.

Operations confined to Kerala

The company's operations are largely confined only to Kerala, thus exposing the company to socio-economic risks associated with the region. However, the company plans to diversify to other states including Tamil Nadu in the near term and in this regard has started its first sales outlet in Chennai in FY24.

Liquidity: Adequate

Liquidity profile is adequate marked by GCA of ₹59.79 crore in FY25 against the debt repayment obligation of ₹25.78 crore in FY26. Free cash and bank balance stood at ₹38.86 crore as on March 31, 2025. The company's average working capital utilisation for the 12-months ended April 2025 stood moderate at 94%. Working capital cycle moderated to 50 days in FY25 (PY 39 days) due to high inventory holdings.

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Auto Dealer](#)
[Service Sector Companies](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Automobiles	Auto dealer

Headquartered in Kochi, Kerala, Indus was incorporated in 1984 and is an authorised dealer of MSIL. The company's promoters are essentially three groups, of which the Wahab family holds 59.74% and is running the company's operations. Abdul Wahab is the chairperson and has business interests in financial services, educational institutions, and real estate in India and Dubai. He is supported by his sons, Jaber Abdul Wahab, Javed Abdul Wahab, Ajmal Abdul Wahab, and Afdhel Abdul Wahab. The other two groups are promoters of the Malabar group, holding 20.00%, and the Nair Family holding 20.00%. The company's day-to-day operations are overseen by the chief executive officer, Thomas Kuruvilla.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	2726.13	2999.91	3348.50
PBILDT	79.91	89.54	88.52
PAT	28.71	37.13	33.49
Overall gearing (times)	1.93	2.31	2.34
Interest coverage (times)	3.99	3.52	2.57

A: Audited. Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Indus has not co-operated with CRISIL Ratings Limited, where it has classified the issuer as 'Non-Cooperative' vide its press release dated September 23, 2025. The reason provided by CRISIL was non-furnishing of sufficient information towards monitoring ratings.

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
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE BBB+ (RWD)
Fund-based - LT-Term Loan		-	-	20-02-2029	29.06	CARE BBB+ (RWD)
Fund-based - LT/ ST-Working Capital Limits		-	-	-	369.00	CARE BBB+ / CARE A2 (RWD)

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	Fund-based - LT/ ST-Working Capital Limits	LT/ST	369.00	CARE BBB+ / CARE A2 (RWD)	1)CARE BBB+; Stable / CARE A2 (02-Jul-25)	1)CARE BBB+; Stable / CARE A2 (11-Jul-24)	1)CARE BBB+; Stable / CARE A2 (27-Jun-23)	1)CARE BBB; Stable / CARE A3+ (01-Jun-22)
2	Fund-based - LT-Term Loan	LT	29.06	CARE BBB+ (RWD)	1)CARE BBB+; Stable (02-Jul-25)	1)CARE BBB+; Stable (11-Jul-24)	1)CARE BBB+; Stable (27-Jun-23)	1)CARE BBB; Stable (01-Jun-22)
3	Fund-based - LT-Cash Credit	LT	15.00	CARE BBB+ (RWD)	1)CARE BBB+; Stable (02-Jul-25)	1)CARE BBB+; Stable (11-Jul-24)	1)CARE BBB+; Stable (27-Jun-23)	1)CARE BBB; Stable (01-Jun-22)

LT: Long 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	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-2850 1001 E-mail: pradeep.kumar@careedge.in</p>	<p>Analytical Contacts</p> <p>Sandeep P Director CARE Ratings Limited Phone: 044-2850 1002 E-mail: sandeep.prem@careedge.in</p> <p>Ratheesh Kumar Associate Director CARE Ratings Limited Phone: 044-2850 1020 E-mail: ratheesh.kumar@careedge.in</p> <p>Bhuvaneshwaran Balamurugan Analyst CARE Ratings Limited E-mail: Bhuvaneshwaran.b@careedge.in</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**