

March 30, 2026

## JBM Ogihara Automotive India Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based — Cash credit	66.00	66.00	[ICRA]BBB(Stable); reaffirmed
Short-term fund-based — Bill discounting	41.00	41.00	[ICRA]A3+; reaffirmed
Long-term — Term loans	44.06	44.06	[ICRA]BBB(Stable); reaffirmed
Non-Fund based limits	4.00	4.00	[ICRA]A3+; reaffirmed
Long-term/ Short-term — Unallocated limits	2.94	2.94	[ICRA]BBB(Stable)/[ICRA]A3+; reaffirmed
<b>Total</b>	<b>158.00</b>	<b>158.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation continues to factor in the healthy business prospects for JBM Ogihara Automotive India Limited (JOAIL), aided by the cross-badging agreement between Toyota Kirloskar Motors Limited (TKML) and Maruti Suzuki India Ltd (MSIL), under which the two original equipment manufacturers (OEMs) manufacture vehicles for each other for the Indian market. The arrangement has supported JOAIL's business prospects, in addition to diversifying its customer base. JOAIL recorded healthy growth in revenues over the past two fiscals, aided by supplying components for TKML's model launches, Hycross and Hyryder (launched as Grand Vitara under the cross-badging arrangement with MSIL). In addition to the significantly higher volumes that these orders entail, the content per vehicle for these models is also higher than that of earlier models due to business secured for some new parts. The company is expected to post revenues of Rs. 620-640 crore in FY2026, with Rs. 452 crore of revenue (including other income) recorded in 9M FY2026 (provisional financials).

The ratings reaffirmation also takes into account the technical expertise and business support received by JOAIL from its parent companies, JBM Auto Limited (JBMA) and Ogihara Thailand Company (OTC), which are established players in the automotive sheet metal component manufacturing space. The ratings further factor in JOAIL's established relationship with its primary customer, TKML, supported by the established relationship between OTC and the Toyota Group globally.

ICRA notes that despite the increase in operations, the company's operating profitability continues to remain muted, with the company posting an operating profit margin of 5.9% in FY2025. Consequently, its return and debt coverage indicators remain modest. Nonetheless, ICRA expects the company's profitability to gradually improve going forward, aided by operating leverage benefits and a reduction in the proportion of bought-out parts, which would lead to a gradual improvement in debt coverage metrics.

The ratings are constrained by the high client concentration risk, as a major portion of revenues is derived from TKML. However, comfort can be drawn from the company's success in gaining business for new TKML models, including two under the cross-badging agreement between TKML and MSIL. The debt-funded capex to enhance capacity resulted in a deterioration in the capital structure (adjusted total debt [excluding lease]/TNW declined to 3.5 times in FY2023 from 1.9 times in FY2022). The company has undertaken capex to service the new plant being established by TKML.

ICRA notes that the company has recently undertaken a capex of Rs. 58 crore to install two new press lines at the plant; however, the same is expected to reduce the company's dependence on bought-out parts and result in margin expansion. The presses commenced production from January 2026 onwards. The capex was funded through debt (around Rs. 43 crore) and

internal accruals. Going forward, despite incremental debt-funded capex, the company's coverage and leverage indicators are expected to improve gradually, supported by growth in revenues and operating margins.

The Stable outlook on the long-term rating factors in the expectation that the company will continue to benefit from its established relationship with TKML, which is further strengthened by the global linkages between the Toyota Group and OTC; steady offtake to TKML is expected to aid the entity in maintaining its credit metrics commensurate with the rating level.

## Key rating drivers and their description

### Credit strengths

**Strong parentage with both JV partners having established track record in the sheet-metal components space** – JOAIL is a 51: 49 JV between JBMA and OTC, both of which are well-established players in the auto component manufacturing space. JOAIL benefits from the technical expertise of its parent companies in its scope of operations, which supports its business prospects.

**Established relationship with key customer, TKML, supported by global linkages between OTC and Toyota Group** – JOAIL's foreign parent, OTC, is one of the key suppliers of sheet metal components as well as tools and dies to the Toyota Group globally. For JOAIL, OTC has been instrumental in gaining business for supplying components for TKML's new models in the country over the years. In the recent business awards from TKML, the company secured some additional components that were earlier supplied by competitors. This also offers comfort regarding its business position with TKML.

**Model launches under cross-badging agreement between Toyota and Suzuki augur well for JOAIL's growth prospects** – JOAIL was successful in gaining business for two new TKML models (including one under the cross-badging agreement between TKML and MSIL), due to which the company's revenue increased significantly over the past two years. The content per vehicle for the two models is also higher at Rs. 16,000-Rs. 18,000 per vehicle on average, compared to Rs. 7,000-10,000 for the models previously serviced by JOAIL, as the company gained business for some new parts that were earlier supplied by a competitor. The cross-badging agreement between the two OEMs augurs well for JOAIL's business prospects.

### Credit challenges

**Exposed to client concentration risk**– JOAIL's business profile is characterised by high client concentration risk, as a major portion of revenues is derived from TKML. However, comfort can be drawn from the company's success in gaining business for new TKML models, including two under the cross-badging agreement between Toyota and Suzuki.

**Debt levels to remain high due to debt-funded capex; gradual improvement expected going forward** – The company has undertaken a debt-funded capex in FY2026 for the installation of two new press lines at its plant, which will elevate overall debt levels in the near term. While the capex has been partly funded through internal accruals, the reliance on term loans keeps leverage indicators stretched. However, the capex is expected to reduce dependence on bought-out parts and support margin expansion, which is expected to aid in a gradual improvement in debt-coverage metrics over the medium term, providing some mitigation to the elevated leverage.

### Liquidity position: Adequate

JOAIL's liquidity position is expected to remain adequate, supported by steady cash flow from operations of Rs. 28-30 crore p.a. and a buffer in working capital facilities (buffer of Rs. 4.8 crore against the drawing power of Rs. 37.5 crore in the cash credit facilities as of December 2025). Against this, the company has term debt repayments of Rs. 13.6 crore in FY2026 and Rs. 19.1 crore in FY2027, along with capex plans of Rs. 58 crore and Rs. 15.0 crore in FY2026 and FY2027. The liquidity is also expected to be supported, to an extent, by the receipt of outstanding subsidy.

## Rating sensitivities

**Positive factors** – Material scale-up in operations, aided by new businesses from customers, while improving profitability indicators and debt coverage indicators would be favourable for ratings upgrade.

**Negative factors** – The ratings may be downgraded if the company experiences a material deterioration in profitability and credit metrics because of higher-than-expected debt-funded capex or a slower-than-expected ramp-up of new business.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Auto Components</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 2009, JBM Ogihara Automotive India Limited (JOAIL) is a 51:49 joint venture (JV) between JBM Auto Limited and Ogihara (Thailand) Co. Ltd. (OTC). The JV was formed for manufacturing and supplying steel stampings and sub-assemblies of automotive sheet metal parts, such as underbody panels, fuel fillers and other assemblies for TKML's small car, Etios Liva (launched in 2011). The company has since gained business for other TKML's models, such as Innova, Fortuner, Hycross and Hyryder. The company began commercial production at its plant at the TKM Onsite Supplier Park, Bangalore, from November 30, 2010. The second phase of the project began production on September 5, 2011 to supply parts for TKML's car models.

### Key financial indicators (audited)

Standalone	FY2024	FY2025	9MFY2026*
Operating income	538.4	576.9	451.9
PAT	1.9	5.8	-
OPBDIT/OI	5.2%	5.9%	6.8%
PAT/OI	0.4%	1.0%	-
Total outside liabilities/Tangible net worth (times)	7.4	5.7	-
Total debt/OPBDIT (times)	5.3	3.4	-
Interest coverage (times)	2.1	3.0	4.0

Source: Company, ICRA Research; \*Provisional numbers; 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

Current (FY2026)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	Mar 30, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based — Cash Credit	Long-term	66.00	[ICRA]BBB (Stable)	Jan 31, 2025	[ICRA]BBB (Stable)	Oct 30, 2023	[ICRA]BBB (Stable)	May 26, 2022	[ICRA]BBB- (Stable)
			-	-	-	-	-	Jul 19, 2022	[ICRA]BBB- (Stable)
Fund-based — Bill Discounting	Short-term	41.00	[ICRA]A3+	Jan 31, 2025	[ICRA]A3+	Oct 30, 2023	[ICRA]A3+	-	-
Term Loans	Long-term	44.06	[ICRA]BBB (Stable)	Jan 31, 2025	[ICRA]BBB (Stable)	Oct 30, 2023	[ICRA]BBB (Stable)	May 26, 2022	[ICRA]BBB- (Stable)
			-	-	-	-	-	Jul 19, 2022	[ICRA]BBB- (Stable)
Non-Fund based limits	Short-term	4.00	[ICRA]A3+	Jan 31, 2025	[ICRA]A3+	Oct 30, 2023	[ICRA]A3+	May 26, 2022	[ICRA]A3
			-	-	-	-	-	Jul 19, 2022	[ICRA]A3
Unallocated Limits	Long-term/ Short-term	2.94	[ICRA]BBB (Stable)/ [ICRA]A3+	Jan 31, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	Oct 30, 2023	[ICRA]BBB (Stable)/ [ICRA]A3+	May 26, 2022	[ICRA]BBB- (Stable)/ [ICRA]A3
			-	-	-	-	-	Jul 19, 2022	[ICRA]BBB- (Stable)/ [ICRA]A3

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based — Cash credit	Simple
Short-term fund-based — Bill discounting	Simple
Long-term — Term Loans	Simple
Non-Fund based limits	Simple
Long-term/ Short-term — Unallocated limits	NA

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-I	NA	NA	Sep 2027	26.00	[ICRA]BBB (Stable)
NA	Term loan-II	NA	NA	Oct 2027	18.06	[ICRA]BBB (Stable)
NA	Bill discounting	NA	NA	NA	41.00	[ICRA]A3+
NA	Cash credit	NA	NA	NA	66.00	[ICRA]BBB (Stable)
NA	Non-Fund Based facilities	NA	NA	NA	4.00	[ICRA]A3+
NA	Unallocated limits	NA	NA	NA	2.94	[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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