April 28, 2026

Ola Cell Technologies Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	1910.0	1910.0	[ICRA]BBB- (Negative); reaffirmed
Short-term – Non-fund based – CEL (sub-limit)	(22.0)	(22.0)	[ICRA]A3; reaffirmed
Short-term – Non-fund based – Letter of Credit (sub-limit)	(1100.0)	(1100.0)	[ICRA]A3; reaffirmed
Total	**1,910.0**	**1,910.0**	

**Instrument details are provided in Annexure II*

Rationale

ICRA has taken a standalone view on Ola Cell Technologies Private Limited (OCTPL) while also factoring in the implicit financial and operational support likely to be extended by its parent, Ola Electric Mobility Limited (OEML), given the strong likelihood of parental support arising from the strategic importance of the battery cell project and the close business and operational linkages between the entities. OEML holds 100% ownership in OCTPL, and the battery cell manufacturing project remains integral to the Group's long-term strategy of achieving vertical integration, enhancing cost competitiveness, and reducing dependence on imports.

The long-term rating reaffirmation for the entity, with a continuation of the Negative outlook, primarily reflects the weakening credit profile of the parent entity (OEML; ICRA has taken a consolidated view of OEML and its subsidiary, Ola Electric Technologies Private Limited). The parent's credit profile has been constrained by materially lower-than-expected electric two-wheeler volume sales in FY2026, delayed profitability, and sustained consolidated cash burn, which has reduced liquidity and financial flexibility. While OCTPL's standalone project execution has progressed meaningfully, its credit profile remains closely linked to the financial strength, liquidity position, and execution capability of the Ola Electric Group, particularly during the cell plant ramp-up phase. Consequently, the Negative outlook reflects OCTPL's heightened reliance on timely and continued parental support, rather than any deterioration in its own operating performance.

OCTPL has achieved meaningful execution milestones, which have partially mitigated project-related risks. The company has successfully operationalised 2.5 GWh of lithium-ion cell manufacturing capacity, with production having commenced and successful integration of in-house manufactured cells into the Group's electric vehicles that are currently plying on roads. With integration already underway, OCTPL now has clearer visibility on captive offtake, thereby reducing demand-side uncertainty relative to the initial commissioning phase.

Further, the cell manufacturing plant is now targeted to achieve full Commercial Operations Date (COD) by September 2026, providing improved clarity on execution timelines. While OCTPL continues to face execution, ramp-up, and technology-related risks typical of a battery cell manufacturing project, these risks are now moderated to an extent by demonstrated manufacturing capability, live in-vehicle validation, and phased capacity ramp-up. In addition, the Group's demonstrated track record of establishing large-scale manufacturing facilities within defined timelines (Ola Futurefactory and the initial phase of the Ola Gigafactory), assured captive demand from Ola Electric Group entities, and the chemistry-agnostic design of the manufacturing lines—which allows flexibility to adopt evolving cell technologies—provide further risk mitigation.

In FY2026, the Group recalibrated the scale, funding structure, and execution phasing of the cell manufacturing project, reflecting a sharper focus on capital discipline amid weaker-than-expected cash generation at the parent level. The earlier envisaged expansion to 20 GWh capacity has been deferred, and the project has been resized to a terminal capacity of ~5.9 GWh under the current phase. Correspondingly, the total project cost has been revised downward, with funding being met through a mix of already sanctioned debt and parental equity, rather than incremental deployment of IPO proceeds. ICRA views this recalibration as credit-positive, as it lowers funding risk, execution complexity, and near-term cash outflows, while retaining strategic relevance for the Group.

The battery cell manufacturing business remains highly technology-intensive and capital-heavy, with continued dependence on imported raw materials, exposing OCTPL to geopolitical risks, supply-chain disruptions, and commodity price volatility. The segment is also expected to witness increasing competition, both from imports and from other domestic players establishing lithium-ion cell manufacturing capacity. In this context, OCTPL's in-house R&D and battery innovation capabilities, developed over multiple years, along with assured base-level captive demand from the Ola Electric Group, provide partial mitigation. Nonetheless, the company's ability to remain cost-competitive and technologically relevant at scale remains a key monitorable over the medium term.

The ratings continue to factor in the strong operational and financial support from the parent entity, OEML, including corporate guarantees extended for OCTPL's project debt, which provide lenders with comfort. However, the quantum and sustainability of parental support assume greater importance, given the moderation in group-level liquidity and delayed operating recovery in the automotive business. OCTPL's cash flows remain insufficient to service project debt on a standalone basis during the ramp-up phase, and the project remains dependent on parental support for debt servicing and liquidity management until stabilisation.

ICRA also factors in the early-mover advantage enjoyed by OCTPL in establishing a large-scale lithium-ion cell manufacturing facility in India, with a gradual increase in EV penetration over the medium to long term expected to support demand for domestically manufactured cells. Government initiatives aimed at accelerating EV adoption and strengthening the domestic supply chain provide a favourable structural backdrop. The project's eligibility under the ACC-PLI scheme remains a potential long-term credit positive, as incentive inflows could support project economics once operations stabilise. However, ICRA notes that receipt of PLI benefits remains contingent on meeting prescribed production volumes and domestic value-addition thresholds. While the company is actively engaging with the nodal agency on compliance-related observations, the timing and quantum of any incentive receipts remain uncertain and continue to be monitored.

Key rating drivers and their description

Credit strengths

Access to operational and financial support from parent entity – OCT enjoys strong operational and financial support from its parent entity, OEML, which holds a 100% stake in the company. OEML raised around Rs. 5,500 crore through its IPO in August 2024, which materially strengthened Group liquidity, capitalisation, and financial flexibility. As of April 2026, OCT had incurred around Rs. 1,800–2,000 crore of project expenditure, with 2.5 GWh of lithium-ion cell manufacturing capacity now operational at its Krishnagiri facility and cells successfully integrated into vehicles currently on the road. The cell project has since been recalibrated and phased, with the terminal capacity set at 5.9 GWh under the current phase and full commercial operations targeted by September 2026, thereby reducing execution and funding risks. The capex is being funded through a mix of already sanctioned project debt and parental equity support, with IPO proceeds no longer earmarked for further capacity expansion beyond the current phase.

Early mover advantage in lithium-ion cell manufacturing; favourable demand outlook for EVs– Given the medium- to long-term growth outlook for electric vehicles, domestic OEMs and ancillaries are increasingly investing in building a localised EV supply chain, and OCT is among the early movers in lithium-ion cell manufacturing in India. The company is setting up a calibrated cell manufacturing facility at Krishnagiri with a gross capacity of 5.9 GWh under the current phase, targeted for full commercial operations by September 2026, and is expected to act as a captive cell supplier for the Ola Group. While India remains one of the largest automobile markets globally, EV adoption is still at a nascent stage; nevertheless, sustained policy support from the Central and state governments has strengthened the medium-term demand outlook. These favourable industry dynamics are expected to support a gradual ramp-up in OCT's scale of operations over the medium term, subject to execution and demand realisation.

Eligibility under ACC-PLI scheme to support project return metrices– OCT was awarded benefits for the 20 GWh battery unit under the ACC-PLI scheme, wherein it became eligible for subsidies based on the percentage of value addition achieved each year. Even as the company's ability to attain the desired production and domestic value-addition levels remains to be seen, the availability of healthy subsidies is expected to support project return metrics to an extent over the medium term.

Credit challenges

Sizeable capex plans over the near term – The company had invested Rs. 1,800–2,000 crore as of April 2026 since the inception of the project, with 2.5 GWh of lithium-ion cell manufacturing capacity already operational at its Krishnagiri facility. The cell project has subsequently been rephased and resized, with the tentative terminal capacity calibrated at 5.9 GWh under the current phase and full commercial operations targeted by September 2026. Accordingly, the earlier envisaged capex to establish capacities up to 20 GWh has been revised, with the ongoing implementation being funded through a mix of already sanctioned project debt and parental equity support, while IPO proceeds are no longer earmarked for capacity expansion beyond the current phase.

Project exposed to risks of execution, demand/off-take, supply chain and technology obsolescence; delays in execution vis-à-vis earlier timelines envisaged – While the project has moved beyond initial execution risk, with 2.5 GWh of cell manufacturing capacity currently operational, OCT remains exposed to risks related to timely ramp-up to the terminal 5.9 GWh capacity, demand and offtake visibility, supply-chain dependencies, and technology evolution. The lithium-ion cell manufacturing business is technologically complex and import-intensive, particularly for critical raw materials, which exposes the project to geopolitical risks, commodity price volatility, and region-specific supply disruptions. Moreover, EV penetration levels in India remain at a nascent stage, posing offtake risks in the medium term. These risks are partly mitigated by the Group's established execution track record (Ola Futurefactory and the initial phase of the Gigafactory), expected captive offtake from the Ola Electric Group, and the chemistry-agnostic design of the plant, which provides flexibility to adapt to evolving cell chemistries. Nevertheless, while the company continues to invest in lithium-ion cell R&D and future enhancements, the emergence of alternative battery technologies and their commercial viability over time remain key long-term monitorables.

Exposed to competitive risks – The company may face competition from imported battery cells as well as other domestic players investing in lithium-ion cell manufacturing in India. However, the high capital intensity of the segment, OCT's early-mover advantage, its strong parentage, and the assured captive consumption of cells by the Ola Group are expected to mitigate competitive risks to an extent, especially during the initial years of scale-up.

Liquidity position: Adequate

OCTPL's liquidity is expected to remain adequate, supported by periodic infusion of funds from its parent, OEML, and an undrawn term loan of Rs. 600.0 crore as of March 2026. While the company has significant capex plans of Rs. 600 crore over FY2027, the same is expected to be funded primarily through undrawn debt; its repayment obligations are expected to commence only from Q3 FY2028. OEML is expected to extend timely and adequate financial support to OCTPL as and when required.

Rating sensitivities

Positive factors – Timely ramp-up in operations of the battery cell manufacturing plant, along with the achievement of desired domestic value-addition levels, would remain critical for any change in outlook. An improvement in the credit profile of the parent would also remain key to any favourable rating movement.

Negative factors – The ratings could be downgraded if there is any material weakening in the parent's credit profile or its linkages with the company. Additionally, pressure on the ratings could arise in case of material time or cost overruns, or delays in ramp-up of operations, leading to a weakening of debt metrics or liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	The ratings assigned to OCT factors in the very high likelihood of its parent, OEML, extending financial support to it because of the close business linkages between them. ICRA also expects OEML to be willing to extend financial support to OCT, out of its need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

About the company

Ola Cell Technologies Private Limited (OCT) is a 100% subsidiary of Ola Electric Mobility Limited, incorporated in July 2022, and serves as the Group's battery cell manufacturing arm. OCT is establishing a lithium-ion battery cell manufacturing facility at Krishnagiri, Tamil Nadu, intended to act as a captive supplier of battery cells for the Ola Electric Group over the medium term.

Under Phase-1, OCT commenced operations with an installed capacity of 1.4 GWh and achieved manufacturing readiness during FY2025. The cells manufactured under this phase obtained Bureau of Indian Standards certification, and phased integration into Ola Electric's automotive products was initiated during FY2026. With the commencement of customer deliveries of vehicles powered by in-house 4,680 Bharat cells, internal cell penetration scaled up continuously over FY2026.

OCT is currently undertaking capacity expansion to 5 GWh (approximately 5.9 GWh gross installed capacity), with the gigafactory ramp-up scheduled for completion by September 2026. While the company had earlier articulated plans to expand total cell manufacturing capacity in a phased manner to 20 GWh, it has now indicated that it intends to defer this expansion until demand scales up. The current capacity is, however, adequately aligned with rising captive demand from the automotive business, as well as emerging opportunities in stationary energy storage applications such as BESS for residential demand and utility-scale BESS products expected to be launched in FY2027.

Key financial indicators (audited)

OCT (Standalone)	FY2024	FY2025
Operating income	2.8	12.0
PAT	(65.2)	(191.8)
OPBDIT/OI	-2,195.3%	-8,19.6%
PAT/OI	-2,338.4%	-1,599.7%
Total outside liabilities/Tangible net worth (times)	1.6	0.8
Total debt/OPBDIT (times)	(4.9)	(9.0)
Interest coverage (times)	(35.4)	(1.5)

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

	Current (FY2027)				Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long-Term	1910.0	Apr 28, 2026	[ICRA]BBB-(Negative)	May 01, 2025	[ICRA]BBB-(Negative)	Dec 13, 2024	[ICRA]BBB (Negative)	Nov 30, 2023	[ICRA]BBB (Stable)
Non-fund based - CEL (Sub-limit)	Short-Term	(22.0)	Apr 28, 2026	[ICRA]A3	May 01, 2025	[ICRA]A3	Dec 13, 2024	[ICRA]A3+	Nov 30, 2023	[ICRA]A3+
Non-fund based - Letter of Credit (Sub-limit)	Short-Term	(1100.0)	Apr 28, 2026	[ICRA]A3	May 01, 2025	[ICRA]A3	Dec 13, 2024	[ICRA]A3+	Nov 30, 2023	[ICRA]A3+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	**Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)**	SEBI
2	**Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)**	MCA
3	**Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)**	SEBI
4	**Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)**	SEBI
5	**Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)**	RBI
6	**Listed Commercial Paper and NCDs with original maturity less than 1 year**	RBI
7	**Unlisted Commercial Paper and NCDs with original maturity less than 1 year**	RBI
8	**Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)**	RBI
9	**External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings**	RBI
10	**Certificates of Deposit**	RBI
11	**Fixed Deposits raised by NBFCs, Banks, HFCs, FIs**	RBI
12	**Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs**	MCA
13	**Inter Corporate Deposits/Loans extended by Corporates**	MCA
14	**Listed Security Receipts**	SEBI
15	**Unlisted Security Receipts**	RBI
16	**Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)**	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	**Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)**	SEBI
2	**Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs**	SEBI
3	**Independent Credit Evaluation (ICE)**	RBI
4	**Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)**	RBI
5	**Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))**	SEBI
6	**Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))**	MCA
7	**Credit Rating of Borrowing programme**	(@)
8	**Issuer Ratings**	(#)
9	**Monitoring Agency**	SEBI
10	**Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)**	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-Term – Fund based - Term Loan	Simple
Short-Term -Non-fund based - CEL (Sub-limit)	Simple
Short-Term - Non-fund based - Letter of Credit (Sub-limit)	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long-Term – Fund based - Term Loan**	FY2024	NA	FY2034	1,910.0	[ICRA]BBB- (Negative)
NA	**Short-Term -Non-fund based - CEL (Sub-limit)**	NA	NA	NA	(22.0)	[ICRA]A3
NA	**Short-Term - Non-fund based - Letter of Credit (Sub-limit)**	NA	NA	NA	(1,100.0)	[ICRA]A3

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not applicable

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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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