

July 08, 2026

JTEKT India Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term loan	267.96	509.29	[ICRA]AA (Stable); reaffirmed and assigned for enhanced amount
Long-term – Fund-based limits	12.50	58.35	[ICRA]AA (Stable); reaffirmed
Long-term/short-term-Fund based/Non-fund based	58.35	89.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Short-term – Fund based	89.00	12.50	[ICRA]A1+; reaffirmed
Short-term – non-fund based	20.00	20.00	[ICRA]A1+; reaffirmed
Total	447.81	689.14	

*Instrument details are provided in Annexure II

Rationale

ICRA has revised its rating approach for JTEKT India Limited (JIL) to incorporate parent support from JTEKT Corporation, Japan, reflecting the sustained financial, technical and operational support extended by the parent and JIL's strategic importance within the JTEKT Group. The revised approach is based on enhanced clarity received from JTEKT Corporation regarding its commitment to support JIL and factors in the parent's demonstrated track record of support through equity infusions, credit support and the expectation of continued support, as required.

The ratings reaffirmation continues to factor in the steady operational performance of JIL, a prominent supplier of steering systems to passenger vehicle (PV) original equipment manufacturers (OEM) in India. The ratings reaffirmation also factors in the marketing and technical support received from JTEKT, a global leader in steering and driveline products. The strong parentage also provides financial flexibility, including access to unsecured debt from Japanese banks backed by corporate guarantees from the parent entity.

JIL enjoys a leadership position in the domestic steering system segment, with a well-established presence across manual steering gears (MSG), electronic power steering (EPS), and hydraulic power steering systems (HPS). In addition to steering systems, the company's driveline division manufactures axle assemblies, case differentials, and propeller shafts, providing a diversified product profile. JIL is also gradually expanding its presence in constant velocity joints (CVJs), which is expected to support revenue growth and further diversify its portfolio over the medium term. The company maintains a strong share of business with leading PV OEMs, including Maruti Suzuki India Limited (MSIL), Mahindra & Mahindra Limited (M&M), Honda Cars India Limited (HCIL), and Toyota Kirloskar Motor Private Limited (TKML), ensuring healthy revenue visibility. The revenue growth prospects remain favourable, aided by strong OEM relationships and business wins for new model launches.

In FY2026, JIL reported a revenue growth of 11.1% YoY to Rs. 2,665.6 crore, supported by robust demand in the domestic PV industry, following GST rationalisation. The profitability declined marginally, with operating margins at 7.5% (vis-à-vis 7.7% in FY2025), due to an adverse change in product mix wherein contribution from relatively margin-accretive OEM customers declined on a YoY basis. ICRA expects profitability to gradually improve to 8–9% in FY2027, supported by ongoing cost-efficiency measures.

ICRA notes that the company incurred a capex of Rs. 444 crore in FY2026 towards enhancing capacity and setting up its new plant in Gujarat. Even as the company part funded the capex through a rights issue of Rs. 250 crore, its credit metrics moderated, with Total Debt/OPBITDA rising to 1.7 times from 0.8 times in FY2025, reflecting elevated debt levels and subdued

profitability. JIL has material capex plans of Rs. 250–300 crore annually in FY2027 and FY2028, towards capacity expansion and completion of its plant building in Gujarat. These investments, while expected to support medium-term growth through enhanced capacities and sustained OEM relationships, are likely to constrain any material improvement in leverage and coverage metrics in the near term. Nonetheless, ICRA expects the management to continue to adhere to a prudent financial policy while executing these expansion plans.

The ratings remain constrained by intense competition in the steering system space, high dependence on the domestic PV industry, and concentration risks arising from reliance on a few OEM customers.

The Stable outlook on the long-term rating reflects ICRA's belief that despite expectation of an increase in borrowings to fund the capex plans, JIL will continue to maintain a steady credit profile, aided by healthy cash accruals and support from the parent entity.

Key rating drivers and their description

Credit strengths

Leading manufacturer of steering systems in India with strong SoB with PV OEMs – JIL is a leading manufacturer of steering systems in the domestic market, with a high SoB with several PV OEMs such as MSIL, M&M, HCIL and TKML. The company enjoys a SoB of around 100%, except select models, with the market leader, MSIL, and nearly 100% for its product supplies to TKML (benefitting for being a part of the Toyota Group). The strong SoB with various OEMs provides healthy revenue visibility for the company.

Strong parentage provides technical support and aids JIL in securing business from Japanese OEMs in India – JIL receives business and technical support from JTEKT, a leading global manufacturer of steering systems and driveline products. In addition, its strong parentage lends the company healthy financial flexibility, in the form of access to unsecured debt from Japanese banks (backed by corporate guarantee from the parent entity for some sanctions).

Well-diversified product offerings of steering system and driveline products – The company has diverse product offerings, including column-EPS, HPS, MSG and driveline products such as axle assemblies, case differentials, and propellant shafts. JIL has also developed CVJs, which enhanced its product profile and diversify its business for the driveline division.

Credit challenges

Exposed to high PV segment concentration risk – JIL generates around 95% of its revenues from PV OEMs, resulting in high segment concentration risk and making it susceptible to the cyclicity in the PV industry. Nevertheless, the company's favourable ownership pattern, coupled with the healthy SoB enjoyed with various OEMs, mitigates the segment concentration risk to an extent.

Increasing competition in steering systems market – JIL encounters stiff competition from other steering system manufacturers, which resulted in loss of business for a few key models in the past. Nevertheless, the company maintains a strong SoB with various OEMs and has been able to gain business for recent product launches of some OEMs. Going forward, the company's access to technology from its parent entity is expected to help it maintain its strong market position.

Significant capex plans over the medium term to constrain improvement in return indicators – JIL has sizeable capex plans over the next three fiscals towards capacity expansion and new plant additions. These investments are expected to be funded through a mix of term debt and internal accruals. While the capex is likely to support future growth, the expected increase in debt levels and the lag between capacity creation and revenue generation are likely to constrain improvement in the company's return indicators over the medium term.

Environmental and social risks

Environmental considerations: Even though JIL is not directly exposed to the climate transition risks from the likelihood of tightening emission control requirements, its automotive manufacturing customers remain highly exposed to the same because its products are used across different fuel powertrains. Accordingly, JIL’s prospects are linked to its customers’ ability to meet tightening emission requirements. The company’s exposure to litigation/penalties from issues related to waste and water management remains relatively lower.

Social considerations: JIL, like most automotive component suppliers, has healthy dependence on human capital. Retaining human capital and maintaining healthy relationships with employees and suppliers remain essential for disruption-free operations of the entity. Moreover, JIL encounters product safety and quality-related social risks, wherein instances of product recall and high warranty costs may result in financial implications and affect its reputation, creating a more long-lasting adverse impact. In this regard, JIL’s strong track record in catering to leading automotive manufacturers underscores its ability to mitigate these risks to an extent. The company’s strong technological capabilities, aided by support from JTEKT Corporation (Japan), are likely to help it align its products with any changes in customer preferences.

Liquidity position: Adequate

JIL’s liquidity position is Adequate, supported by cash flow from operations of Rs. 150-200 crore p.a., availability of unutilised working capital limits (unutilised limit of around Rs. 111.1 crore as of April 2026), access to undrawn term loans of around Rs. 250 crore as of June 2026 and surplus cash and liquid balances (approximately Rs. 72 crore as of March 2026). Against the liquidity position, the company has debt repayment of Rs. 60-80 crore and capex plans of Rs. 250-300 crore, approximately, in FY2027. In addition, the parentage of JTEKT provides the entity with strong financial flexibility and gives it access to unsecured sanctions from Japanese banks at competitive interest rates.

Rating sensitivities

Positive factors – A meaningful improvement in the company’s return and debt coverage indicators on a sustained basis, would augur well for a rating upgrade. A material diversification of the company’s segmental, product and customer mix would be favourably considered for a long-term rating upgrade.

Negative factors – The ratings may be revised downward in case of the company’s inability to improve profitability or weakness in credit metrics on account of subdued demand across the domestic automotive industry, or due to any large debt-funded capex. The ratings could also be downgraded in case of weakening in the credit profile of the parent entity or weakening of financial and operational linkages with the parent entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Parent Company: JTEKT Corporation, Japan The ratings assigned to the company factor in the high likelihood of its parent entity extending financial support to it because of close business linkages between them. ICRA also expects the parent entity to be willing to extend financial support to JIL, if required, out of its need to protect its reputation from the consequences of a Group entity’s distress.
Consolidation/Standalone	The ratings are based on the standalone financials of the company

About the company

JTEKT India Limited is a leading manufacturer of steering systems and driveline products for passenger vehicle OEMs in India. The company commands a market leadership position in the steering system segment in India with a strong SoB with OEMs, including Maruti Suzuki India Limited, Mahindra & Mahindra, Honda Cars India Limited, Toyota Kirloskar Motor Private Limited and Tata Motors Limited. JIL is a domestic market-focused auto component manufacturer and generates ~95% of its revenues from PV OEMs.

The company manufactures the entire range of steering systems and driveline products. The key manufactured components include manual and power steering systems, which comprise steering gears and columns. The driveline product portfolio includes case differentials, axle components, rear-axle assemblies, propeller shafts and constant velocity joints (CVJ, new product). JIL supplies these products to various PV OEMs. The company's manufacturing facilities are in Gurgaon, Dharuhera (Haryana) and Chennai (Tamil Nadu).

The entity was incorporated in 1984 by the Sona Group, in technical and financial collaboration with JTEKT Corporation, Japan. In Q4 FY2017, JIL's technology partner, JTEKT, bought a 25.12% stake from its exiting Indian partner, Sona Autocomp Holding Limited, and increased its shareholding in the company to 45.4% from 20.1%. It acquired a further 25% stake in JIL via a public open offer in Q1 FY2018. At present, JTEKT's stake in the company stands at 69.55% with two entities (JTEKT Corporation and JTEKT Column Systems Corporation) combined. The company amalgamated its subsidiary, JTEKT Sona Automotive India (JSAI), with effect from Q4 FY2019. This amalgamation helped in streamlining the manufacturing operations and reducing the overall production turnaround time.

Moreover, it provides a unified interface to customers, including access to an entire steering assembly offering from a single source, besides improving efficiencies and reducing costs. The company has amalgamated its subsidiary company, JTEKT Fuji Kiko Automotive Limited with and into JIL (effective from January 01, 2024), which has helped the company rationalise the overhead expenses and optimally utilise its available resources.

Key financial indicators (audited)

JIL Standalone	FY2024	FY2025	FY2026*
Operating income	2,245.5	2,399.3	2,665.6
PAT	106.9	75.3	76.9
OPBDIT/OI	9.6%	7.7%	7.5%
PAT/OI	4.8%	3.1%	2.9%
Total outside liabilities/Tangible net worth (times)	0.5	0.6	0.7
Total debt/OPBDIT (times)	0.5	0.8	1.7
Interest coverage (times)	35.2	17.9	13.4

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

*Source: Company, ICRA Research; *Limited results; All calculations are as per ICRA Research*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount Rated (Rs Crore)	July 08, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based limits	Long-term	58.35	[ICRA]AA (Stable)	4-Jul-25	[ICRA]AA (Stable)	7-May-24	[ICRA]AA (Stable)	19-Apr-23	[ICRA]AA (Stable)
Fund based/ Non fund based	Long-term/short-term	89.00	[ICRA]AA (Stable)/[ICRA]A1+	4-Jul-25	[ICRA]AA (Stable)/[ICRA]A1+	7-May-24	[ICRA]AA (Stable)/[ICRA]A1+	19-Apr-23	[ICRA]AA (Stable)/[ICRA]A1+
Term loan	Long-term	509.29	[ICRA]AA (Stable)	4-Jul-25	[ICRA]AA (Stable)	7-May-24	[ICRA]AA (Stable)	19-Apr-23	[ICRA]AA (Stable)
Fund based	Short-term	12.50	[ICRA]A1+	4-Jul-25	[ICRA]A1+	7-May-24	[ICRA]A1+	19-Apr-23	[ICRA]A1+
Non-fund based	Short-term	20.00	[ICRA]A1+	4-Jul-25	[ICRA]A1+	7-May-24	[ICRA]A1+	19-Apr-23	[ICRA]A1+
Unallocated	Long-term	-	-	-	-	7-May-24	[ICRA]AA (Stable)	19-Apr-23	[ICRA]AA (Stable)

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 Mutual 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 – Term loan	Simple
Long term – Fund based limits	Simple
Long term/ Short Term-Fund based/ Non fund based	Simple
Short term – Fund based	Simple
Short term – non-fund based	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	Term Loan-I	FY2021	NA	FY2027	11.08	[ICRA]AA (Stable)
NA	Term Loan-II	FY2024	NA	FY2029	51.15	[ICRA]AA (Stable)
NA	Term Loan-III	FY2024	NA	FY2030	67.06	[ICRA]AA (Stable)
NA	Term Loan-IV	FY2026	NA	FY2031	50.00	[ICRA]AA (Stable)
NA	Term Loan-V	FY2026	NA	FY2031	50.00	[ICRA]AA (Stable)
NA	Term Loan-VI	FY2026	NA	FY2031	30.00	[ICRA]AA (Stable)
NA	Term Loan-VI	FY2026	NA	FY2032	50.00	[ICRA]AA (Stable)
NA	Term Loan-VII	FY2026	NA	FY2033	100.00	[ICRA]AA (Stable)
NA	Term Loan-VIII	FY2027	NA	FY2033	100.00	[ICRA]AA (Stable)
NA	Fund based limits	NA	NA	NA	58.35	[ICRA]AA (Stable)
NA	Fund based/ Non fund based	NA	NA	NA	89.00	[ICRA]AA (Stable)/ [ICRA]A1+
NA	Fund Based	NA	NA	NA	12.50	[ICRA]A1+
NA	Non Fund-Based	NA	NA	NA	20.00	[ICRA]A1+

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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