

JSW Motors Limited

October 30, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|---------------------|---------------|
| Long-term bank facilities | 7,755.00 | CARE A-; Stable | Assigned |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities of JSW Motors Limited (JML) derive significant strength from strong parentage of JSW Group, led by Sajjan Jindal, and the group's healthy financial flexibility. JML holds strategic importance for the JSW Group, reflected in the shared brand name, JSW. Sajjan Jindal Family Trust, indirectly through group companies, holds 100% equity in JML. JML is setting up a greenfield manufacturing plant for production of new energy vehicles (battery electric vehicles [BEV] and plug-in hybrid electric vehicles [PHEV]) with a planned capacity of 3,00,000 cars per annum at Chhatrapati Sambhajnagar, Maharashtra, which is expected to commence commercial production by October 2027 with sizeable subsidy support.

The rating also draws comfort from the JSW Group's established track record of extending support to group companies and long-term favourable demand prospects for BEV and PHEV. The rating derives strength from expected sponsor support undertaking from JSW Projects Ltd. (JPL) in project implementation and stabilisation phase to meet cash flow shortfall.

However, the rating remains constrained by risks inherent to greenfield projects at a nascent stage of operations, limited experience of JSW group in this business, leveraged capital structure, pending debt tie-up for the project, exposure to geo-political risks between India and China impacting component supply, technology risk due to evolving battery technology and highly competitive market with presence of strong established players in the business.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely completion of total capex without material time and cost overruns, and smooth stabilisation of operations.

Negative factors

- Weakening of managerial and financial linkages with JSW Group or significant dilution in the stake held by JSW Group.
- Significant cost and time overruns, delays in stabilisation of operations and significant delays in ramping up of operations.
- Lack of timely funding support from JSW Group to meet shortfall such that its debt service coverage ratio (DSCR) falls below 1.10x.

Analytical approach: Standalone. Further, the rating also factors in strong financial linkages with Sajjan Jindal led JSW group.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that JML shall benefit from strong support from the JSW group, given its experienced management and strong execution track record in implementation and stabilisation of large size projects. JML is expected to receive need-based financial support from the JSW group timely due to sponsor support undertaking from JPL.

Detailed description of key rating drivers:

Key strengths

Part of established JSW group; having strong linkages

JML is part of the JSW group, led by Sajjan Jindal, and is a part of the larger O.P. Jindal group. As on March 31, 2025, Sajjan Jindal Family Trust indirectly holds 100% equity stake in JML. JSW group has a significant presence in diversified business segments such as steel, energy, real estate, infrastructure, cement, paints, and sports. The group ventured into passenger vehicle segment and gained insights about the electric vehicles business by acquiring an equity stake in MG Motor India Private Limited in March 2024 through JSW Venture Singapore Pte Limited and renamed the company as JSW MG Motor India Private Limited (JSW MG). MG is a British brand and JSW MG is engaged in manufacturing, selling and servicing passenger cars and selling

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

automobile parts and accessories. JSW MG is jointly controlled by SAIC Motor HK Investment Limited (SAIC) and JSW Group. As on March 31, 2025, JSW Group holds 35% stake in JSW MG.

JSW MG is a second-largest player in the domestic electric passenger vehicle industry with a retail market share of 28.02% in FY25 compared to 12.77% in FY24. However, it had only 1.38% market share in the overall domestic passenger vehicle market in FY25 and is the ninth-largest player in the overall domestic passenger car market. JSW Group, through JML, is setting up a green-field BEV and PHEV manufacturing plant at Chhatrapati Sambhajnagar, Maharashtra, with a manufacturing capacity of 3,00,000 vehicles per annum. The facility is expected to commence commercial production by October 2027.

The group has extended its strong brand to JML, which is expected to help in quickly establishing its product in the market. Sharing the group name underpins the company's strategic importance to the JSW Group. JML is also expected to benefit from JSW Group's extensive experience in executing large and complex projects. JML also enjoys significant financial flexibility being part of JSW Group. JSW Group, through JSW Greentech Limited, is also setting up an electric commercial vehicle manufacturing facility with a manufacturing capacity of 10,000 electric buses and 5,000 electric trucks annually.

Demonstrated financial support from the group; expected to continue in future

The group has infused ₹335 crore equity since the incorporation of JML and commencement of the project. The group has infused ₹230 crore unsecured loans, which are expected to be converted into equity, aggregating the group's contribution of ₹565 crore which is equivalent to 15% of the required equity contribution. ₹225 crore equity infusion is expected shortly in FY26. JPL is expected to provide a sponsor support undertaking (backed by its board resolution) for the term-debt to be availed by JML. The group has a strong track record of extending support to group companies and is expected to provide timely need-based support to JML.

Long-term favourable demand prospects for BEV and PHEV with sizeable subsidy support to JML

To promote domestic EV manufacturing, decarbonise transportation, and reduce dependence on imports, central and state governments have introduced policy measures in recent years. The Government of India approved the production-linked incentive (PLI) scheme and Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) schemes—FAME I and FAME II—with a total budgetary outlay of ~₹12,395 crore. On the demand side, there has been a significant push by central and state governments to accelerate EV adoption, with NITI Aayog aiming for EVs to comprise 30% of total PV sales by 2030. Long-term demand prospects for BEVs and PHEVs are highly promising, driven by global efforts to decarbonise transportation, improve energy efficiency, and reduce dependence on fossil fuels. CareEdge Ratings also notes that the JML's project is eligible for substantial subsidies from the Government of Maharashtra, which include capex subsidy, interest subvention, and State Goods and Services Tax (SGST) reimbursement aggregating to over ₹8,000 crore, which will help JML significantly lower its capex, operational costs and cashflows.

Liquidity: Adequate

JML's liquidity is marked adequate, supported by its access to need-based financial support from JSW Group timely. Being a part of the JSW group, JML enjoys superior financial flexibility, considering its ability to access debt markets and raise funds at competitive interest rates. Till date, JSW Group has invested ₹565 crore in JML. The company is in process of achieving financial closure and is expected to receive a sanction for its term loan from the banks shortly. The proposed loan will have a door-to-door tenure of ~10 years with a moratorium of one year post SCOD. Repayments are expected to commence from October 2028 providing adequate time for ramp up of its operations.

Key weaknesses

Inherent risks associated with greenfield project in the nascent stage of implementation

The project, being in the nascent stage, remains exposed to time and cost overruns associated with greenfield projects. As of September 2025, only 6% (~₹650 crore of the total project cost of ₹11,596 crore) has been incurred, funded through equity and unsecured loans from the group. The scheduled commercial operations date (SCOD) for the project is October 2027. The company has already finalised purchase orders for major civil and plant packages aggregating to ₹5,700 crore and engaged Accenture as the program management consultant to ensure on-time and on-budget project delivery. However, CareEdge Ratings derives comfort from the JSW Group's strong and proven track record in successfully executing large-scale, technically complex, capital-intensive projects timely, which should help to mitigate execution risk to some extent.

Leveraged capital structure

The capital structure is expected to be leveraged in the medium term, considering funding of the project cost of ₹11,596 crore primarily through debt of ₹8,839 crore and the balance ₹2,757 crore through equity infusion from JSW Group. Capital structure

and debt coverage metrics are expected to remain leveraged until project completion and ramp-up of operations to a significant scale. The company's ability to profitably ramp up operations timely will be critical.

Exposed to geo-political risks between India and China, impacting supply of components

Due to JML's dependence on Chinese players for battery and platform technology, supply, after-sales service of EVs, and requisite technology transfers will depend on the geo-political relationship between India and China. Battery and EV technologies have evolved over the years. However, the lack of a 10-year operational history for EVs and uncertainty regarding long-term maintenance cost remains constraints. Limitations on battery-related imports such as increase in customs duty, restrictions on Chinese imports, are likely to impact the project's viability, operations and company's profitability. Although, CareEdge Ratings notes that JML has plans to localise majority components in the long run.

Evolving battery technology risk with highly competitive market

Electric vehicle manufacturers are exposed to technology risk since the battery technology has been constantly evolving, exposing the products to be manufactured by JML to the risk of obsolescence in case of emergence of superior technology. Indian market for passenger cars is highly competitive with presence of many established players with strong credit profile and well spread-out distribution and service network exposing JML to competition risk once it starts operations.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|--------------------------------|-------------|-------------------------------------|
| Consumer discretionary | Automobile and auto components | Automobiles | Passenger cars and utility vehicles |

Incorporated in January 2025, JML is a wholly owned subsidiary of JSW Green Mobility Limited, which is fully owned by JSW Projects Limited, a company entirely held by the Sajjan Jindal Family Trust. JML is setting up its BEV and PHEV manufacturing facility in Chhatrapati Sambhajnagar, Aurangabad, Maharashtra. The products manufactured will be launched and sold under the JSW brand. The facility is scheduled to commence commercial production by October 2027.

Brief Financials: Not applicable, as it is a project stage entity.

Status of non-cooperation with previous CRA: Not applicable

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-Term Loan* | - | - | - | 31-01-2037 | 7,755.00 | CARE A-; Stable |

*Proposed, no outstanding

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-Term Loan | LT | 7,755.00 | CARE A-; Stable | CARE A-; Stable | | | |

LT: Long 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-Term Loan | Simple |

Annexure-5: Lender detailsTo 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

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