

Igarashi Motors India Limited

March 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	41.65 (Enhanced from 22.55)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	68.00	CARE A+; Stable / CARE A1+	LT rating and Stable outlook assigned and ST rating reaffirmed
Long-term / Short-term bank facilities	60.00	CARE A+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Igarashi Motors India Limited (IMIL) continues to derive strength from its long operational track record with strong market position in the global automotive motors industry, management team with experienced personnel, and strong relationship with reputed clients. Ratings also factor in the company's efforts for de-risking segment concentration risk through increasing share of other applications such as safety & body systems in auto and other non-auto applications and its comfortable capital structure and adequate liquidity position.

However, ratings are constrained by moderation in IMIL's operational performance over the years due to change in product mix towards BLDC, which are lower margin products resulting in the moderation in profitability margins. Despite an improving trend in operational performance in FY25 (April 1 to March 31) and 9MFY26, overall return on capital employed (ROCE) continues to remain subdued. Ratings are also constrained due to susceptibility of margins to the raw material price fluctuation and foreign currency fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to grow its scale of operations beyond ₹1,000 crore with a more diversified product profile and end-use applications.
- Increase in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin and ROCE above 15% on a sustained basis.
- Sustenance of low gearing and total debt to PBILDT below 1x.

Negative factors

- Any significant drop in overall sales volumes and PBILDT margins remaining less than 10% on a sustained basis.
- Deterioration in leverage with overall gearing exceeding 0.5x.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook assigned to the long-term ratings of IMIL is due to the expectation of the company to benefit from diversification of its products, customers, and geographies in the medium term. With increasing scale of operations, its operating profitability should steadily improve going forward leading to improvement in its overall financial risk profile.

Detailed description of key rating drivers:

Key strengths

Experienced management team and long track record of operations

IMIL has well-established operations with a long track record of over three decades. The company started as a contract manufacturer in 1992 and ventured into the design and development of critical automotive applications since 2000. IMIL has spent significant resources in the development of an actuator motor, a type of DC motor, for the Electronic Throttle Control (ETC) application. IMIL has a presence in Tier-2, Tier-3, and Tier-4 of auto business, with vertically integrated operations in a single company. The Igarashi group of Japan, a global player in DC motors, and its subsidiaries holds the majority stake in IMIL, and the India operations are overseen by a professional board with Hemant M Nerurkar as the board's Chairman. He is an industry veteran, having worked in the auto-sector for an extensive period. IMIL's day-to-day operations are managed by R. Chandrasekaran, the Managing Director and CEO of the company.

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

Strong relationship with reputed clients, though with high sales concentration

IMIL derives majority revenues from a few large clients, which in turn supply to multiple original equipment manufacturers (OEMs) across the globe. The company has been supplying its products to Tier-I suppliers of leading automobile manufacturers in the world. Most of its manufactured products are exported contributing ~56% of sales in FY25 (PY: ~53%). Over the years, the company has improved its customer base, reducing its exposure to largest end customer from ~61% in FY19 to less than ~25% in FY25. IMIL's income stability and order book position depends heavily on the orders from these large customers. However, the company has an extensive relationship with these clients and forms an important part of their global supply chain. Hence, the client concentration risk is mitigated to an extent. Due to the critical application of the products manufactured by IMIL, the risk of the customers switching over to the competitors is minimal. The company is a full-service supplier and vertically integrated to customise the products according to client's requirements. Through such advantages and cost-effectiveness by way of operating in India, IMIL ensures stable customer and revenue profile in the long term to an extent despite high sales concentration to these clients.

De-risking segment concentration

The company started with the supply of DC motors for internal combustion engine (ICE) vehicles, which continues to be the mainstay of the business. Moreover, it has consciously moved to other applications and developed other DC motor versions which are engine technology-neutral and find application in electric vehicles (EVs). IMIL also sells motor sub-assemblies such as armature assembly for the automotive sector. To de-risk from the automotive applications, the company had launched BLDC motors for application in the consumer durable segment such as ceiling and pedestal fans given the long-standing association of its top management with the sector. The BLDC motors have varied applications, and currently, the company has a capacity of one million units. In the last three years, the company has significantly increased the electronics design capabilities through new product launches and quality improvements. It manufactures printed circuit boards (PCBs) with radio frequency remote and internet of things-enabled features. IMIL has developed wall regulator PCB compatible with all standard induction fan regulators. Apart from this, the company has undertaken research and development (R&D) for EV, 2-wheeler, and 3-wheeler applications. The company's electronics R&D division has successfully developed products across standard, premium, and super-premium segments within the ceiling fan category, emphasising voice recognition, smart sensing technology, and BLDC motors designed for water pump applications.

The company has also designed competitive PCB controllers for domestic exhaust fans and table/pedestal/wall (TPW) fans, ready for launch upon the introduction of mandatory star ratings for TPW applications by the government, expected within the next 12 months. Non-auto revenue contribution stood at ~17% in FY25 and ~12% in 9MFY26. With the Bureau of Energy Efficiency implementing star rating norms for fan, the demand for BLDC fan is likely to increase which is expected to support for healthy growth in non-automotive segment.

Comfortable capital structure

Company's capital structure remained strong characterised by its comfortable overall gearing ratio at 0.37x as on March 31, 2025 (PY: 0.36). Over a period, capital structure is comfortable on the back of accretion of profits to the net worth. Though the company's capital structure is expected to be moderate in the medium term because of the increased reliance of operations on the working capital borrowings (to fund the expected increase in scale), the same is expected to remain at a comfortable level.

Liquidity: Adequate

IMIL has a term debt repayment obligation of ₹9.47 crore in FY26, which is expected to be met comfortably through its internal accruals. It has already generated cash accruals of ₹52.66 crore in 9MFY26. The company had free cash and bank balance of ₹7.81 crore, as on December 31, 2025, which also provides comfort to the overall liquidity profile. The company has planned growth and maintenance capex of ~₹64 crore in FY26, which is planned to be funded through internal accruals of the company and term debt of ₹30 crore.

With an overall gearing of 0.37x as on March 31, 2025, the company has adequate headroom available to raise additional debt, if required. The average fund-based working capital limit utilisation also remained at a comfortable level of ~64% in the 12-month period ended December 2025. The company's current ratio also stood comfortable at 1.23x as on March 31, 2025.

Key weaknesses**Low operating profitability and return indicators, though improving**

Operating profitability marked by PBILDT margin of IMIL, which used to be at ~15% till FY21 has declined significantly at 11.40% in FY25 and 9.92% in 9MFY26. Lower operating profitability is primarily considering a shift in product mix towards the domestic market, and an increase in share of lower margin products. Along-side lower operating profitability, its ROCE though improved also stood low at 7.01% in FY25 (4.74% in FY24), mainly due to moderate utilisation of its installed capacity for DC motors.

For FY26, performance is likely to fall short of earlier expectations as the company faced global challenges, including extended validation cycles for new businesses and tariff-related issues. However, CareEdge Ratings expects growth in FY27, driven by new customer acquisitions, product diversification, and strategic de-risking initiatives.

Margins susceptible to raw material price fluctuation and foreign currency fluctuation risk

Raw material costs as a proportion of total operating income (TOI) for FY25 stood at ~65% (PY: 67%). The major raw materials used by the company are steel and copper, prices of which are highly volatile in nature. To insulate itself from price increase, IMIL generally draws up an annual price contract with all its clients with a built-in price escalation clause in case of the raw material price increase. However, while changes in the raw material prices are passed on to the clients, there is a lag effect in the same which may impact the profitability. The company imports part of its raw materials (~62% in FY25), where steel is mainly imported from Japan and Singapore, while copper is procured domestically.

Prices of the two major raw materials while showed less fluctuation in FY23, FY24, and FY25, the prices sharply varied in 9MFY26. With majority raw materials imported (~60%), IMIL also faces foreign currency risk. However, as the company exports most of its products, it has a natural hedge. IMIL also hedges a portion of its unhedged foreign currency exposure by entering forward contracts and packing credit in foreign currency.

Environment, social, and governance (ESG) risks

Risk Factors	Compliance and action by company
Environmental	The company sourced 89% of its total energy consumption from renewable sources, supported by an in-house 400-kW solar power installation, significantly reducing its carbon footprint. Multiple process-level improvements—such as optimisation of steel coil width, automated epoxy flow systems, redesigning moulds to reduce plastic runner waste, recycling solder bars, and replacing thermocol and plastic packaging with recyclable materials—helped achieve a total waste reduction of 30.8 tons/year and ZERO hazardous waste to landfill. The company also promoted sustainable mobility and operational efficiency by introducing BLDC fans across facilities and adding EV charging infrastructure and electric shuttle services, further strengthening its commitment towards low-carbon operations.
Social	On the social front, IMIL continued strengthening employee welfare, community engagement and societal development. The company maintained zero reportable fatality incidents and delivered 17 training hours per employee, with 92% of employees trained in skill upgrades. With a broad diversity agenda, women accounted for 17% of managerial roles and 72% of the total workforce (direct + associates). IMIL's CSR focus remained centred on healthcare, education, community wellness and sustainability. Against a CSR obligation of ₹16.35 lakh, the company spent ₹55 lakh, exceeding the statutory requirement by 47%, in line with its commitment to social impact. Key CSR programs supported over 55,000 beneficiaries, including 2,500+ childhood cancer survivors, 1,300 apprentices, 32 in-plant trainees, 21 students through industrial visits, and 51,000 community members through health and hygiene projects.
Governance	IMIL's governance framework in FY25 continued to reflect strong compliance discipline, structured oversight mechanisms and transparent disclosures. Governance is overseen through Board-level committees—including the Risk Management and ESG Committee, Audit Committee, Nomination and Remuneration Committee, and CSR Committee—ensuring strategic alignment, regulatory compliance and effective risk mitigation. The company-maintained adherence to statutory requirements, with no audit qualifications, no instances of fraud, and full compliance. The company upheld high ethical standards through its Whistle-blower Policy, Prevention of Sexual Harassment (POSH) compliance (with zero reported cases), and enhanced transparency across internal controls and reporting systems. Overall, IMIL's governance practices continue to support long-term stability, stakeholder confidence and sustainable business expansion.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Auto Components & Equipments](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

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

IMIL was originally incorporated as CG Igarashi Motors Limited in January 1992 as a joint venture (JV) between Crompton Greaves Limited (CGL), India, Igarashi Electric Works Limited (IEWL), Japan, and International Components Corporation (ICC), USA. Over the years, the shareholding pattern has undergone multiple changes, and as on December 31, 2024, Agile Electric Sub-Assembly Private Limited (AESPL), Igarashi Electric Works H.K. Ltd, and Igarashi Electric Works Limited (Japan) together holds 75% of the stake in the company. IMIL is primarily engaged in the production and sale of permanent magnet DC motors and its sub-assemblies, seat applications, and motor accessories, mainly for automotive sector specifically for passenger cars. To de-risk the business from being entirely automotive, the company has developed the BLDC motors, which is used in consumer applications such as fans and has started supplying to customers from FY20 onwards. The company's manufacturing facilities are based out of Chennai, Tamil Nadu.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	9MFY26 (UA)
Total operating income	725.04	838.42	639.95
PBILDT*	74.63	95.61	63.46
Profit after tax (PAT)	9.57	24.17	10.55
Overall gearing (x)	0.36	0.37	NA
Interest coverage (x)	5.62	6.86	7.46

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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/ ST-Working Capital Limits		-	-	-	68.00	CARE A+; Stable / CARE A1+
Fund-based - LT/ ST-Working Capital Limits		-	-	-	60.00	CARE A+; Stable / CARE A1+
Term Loan-Long Term		-	-	31-10-2030	41.65	CARE A+; Stable

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	68.00	CARE A+; Stable / CARE A1+	-	1)CARE A1+ (04-Mar-25)	1)CARE A1+ (07-Feb-24)	1)CARE A1+ (06-Mar-23)
2	Term Loan-Long Term	LT	41.65	CARE A+; Stable	-	1)CARE A+; Stable (04-Mar-25)	1)CARE A+; Stable (07-Feb-24)	1)CARE A+; Stable (06-Mar-23)
3	Fund-based - LT/ST-Working Capital Limits	LT/ST	60.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (04-Mar-25)	1)CARE A+; Stable / CARE A1+ (07-Feb-24)	1)CARE A+; Stable / CARE A1+ (06-Mar-23)

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/ ST-Working Capital Limits	Simple
2	Term Loan-Long Term	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.

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