January 09, 2026

Ashley Alteams India Limited: Ratings upgraded to [ICRA]A-(Stable)/[ICRA]A2+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Term loan	27.12	23.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Long term – Fund Based – Cash credit	42.88	30.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Short term – Sub limit	(90.00)	(106.00)	[ICRA]A2+; upgraded from [ICRA]A2
Short term – Fund based facilities	55.00	43.00	[ICRA]A2+; upgraded from [ICRA]A2
Short term – Non fund based facilities	-	2.00	[ICRA]A2+; upgraded from [ICRA]A2
Long term/Short term – Unallocated	-	27.00	[ICRA]A-(Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+(Stable)/ [ICRA]A2
Total	**125.00**	**125.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings upgrade considers an improvement in Ashley Alteams India Limited's (AAIL) credit profile, supported by a better-than-expected scale-up in revenues and earnings. This led to a reduction in debt levels and an improvement in leverage and coverage metrics, which are expected to sustain going forward. AAIL's revenues grew by around 20% in FY2025 to Rs. 357.4 crore (from Rs. 297.6 crore in FY2024), aided by strong growth in the telecom segment, driven by healthy order inflows from Nokia Solutions Network (NSN) and Tejas Networks and stable offtake in the automotive segment. While revenues were impacted by muted growth in the telecom segment in H1 FY2026 on an elevated base of FY2025, an improved order pipeline is expected to drive growth in H2 FY2026 and FY2027.

The company's operating margins improved to 15.6% in FY2025 from 14.2% in FY2024 on the back of an improved product mix and benefits from an increased scale of operations. Although operating margins moderated marginally in H1 FY2026 owing to a lower scale of operations, an uptick in revenues is expected to support a recovery in margins to FY2025 levels. Increased earnings, coupled with the absence of any major debt-funded capex, have led to an improvement in debt indicators, with total debt/OPBDITA at 1.6 times and DSCR at 1.9 times as of March 2025. Further improvement is expected in FY2026 and FY2027 on the back of healthy margins.

The ratings continue to draw comfort from the strong parentage and support of joint venture partners—Ashok Leyland Limited (ALL; rated [ICRA]AA+ (Stable)/[ICRA]A1+) and Alteams OY, Finland, along with AAIL's established position as a critical supplier to ALL. The company enjoys strong financial flexibility with lenders, given its parentage and long-standing relationships. AAIL's diversified presence across automotive, telecom and industrial segments, along with a healthy order pipeline for new aluminium-based products in the auto segment, is expected to support medium-term growth.

However, the ratings remain constrained by high customer concentration risk, with the top three customers accounting for around 77% of sales in H1 FY2026, and the vulnerability of its earnings and revenues to cyclicality in the auto and telecom sectors, as well as sharp fluctuations in commodity prices.

The Stable outlook on the long-term rating considers ICRA's opinion that AAIL's earnings growth will be supported by increased offtake from its key clients and healthy order inflows from the automotive segment, supported by new product expansion.

Key rating drivers and their description

Credit strengths

Strong parentage with advanced technological and operational/management support from both promoters; need-based financial support from parent – Incorporated in 2007, AAIL is a 50:50 joint venture (JV) between ALL and Alteams OY (AOY). ALL is the second-largest manufacturer in the medium and heavy commercial vehicles (M&HCV) segment in India, and AAIL is a critical high-pressure aluminium die-cast supplier to ALL. In H1 FY2026, AAIL derived around 55% of its revenue from ALL. The company also receives technical support from AOY, which is part of the Alteams Group, one of the leading manufacturers of cast light metal components for the global telecommunication industry. Its association with AOY has helped the company secure orders from reputed clientele in the telecom sector. AAIL continues to receive operational and financial support, with AOY providing technological support and ALL providing managerial support. In addition, AAIL is expected to receive need-based financial support from ALL.

Strong operational profile with diversified presence across industries and reputed clientele – AAIL's business risk profile is strongly supported by the JV partners' vast experience and the company's established presence in the industry, supplying components to diverse end-user industries, namely automotive (accounting for around 70% and 77% of total revenues in FY2025 and H1 FY2026, respectively), telecom (27-28%), and industrial (1%). In FY2025, the company's revenues grew by 20% on a YoY basis, primarily on account of improved performance in the telecom segment. Further, AAIL's debt indicators improved, with total debt to OPBDITA of 1.6 times and 1.2 times, and interest cover of 6.2 times and 7.4 times as of March 2025 and H1 FY2026, respectively.

Increased wallet share with existing clients to support growth – AAIL has a reputed client profile with which it has established relationships. The company's wallet share with its major clientele witnessed healthy improvement over the last few years. Further, the company's long-term revenue prospects for both the auto and telecom segments are favourable. Given the focus on lightweighting and fuel efficiency, ALL has been increasing its share of aluminium components in recent years, which consequently supports AAIL's revenue visibility going forward.

Credit challenges

Exposed to high customer concentration risk – AAIL has significant customer concentration risks, with 71% of its revenue derived from ALL, Nokia and Tata Cummins Private Limited in FY2025. Although the risk is mitigated to an extent as ALL is a 50% JV partner, any fallout with one of its key clients could significantly impact the company's revenues and profitability.

Revenue and earnings vulnerable to cyclicality in auto sector and sharp fluctuations in commodity prices – AAIL derives 70-77% of its revenues from the cyclical CV sector and 25-30% from the telecom sector, wherein order inflows are susceptible to capex cycles in the industry, exposing it to fluctuations in demand across these segments. AAIL's profit margins are susceptible to fluctuations in raw material prices, primarily aluminium alloy, although price escalation clauses with customers partially mitigate this risk.

Liquidity position: Adequate

AAIL's liquidity is Adequate, with expected retained cash flows of Rs. 45-50 crore in FY2026 and FY2027 and a buffer in the working capital facilities of Rs. 35.8 crore as on March 31, 2025. AAIL has capex plans of Rs. 8-10 crore in FY2026 and Rs. 10 crore in FY2027, to be funded through a Rs. 13 crore term loan and internal accruals, and debt repayment obligations of around Rs. 4-4.5 crore per annum in FY2026 and FY2027. AAIL also enjoys financial flexibility as part of the ALL Group.

Rating sensitivities

Positive factors – ICRA could upgrade the company's ratings if it demonstrates a sustained improvement in revenues, profit margins, and debt metrics, strengthening the financial risk profile.

Negative factors – Pressure on AAIL's ratings could arise if any material decline in revenues or margins impacts its debt metrics on a sustained basis. Specific credit metrics that could lead to a ratings downgrade include Total Debt/OPBITDA of more than 2.3 times on a sustained basis. Any weakening in the operational or financial linkage with the parent, or moderation in the parent's credit profile, could also trigger a ratings downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Auto Component](#)
Parent/Group support	JV Parent: Ashok Leyland Limited, rated [ICRA]AA+/[ICRA]A1+; Ratings are based on implicit support expected to be received from Ashok Leyland Limited
Consolidation/Standalone	Standalone

About the company

AAIL, incorporated in 2007, is a 50:50 JV between Ashok Leyland Limited (ALL) and Alteams OY (AOY). AAIL manufactures high-pressure aluminium die castings from its foundry and machine shop at Cheyyar in Tamil Nadu (90 km from Chennai). The foundry has an installed production capacity of 11,000 MT, with the capability to produce high-pressure die-casting components ranging from 0.2 kg to 45 kg.

ALL is the second-largest commercial vehicle manufacturer in India, while AOY is a Finnish light metal casting company with operations in Finland, Sweden, Estonia and China. The Alteams Group is the world's largest manufacturer of cast light metal components for the telecommunications industry and is a part of Kuusakoski OY, a Finland-based international recycling company.

Key financial indicators (audited)

Ashley Alteams India Limited (Standalone)	FY2024	FY2025	H1 FY2026*
Operating income	297.6	357.4	166.9
PAT	18.2	26.6	10.2
OPBDIT/OI	14.2%	15.6%	12.9%
PAT/OI	6.1%	7.5%	6.1%
Total outside liabilities/Tangible net worth (times)	3.2	2.0	1.3
Total debt/OPBDIT (times)	2.2	1.6	1.2
Interest coverage (times)	3.8	6.2	7.4

*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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jan 09, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	23.00	**[ICRA]A-(Stable)**	Aug 09, 2024	[ICRA]BBB (Stable)	-	-	Mar 28, 2023	[ICRA]BBB- (Stable)
				Apr 05, 2024	[ICRA]BBB- (Stable)	-	-	Dec 19, 2022	[ICRA]BB+ (Positive)
				Mar 04, 2025	[ICRA]BBB+(Stable)				
Cash credit	Long-term	30.00	**[ICRA]A-(Stable)**	Aug 09, 2024	[ICRA]BBB (Stable)	-	-	Mar 28, 2023	[ICRA]BBB- (Stable)
				Apr 05, 2024	[ICRA]BBB- (Stable)	-	-	Dec 19, 2022	[ICRA]BB+ (Positive)
				Mar 04, 2025	[ICRA]BBB+(Stable)				
Unallocated	Long-term	0.00	-	Aug 09, 2024	[ICRA]BBB (Stable)	-	-	Mar 28, 2023	[ICRA]BBB- (Stable)
				Apr 05, 2024	[ICRA]BBB- (Stable)	-	-	Dec 19, 2022	[ICRA]BB+ (Positive)
Sub-limit facilities	Long-term	(0.00)	-	Aug-09-24	[ICRA]BBB (Stable)	-	-	-	-
				Apr 05, 2024	[ICRA]BBB- (Stable)	-	-	-	-
Fund based facilities	Short-term	43.00	**[ICRA]A2+**	Aug 09, 2024	[ICRA]A3+	-	-	Mar 28, 2023	[ICRA]A3
				Apr 05, 2024	[ICRA]A3	-	-	Dec 19, 2022	[ICRA]A4+
				Mar 04, 2025	[ICRA]A2				
Sub-limit facilities	Short-term	(106.00)	**[ICRA]A2+**	Aug 09, 2024	[ICRA]A3+	-	-	Mar 28, 2023	[ICRA]A3
				Apr 05, 2024	[ICRA]A3	-	-	Dec 19, 2022	[ICRA]A4+
				Mar 04, 2025	[ICRA]A2	-	-	-	-
Non fund based facilities	Short-term	2.00	**[ICRA]A2+**	-	-	-	-	-	-
Unallocated limits	Long-term/Short term	27.00	**[ICRA]A-(Stable) /[ICRA]A2+**	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - fund based - Term loans	Simple
Long-term - fund based - Cash credit	Simple
Short-term - fund based facilities	Simple
Short-term - sub-limit facilities	Simple
Short term - Non fund Based facilities	Simple
Long term/ Short term-Unallocated	Not applicable

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 1	April 2025	8.75%	April 2029	21.00	[ICRA]A- (Stable)
NA	Term loan 2	Dec 2021	8.65%	Dec 2025	2.00	[ICRA]A- (Stable)
NA	Cash credit facilities	NA	-	-	30.00	[ICRA]A- (Stable)
NA	Sales bill discounting 1	NA	-	-	30.00	[ICRA]A2+
NA	Sales bill discounting 2	NA	-	-	13.00	[ICRA]A2+
NA	WCDL (sublimit)	NA	-	-	(43.00)	[ICRA]A2+
NA	Packing credit/FBP (sublimit)	NA	-	-	(23.00)	[ICRA]A2+
NA	Sales bill discounting (sublimit)	NA	-	-	(20.00)	[ICRA]A2+
NA	LC/BG (sublimit)	NA	-	-	(20.00)	[ICRA]A2+
NA	Non fund based facilities	NA	-	-	2.00	[ICRA]A2+
NA	Unallocated limits	NA	-	-	27.00	[ICRA]A- (Stable)/[ICRA]A2+

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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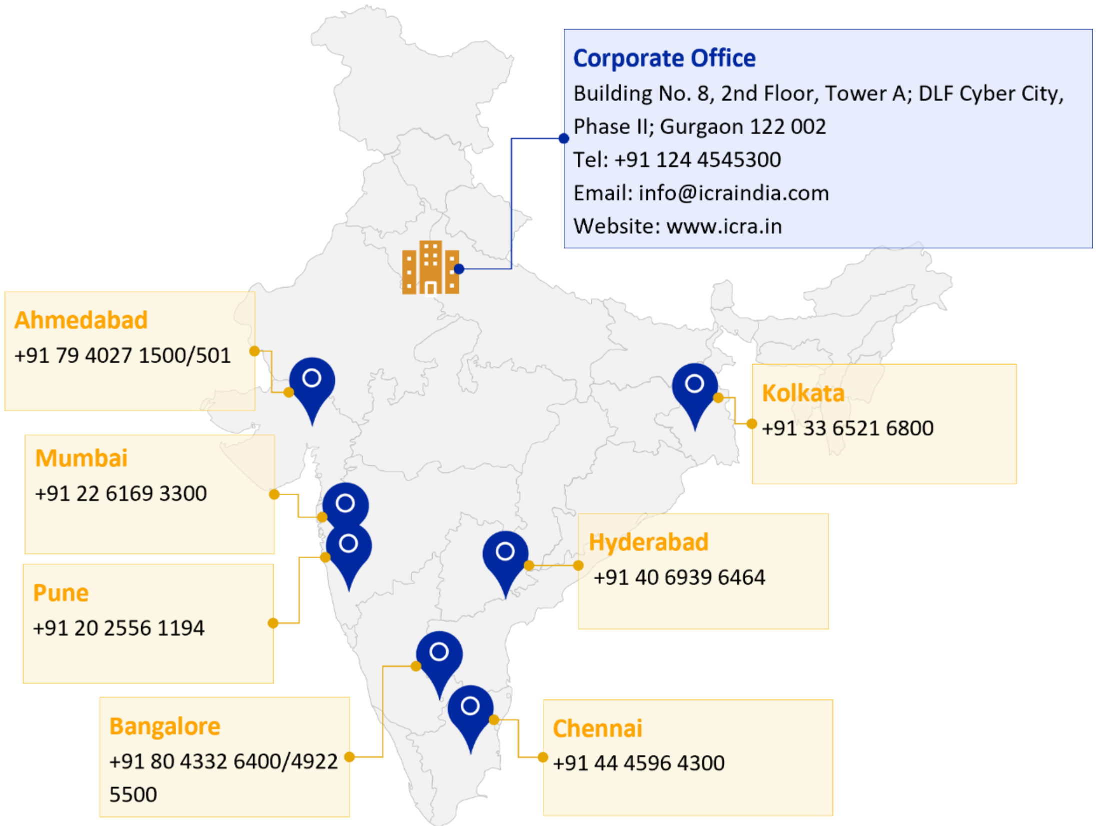

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