

February 18, 2026

Wheels 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 - Fixed Deposits	310.00	310.00	[ICRA]A (Stable); reaffirmed
Long Term – Fund Based – Term Loans	159.50	135.00	[ICRA]A (Stable); reaffirmed
Long Term/Short-term – Fund Based	560.00	560.00	[ICRA]A (Stable)/[ICRA]A2+; reaffirmed
Long Term – Unallocated	30.50	100.00	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount
Short Term – Non-Fund Based	300.00	300.00	[ICRA]A2+ reaffirmed
Total	1,360.00	1,405.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings of Wheels India Limited (WIL/the company) considers its established position as one of the largest Indian manufacturers of steel wheel and its diversified presence across segments, customers and products. The company has established relationships with automotive and construction equipment original equipment manufacturers (OEMs) in India and globally and enjoys a dominant domestic market share in commercial vehicle (CV), tractor and passenger vehicle (PV) steel rims. Further, the company is among the larger manufacturers of air suspension products used in buses and trucks. It has a well-diversified revenue profile, with 25% of revenues derived from overseas markets, in addition to its presence across segments, 55% of revenues are derived from the auto segment, while the remaining 45% is derived from non-auto segments such as fabrications, windmill components, earthmover components and hydraulics, among others.

The ratings also remain supported by WIL's exceptional financial flexibility arising from its parentage. The company belongs to the T S Santhanam faction (TSF) of the larger TVS Group of Companies – an established name in the domestic auto ancillary industry. The T S Santhanam group holds a 58.32% stake in the company through Trichur Sundaram Santhanam & Family Private Limited (29.86%, rated [ICRA]AA+ (Stable)/[ICRA]A1+), TSF Investments Limited (23.96%) and India Motor Parts and Accessories Limited (IMPAL) (4.50%, rated [ICRA]AA (Stable)/[ICRA]A1+).

The ratings, however, remain constrained by the company's moderate debt metrics and operating margins, despite the improvement in FY2025 and 9M FY2026 (total debt/OPBITDA of 3.4x and interest coverage of 3.2x in 9M FY2026). ICRA notes that the company's debt levels are likely to remain largely stable, with the expected improvement in earnings likely to be deployed towards capex for capacity expansion across product segments and operating efficiency improvement measures; however, the benefits of these investments are expected to accrue gradually over the medium term. The ratings also factor in the susceptibility of the company's earnings to forex fluctuations and geopolitical developments, given its dependence on export markets for 25% of revenues, as well as its exposure to the inherent cyclicity of the domestic automotive industry for a significant portion of the remaining revenues. Nevertheless, the company's established customer relationships, healthy order book, addition of new customers, diversification into non-auto businesses and increased share of business with existing customers as part of vendor diversification initiatives by global OEMs mitigate these risks to an extent and are likely to support its medium-term revenue growth prospects. The 'Stable' outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its healthy business profile and cash accruals.

Key rating drivers and their description

Credit strengths

Financial flexibility by being part of the T S Santhanam Group (TSF) – WIL enjoys exceptional financial flexibility and lender/investor comfort as it belongs to the T S Santhanam Group (a faction of the larger TVS Group, an established name in the domestic auto ancillary industry). The TSF group holds a 58.32% stake in the company through Trichur Sundaram Santhanam & Family Private Limited (29.86%), TSF Investments Limited (23.96%) and IMPAL (4.50%). Mr S Ram, a third-generation TVS family member, is the Chairman of WIL's Board of Directors, while Mr Srivats Ram, a fourth-generation TVS family member, is the Managing Director and oversees the day-to-day operations of the company.

Established position as one of the largest steel wheel manufacturers in India – With an operating income of Rs. 3,900.9 crore in 9M FY2026 and over five decades of presence in the steel wheel industry, the company is among the largest manufacturers of automotive steel wheel in India and earthmover steel wheel globally. It has established relationships with automotive and construction equipment OEMs in India and overseas. WIL enjoys a dominant domestic market share at the consolidated level in H1 FY2026, with 37% in medium and heavy commercial vehicles (M&HCV), 76% in light commercial vehicles (LCV), 52% in tractors and 35% in passenger vehicle (PV) steel rims. Further, the company is among the larger manufacturers of air suspension products used in buses and trucks and holds a healthy market share with domestic OEMs in this segment.

Diversified segment and customer base; non-auto segment constitutes around 45% of revenues – The company derived around 75% of its consolidated revenues from India in 9M FY2026, with the remaining 25% from overseas markets. In terms of segments, around 55% of revenues were derived from the auto segment and 45% from non-auto segments such as fabrications, windmill components, earthmover components and hydraulics, among others. The company has a diversified customer base that includes large players such as Caterpillar Inc., Tata Motors Limited (TML), Ashok Leyland Limited (ALL), Mahindra and Mahindra Limited (M&M) and Maruti Suzuki India Limited (MSIL). This diversification mitigates the risks arising from a revenue decline in any single customer or segment to an extent.

Credit challenges

Moderate debt metrics, albeit improvement from past levels in FY2025 and YTD FY2026 – The debt metrics, such as Total Debt/OPBITDA of 3.4x and interest coverage of 3.2x in 9M FY2026, remain moderate, although they have improved from 5.5x in FY2023 and 4.7x in FY2024 for total debt/OPBITDA, and 2.2x in FY2023 and FY2024 for interest coverage. These metrics are expected to improve gradually going forward through stable debt levels, anticipated margin improvement driven by operating leverage benefits and cost optimisation measures, even as the company continues to invest in capacity enhancements and efficiency improvement initiatives.

Moderate operating profit margins, albeit improvement in FY2025 and YTD FY2026 – The operating margins remain moderate at 7.4% in FY2025 and 7.3% in 9M FY2026, despite a significant improvement from the 4-5% levels recorded in FY2023 and FY2024, aided by price corrections, an increased proportion of margin-accretive products and cost optimisation measures, including procurement and production efficiencies and fixed-cost controls, among others. The company's operating profits are expected to improve going forward, supported by periodic price negotiations with customers, continued focus on cost optimisation, a favourable product mix, an improving proportion of exports and better operating leverage. The extent and sustenance of this improvement remain critical for a meaningful improvement in credit metrics.

Revenues exposed to demand dynamics in overseas markets, forex and commodity price fluctuations, and domestic auto industry cyclicality – WIL derived around 25% of its revenues from export markets in 9M FY2026, exposing it to potential demand slowdowns in overseas markets and forex fluctuations. The company predominantly supplies to the earthmover, windmill component, passenger vehicle and tractor segments in export markets. Its revenues are also exposed to the inherent cyclicality of the domestic automotive industry, while its earnings remain subject to its ability to pass through commodity price fluctuations to customers. Nevertheless, the company's established customer relationships, healthy order book, addition of new customers and increased share of business with existing customers as part of vendor diversification initiatives by global OEMs mitigate revenue risks to an extent and are likely to support healthy medium-term revenue prospects.

Environmental and social risks

Environmental considerations – WIL, being an auto component supplier, remains indirectly exposed to climate-transition risks by virtue of its automotive OEM customers manufacturing products used across different fuel powertrains. Accordingly, the prospects for WIL are linked to the ability of its customers to meet tightening emission requirements. The company is also exposed to increasingly stringent environmental regulations relating to waste management and pollution control, which could result in higher operating costs and increased capital expenditure for new capacity installations.

Social considerations – Social considerations for WIL primarily relate to maintaining healthy industrial relations and ensuring product safety. Attracting and nurturing skilled manpower is critical as the company seeks to keep pace with innovation and technological advancements. On the product front, vehicle recalls by OEMs due to defective auto components could create additional cost burdens and liabilities. The company is also exposed to changing consumer preferences, including increasing awareness of environmental damage from emissions, a shift towards electric vehicles (EVs), the use of sustainable materials and societal trends such as a preference for ride-sharing.

Liquidity position: Adequate

WIL's liquidity remains adequate, supported by its anticipated cash flow from operations of Rs. 250-300 crore per annum and undrawn working capital lines of around Rs. 250.0 crore as on September 30, 2025. The company had a cash balance of Rs. 20.6 crore as on September 30, 2025. Against these sources of cash, the company has moderate capex plans of Rs. 275-300 crore per annum over the medium term, likely to be funded through a combination of internal accruals and debt. Further, the company has consolidated repayments of Rs. 22 crore in H2 FY2026, Rs. 43 crore in FY2027 and Rs. 43.7 crore in FY2028 on its existing loans. Overall, ICRA expects WIL to meet its near-term commitments through internal cash generation while maintaining a modest liquidity cushion.

Rating sensitivities

Positive factors – A sustained improvement in profit margins and accruals, along with a significant reduction in debt levels, could lead to a rating upgrade.

Negative factors – Pressure on WIL's rating could arise from a lower-than-expected scale-up in revenues or profits and an increase in debt levels, leading to a deterioration in liquidity or leverage metrics.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. Details of subsidiary/associate provided in Annexure II

About the company

Wheels India Limited (WIL) is among the largest manufacturers of steel wheel in India and operates across the automotive (except two-wheelers), tractor and earthmover segments. The company is part of Trichur Sundaram Santhanam & Family Private Limited, a faction of the TVS Group. In addition, WIL manufactures air suspension systems for luxury buses and multi-axle trucks in India and supplies fabricated and machined parts for windmills. The company derives around 75% of its consolidated revenues from the domestic market and operates manufacturing facilities across 12 locations. Through its subsidiary, WIL Car Wheels Limited (WCWL, rated [ICRA]A- (Stable)/[ICRA]A2+), it manufactures passenger car steel wheel; WIL holds a 74% stake in this entity, while the remaining stake is held by Topy Industries Limited, Japan.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	4,981.7	4,745.3
PAT	50.7	105.7
OPBDITA/OI	5.4%	7.4%
PAT/OI	1.0%	2.2%
Total outside liabilities/Tangible net worth (times)	2.7	2.4
Total debt/OPBDITA (times)	4.7	3.6
Interest coverage (times)	2.2	2.9

Source: Company, ICRA Research; 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					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Feb 18, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based- Others	Long Term/Short Term	560.00	[ICRA]A (Stable)/ [ICRA]A2+	Feb 24, 2025	[ICRA]A (Stable)/ [ICRA]A2+	-	-	-	-
Fund-based- Term loan	Long Term	135.00	[ICRA]A (Stable)	Jan 24, 2025	[ICRA]A (Stable)	Mar 28, 2024	[ICRA]A- (Stable)	Jun 13, 2022	[ICRA]A- (Stable)
				Feb 24, 2025	[ICRA]A (Stable)	-	-	Jan 27, 2023	[ICRA]A- (Stable)
								Mar 20, 2023	[ICRA]A- (Stable)
Unallocated limits-	Long Term	100.00	[ICRA]A (Stable)	Jan 24, 2025	[ICRA]A (Stable)	Mar 28, 2024	[ICRA]A- (Stable)	-	-
				Feb 24, 2025	[ICRA]A (Stable)	-	-	-	-
Non-fund based-Others	Short Term	300.00	[ICRA]A2+	Jan 24, 2025	[ICRA]A2+	Mar 28, 2024	[ICRA]A2+	Jun 13, 2022	[ICRA]A2+
				Feb 24, 2025	[ICRA]A2+	-	-	Jan 27, 2023	[ICRA]A2+
								Mar 20, 2023	[ICRA]A2+
Fixed Deposit	Long Term	310.00	[ICRA]A (Stable)	Jan 24, 2025	[ICRA]A (Stable)	Mar 28, 2024	[ICRA]A- (Stable)	Jun 13, 2022	[ICRA]A- (Stable)
			-	Feb 24, 2025	[ICRA]A (Stable)	-	-	Jan 27, 2023	[ICRA]A- (Stable)
			-	-	-	-	-	Mar 20, 2023	[ICRA]A- (Stable)
Fund-based- Cash credit	Long Term	-	-	Jan 24, 2025	[ICRA]A (Stable)	Mar 28, 2024	[ICRA]A- (Stable)	Jun 13, 2022	[ICRA]A- (Stable)

			-	-	-	-	-	Jan 27, 2023	[ICRA]A-(Stable)
			-	-	-	-	-	Mar 20, 2023	[ICRA]A-(Stable)
Unallocated limits-	Short Term	-	-	-	-	-	-	Jun 13, 2022	[ICRA]A2+
			-	-	-	-	-	Jan 27, 2023	[ICRA]A2+
Commercial Paper	Short Term	-	-	-	-	-	-	Jun 13, 2022	[ICRA]A2+
			-	-	-	-	-	Jan 27, 2023	[ICRA]A2+; withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fixed Deposits	Simple
Long-term - Term Loans	Simple
Long term/Short term - Fund based facilities	Simple
Long term – Unallocated	Not Applicable
Short term – Non-fund based facilities	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fixed Deposit	-	6.6-7.5%	-	310.00	[ICRA]A(Stable)
NA	Term loans	FY2021-FY2025	6.6-7.5%	FY2026-FY2030	135.00	[ICRA]A(Stable)
NA	Fund based facilities	NA	NA	NA	560.00	[ICRA]A(Stable)/[ICRA]A2+
NA	Unallocated	NA	NA	NA	100.00	[ICRA]A(Stable)
NA	Letter of Credit & Bank Guarantee	NA	NA	NA	300.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
WIL Car Wheels Limited	74.00%	Full Consolidation
Axles India Limited	12.50%	Equity Method
WIL USA Inc	100.00%	Full Consolidation
WIL Europe GmbH	100.00%	Full Consolidation

Source: Company, Annual report FY2025

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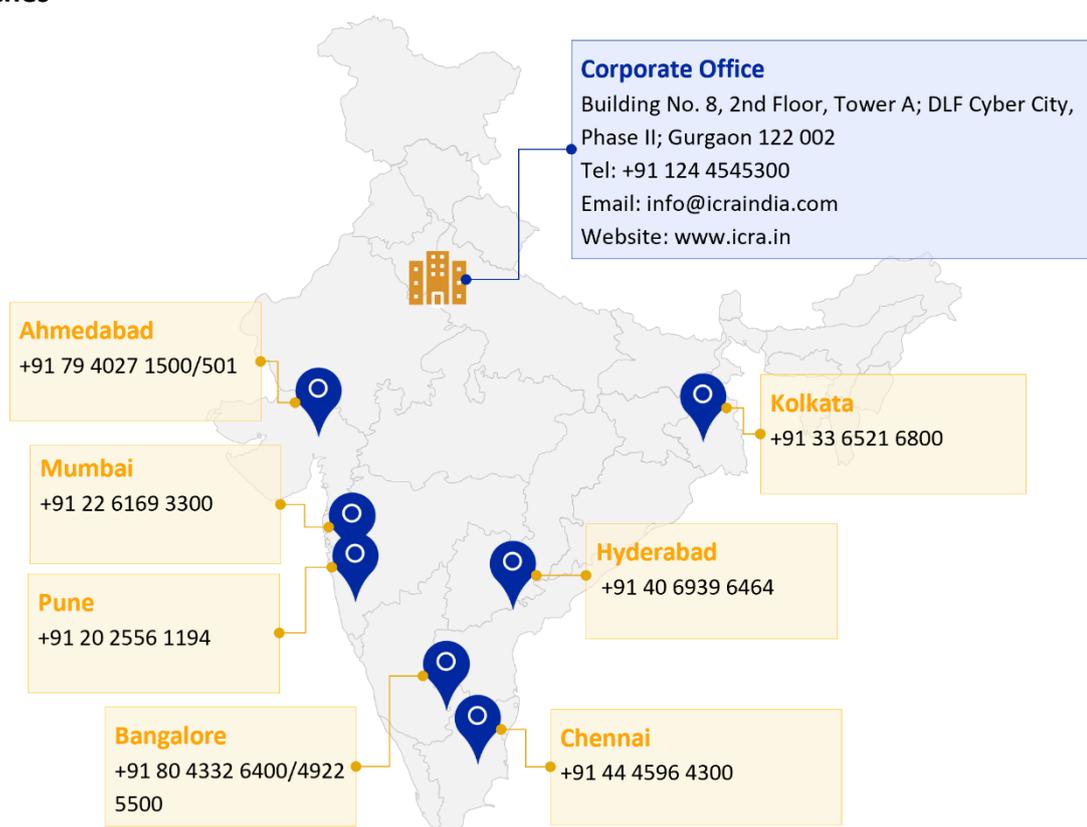
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