February 18, 2026

WIL Car Wheels Limited: Ratings upgraded to [ICRA]A-(Stable) / [ICRA]A2+; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term fund based limits	137.00	185.00	[ICRA]A2+; upgraded from [ICRA]A2 and assigned for enhanced amount
Long term/Short term – Unallocated	38.00	40.00	[ICRA]A- (Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+ (Stable)/[ICRA]A2 and assigned for enhanced amount
Total	**175.00**	**225.00**	

**Instrument details are provided in Annexure-I*

Rationale

The upgrade in the ratings of WIL Car Wheels Limited (WCWL/the company) considers the improvement in its operating performance and financial risk profile over the recent past and the expected sustenance of the same going forward. The ratings factor in the company's established position as a passenger vehicle (PV) steel wheel manufacturer and are supported by the presence of a strong parent, Wheels India Limited (WIL, rated [ICRA]A(Stable)/[ICRA]A2+). WIL, which holds a 74% stake in WCWL, is an established wheel manufacturer belonging to the T S Santhanam Group (a faction of the larger TVS Group of Companies).

The company's operating income grew by 8.1% on a YoY basis in 9M FY2026 to Rs. 383.3 crore, supported by growth in passenger vehicle wheel volumes, a healthy share of business with major customers and price revisions received during the previous year. The price revisions, along with cost optimisation measures adopted by the company, supported an improvement in operating margins to 6.7% in 9M FY2026 (5.1% in FY2025 and -0.1% in FY2024), which are expected to sustain over the medium term. The improvement in operating profits, coupled with the monetisation of a land parcel for a consideration of around Rs. 45 crore in FY2025, has resulted in a marked improvement in debt metrics. This is reflected in the improvement in Total debt/OPBITDA and interest coverage to 3.2x and 4.3x, respectively, in 9M FY2026 from -293.0x and -0.04x, respectively, in FY2024.

The earnings, however, remain exposed to the inherent cyclicality of the domestic automotive industry and commodity price fluctuations. Further, high dependence on a few customers (with around 66% of revenues derived from a single customer in FY2025) subjects the company to customer concentration risks. Nevertheless, its healthy share of business and established relationships with customers mitigate the risk to an extent.

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 strong parentage, established customer relationships, healthy accruals and adequate liquidity.

Key rating drivers and their description

Credit strengths

Strong parentage; experienced management team – WCWL is a 74% subsidiary of WIL and forms part of the T S Santhanam Group (a faction of the larger TVS Group of Companies). The remaining 26% stake is held by Topy Industries Limited (Japan). The company benefits from strong parentage, with operational and technological support from both its stakeholders. WIL is among the largest manufacturers of automotive steel wheel in India and earthmover steel wheel globally. On the other hand, Topy is also a leading global manufacturer of steel wheels. ICRA expects WIL to extend timely and adequate financial support, as and when required. WCWL has an experienced management team chaired by Mr. Srivats Ram (Managing Director, WIL), a fourth-generation TVS family member with over 30 years of experience in the auto component industry. The Board also includes one representative from Topy and three additional independent directors. WCWL is managed by a professional management team comprising veterans from the wheel industry.

Established customer relationships and healthy share of business with customers - WCWL manufactures passenger car steel wheels, predominantly for the domestic market. Its customers comprise reputed OEMs such as Maruti Suzuki India Limited (MSIL), Hyundai Motor India Limited (HMIL), Renault Nissan Automotive India Private Limited (RNAIPL) and Toyota Kirloskar Motor Private Limited, among others. The company has a healthy market share in the PV steel wheel segment. Its manufacturing plants are located at Bawal (Haryana), Padi (Tamil Nadu) and Vanod (Gujarat), in close proximity to OEM plants, providing it with a locational advantage. The Bawal plant is closer to MSIL's facility, while the Padi facility is located near the plants of HMIL and RNAIPL.

Credit challenges

Modest scale of operations and debt metrics – WCWL has a relatively modest scale of operations, with an operating income of Rs. 468.7 crore in FY2025 and Rs. 383.3 crore in 9M FY2026, despite healthy growth. A higher scale would enhance resilience to demand volatility and enable better cost absorption. Nevertheless, the company's established relationships with OEMs and its healthy share of business with customers are likely to support revenue growth going forward. The improvement in operating profits has resulted in improvement in debt metrics, with total debt/OPBITDA and interest coverage improving to 3.2x and 4.3x, respectively, in 9M FY2026 from -293.0x and -0.04x, respectively, in FY2024. However, these metrics are expected to remain at moderate levels over the medium term.

High customer concentration – The company derives around 66% of its total sales from its top customer, MSIL, exposing it to the risk of revenue loss in the event of a reduction in its share of business with this customer. However, the company has a long-established relationship with MSIL and maintains a strong order book position. Further, it is diversifying its PV customer base to mitigate this risk over the long term.

Earnings exposed to inherent cyclicality of domestic auto industry and commodity price fluctuations – The company's revenues are exposed to the inherent cyclicality of the domestic automotive industry, and its earnings remain susceptible to its ability to effectively pass on commodity price fluctuations to customers. Nevertheless, its established customer relationships and demonstrated ability to manage commodity price movements mitigate these risks to some extent.

Liquidity position: Adequate

The company's liquidity is expected to remain adequate, supported by anticipated cash flow from operations of around Rs. 30 crore, free cash and bank balances of Rs. 2.4 crore as of December 31, 2025, and a working capital buffer of around Rs. 30 crore against drawing power. Against these sources of cash, the company has planned capex of around Rs. 20-25 crore over the next 12 months and repayment obligations of around Rs. 1.5 crore in Q4 FY2026, Rs. 6.4 crore in FY2027 and Rs. 7.1 crore in FY2028 on existing debt. WIL is expected to extend timely and adequate financial support to WCWL, as and when required.

Rating sensitivities

Positive factors – Significant improvement in the scale of operations, profit margins and debt metrics on sustained basis could lead to an upgrade. Further, strengthening of the credit profile of the parent (WIL), along with continued healthy operational and financial linkages with the parent, could also result in ratings upgrade.

Negative factors – Pressure on WCWL's ratings could arise from weak revenues or profitability and a deterioration in liquidity or leverage metrics. Additionally, any weakening in the parent's (WIL) credit profile or in WCWL's operational or financial linkages with WIL could result in ratings downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Wheels India Limited (rated [ICRA]A (Stable)/[ICRA]A2+) holds 74.0% stake in the company
Consolidation/Standalone	Standalone

About the company

WIL Car Wheels Limited manufactures passenger car steel wheels, predominantly for the domestic market. Its manufacturing facilities are located at Padi (Tamil Nadu), Vanod (Gujarat) and Bawal (Haryana), and the company supplies to OEMs such as Maruti Suzuki India Limited, Hyundai Motor India Limited, Renault Nissan Automotive India Private Limited and Toyota Kirloskar Motor Private Limited, among others. WCWL is part of the T S Santhanam Group (a faction of the larger TVS Group,an established name in the domestic auto ancillary industry), with a 74.0% stake held by Wheels India Limited. Topy Industries Limited, Japan, a global manufacturer of automobile and industrial machinery parts, holds the remaining stake in the company. WCWL is chaired by Mr. Srivats Ram, a fourth-generation TVS family member and Managing Director of WIL.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	426.1	468.7
PAT	-14.9	5.0
OPBDITA/OI	-0.1%	5.1%
PAT/OI	-3.5%	1.1%
Total outside liabilities/Tangible net worth (times)	5.8	4.3
Total debt/OPBDITA (times)	-293.0	4.1
Interest coverage (times)	-0.04	2.0

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

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Feb 18, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Unallocated limits-	Long Tem/Short Term	40.00	[ICRA]A- (Stable)/ [ICRA]A2+	Jan 24, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Mar 28, 2024	[ICRA]BBB (Stable)/ [ICRA]A2	Jan 27, 2023	[ICRA]BBB (Stable)/ [ICRA]A2
				Feb 24, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-
Fund-based limits	Short Term	185.00	[ICRA]A2+	Jan 24, 2025	[ICRA]A2	Mar 28, 2024	[ICRA]A2	Jan 27, 2023	[ICRA]A2
				Feb 24, 2025	[ICRA]A2	-	-	-	-
Fund-based- Term loan	Long Term	-	-	Jan 24, 2025	[ICRA]BBB+ (Stable)	Mar 28, 2024	[ICRA]BBB (Stable)	Jan 27, 2023	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Short term fund based limits	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	Fund based limits	NA	NA	NA	185.00	[ICRA]A2+
NA	Unallocated	NA	NA	NA	40.00	[ICRA]A- (Stable)/ [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 – Not applicable

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