October 17, 2025

Maxion Wheels Aluminum India Private Limited: Ratings reaffirmed, outlook revised to Stable from Positive

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Term loan	76.00	76.00	[ICRA]BBB+ (Stable); reaffirmed, outlook revised to Stable from Positive
Long-term fund-based/ Non-fund based – Working capital	279.50	300.50	[ICRA]BBB+ (Stable); reaffirmed, outlook revised to Stable from Positive
Unallocated limits	35.00	14.00	[ICRA]BBB+ (Stable); reaffirmed, outlook revised to Stable from Positive
Total	**390.50**	**390.50**	

**Instrument details are provided in Annexure-1*

Rationale

The revision in the outlook for the long-term rating of Maxion Wheels Aluminum India Private Limited (MWAIPL) reflects the muted revenue growth exhibited by the company in the recent past and expectations that the revenues would remain stable in CY2025 as well. MWAIPL reported a 7% YoY revenue de-growth in CY2023 followed by a marginal 3% YoY revenue growth in CY2024. ICRA also notes the suppressed profit before tax (PBT) margin over the years on account of higher depreciation expenditure, given the sizeable capital expenditure (capex) undertaken by the company between CY2018 and CY2023 towards setting up its manufacturing facility and expanding its production capacity from 0.5 million units per annum to 2.0 million units per annum. MWAIPL's ability to swiftly ramp up its scale of operations by diversifying its clientele through new client additions and thereby attaining PBT breakeven remains a key rating monitorable, going forward.

The rating reaffirmation for MWAIPL reflects the presence of key passenger vehicle (PV) original equipment manufacturers (OEMs) such as Tata Motors Limited (TML), Honda Cars India Limited (HCIL), Skoda Auto Volkswagen India Private Limited (SAVIPL), and Mahindra & Mahindra Limited (M&M) in its clientele. The company is the sole supplier of alloy wheel rims for various models of these OEMs and demonstrates a strong order book position for various upcoming models. Increasing wallet share with OEMs such as Fiat India Automobiles Private Limited (FIAPL) and M&M is also likely to support MWAIPL's revenue growth momentum, going forward.

The rating continues to factor in MWAIPL's strong parentage with the company being a wholly-owned subsidiary of Iochpe-Maxion Austria GmbH, with the ultimate holding company being Iochpe-Maxion S. A., Brazil. The company benefits from the Iochpe-Maxion Group's operational and technical expertise in wheel rim manufacturing for the automobile industry as well as the record of timely financial support to the company in the form of regular equity infusion. MWAIPL has received Rs. 515 crore of equity infusion between CY2018 and H1 CY2025 (with the latest round of equity infusion being Rs. 69.0 crore in CY2025), which has been utilised to partially fund its capex and meet operational requirements over the years. ICRA expects an improvement in the capital structure of MWAIPL, aided by the fresh round of equity infusion, as well as the addition of a factoring facility with recourse on OEM customers, which has further supported the deleveraging. ICRA expects Iochpe-Maxion to continue to extend timely financial support to MWAIPL, should there be a need, given the operational linkages between them. This is in addition to the equity infusion for funding the company's capex requirements.

The company's revenue growth remained marginal (at 3% YoY) in CY2024, largely due to loss of wallet share with few customers on the back of lower margins involved, along with a drop in average realisations from the softening of commodity prices. The company reported flattish revenues YoY in H1 CY2025, in line with the performance of the underlying domestic PV industry's performance. ICRA notes the logistical advantage for MWAIPL, given the presence of its manufacturing facility in the vicinity of several OEMs in the Chakan (Pune) manufacturing hub of Maharashtra.

The rating remains constrained by the vulnerability of the company's profits to adverse fluctuations in aluminium ingot prices, the key raw material, and to foreign exchange (forex) rates in the absence of a specific hedging policy. However, price revisions with customers and back-to-back arrangements with overseas suppliers mitigate this risk to an extent. MWAIPL had undertaken a debt-funded capex starting from CY2018 and has sizeable debt repayment obligations over the near term (Rs. 30-40 crore per annum in the next 1-2 years), which are likely to be funded primarily from internal cash flow generations that are susceptible to cyclicality and technological changes in the PV industry.

Key rating drivers and their description

Credit strengths

Operational expertise and financial support from parent, Iochpe-Maxion Group – MWAIPL is a wholly-owned subsidiary of Iochpe-Maxion Austria GmbH, with the ultimate holding company being Iochpe-Maxion S. A., Brazil. The Iochpe-Maxion Group has an established presence in the automotive segment with extensive experience, specifically in the wheel manufacturing space. Through its parentage, MWAIPL has access to the Group's advanced technology in aluminium wheel manufacturing and its vast client base. Further, ICRA draws comfort from the timely financial support extended by the parent in the form of equity (Rs. 515 crore during CY2018–H1 CY2025) towards partially funding capex requirements and meeting operational expenses, and the likelihood of further support in case of any exigencies.

Logistical advantage with the presence of manufacturing facility in the vicinity of OEMs – The company's plant is located at Khed, Pune (Maharashtra), which is close to several OEM facilities, including that of Volkswagen/Skoda, M&M, FIAPL, Mercedes Benz, Hyundai Motor India Limited (HMIL), TML and Jaguar Land Rover. The company's strong parentage, and the established global relationships between the Maxion Group and these global OEMs augur well for MWAIPL's business prospects.

Healthy share of business with multiple OEMs aiding business prospects – The company has garnered a healthy wallet share with TML, SAVIPL and FIAPL for the supply of PV alloy wheels and has made inroads into the supply of alloy wheels to M&M as well. Moreover, the company has been able to secure supply orders for various upcoming models of these OEMs. While the company's strategic decision to discontinue a few low-margin projects with a couple of OEM customers and focus on high-margin projects with price negotiations with these customers has led to a revenue stagnation in the recent past, the same has supported margin expansion to an extent. The healthy wallet shares with key customers, along with the improving penetration of alloy wheels in the domestic PV market are expected to augur well for the company's growth in the longer run.

Improvement in capital structure aided by equity infusion and steady profitability – Regular financial support from the Group in the form of equity infusion, coupled with steady profitability, have supported an improvement in the capital structure through the recent past, with the gearing improving to 0.6 times as on December 31, 2024, from 1.1 times as on December 31, 2023. Further, with the fresh round of equity infusion of Rs. 69 crore in the present year and the addition of off-balance sheet factoring facility, the company's gross debt reported a sizeable decline to Rs. 108 crore as on June 30, 2025, from Rs. 203 crore as on December 31, 2024. With this, the company's capital structure and debt metrics are expected to demonstrate a steady improvement, going forward. That said, attaining breakeven at PBT level remains crucial for MWAIPL to demonstrate further improvement in its capital structure through incremental accrual generation.

Credit challenges

Revenue growth remains muted; revenues have remained range-bound over the past few years – MWAIPL's revenue growth has remained muted in the recent past, as reflected by a moderate YoY revenue de-growth of 7% in CY2023, followed by a marginal 3% YoY revenue growth in CY2024, and expectations of flattish revenues YoY in CY2025. Muted performance of the underlying market (i.e., domestic PV industry) and the company's strategic decision of discontinuing a few low margin projects led to such revenue stagnation, resulting in revenues being range-bound through CY2023 and CY2024 (with the trend continuing in CY2025 as well). That said, the company is likely to demonstrate a moderate revenue growth momentum in the medium term, aided by steady volume offtake from its key customers, new client additions in the domestic as well as export businesses, as well as rollover of a few start of production (SOPs) for a couple of OEM customers, from CY2025 into CY2026.

Sizeable debt repayment obligations over near to medium term – Given the large debt-funded capex undertaken over the past few years, MWAIPL has sizeable repayment obligations of Rs. 30-40 crore per annum over the next two years. While this would be mainly met through the company's cash flows, comfort is drawn from the healthy anticipated cash accruals of Rs. 50-60 crore annually, buffer available from its undrawn working capital lines and established track record of timely funding support from the parent entity**.**

Profit margins vulnerable to fluctuations in aluminium ingot prices and exchange rates amid intense industry competition – The company is susceptible to volatility in prices of its key raw material, aluminium ingots; although the same is passed on to its end customers with a time lag. MWAIPL also remains exposed to forex rate fluctuations as the aluminium ingot requirement is met through imports, while its entire sales are restricted to the domestic market. At present, it does not have any forex hedging policy, although it is able to pass on the fluctuations to some extent. The presence of back-to-back arrangements with key overseas suppliers also provides some comfort against the said risk. Nevertheless, stiff competition from other established wheel rim suppliers in the Indian market limits the pricing flexibility.

Exposure to cyclicality and technological changes in PV industry – The company's entire sale of aluminum wheel rims is supplied to the domestic market, thereby exposing it to the cyclical trends in India's PV industry. Muted performance of the domestic PV sector has been one of the key reasons for the company's stagnated revenue base in the recent past. Nevertheless, MWAIPL's expanding client base, coupled with its established relationships and substantial share of business with leading automotive PV OEMs in the domestic market mitigates the risk to an extent. Export prospects, though limited at present, are likely to provide incremental geographic diversification while also offering natural hedging to an extent.

Liquidity position: Adequate

MWAIPL's liquidity is likely to remain adequate, supported by a gradual improvement in cash flow generation. The company had free cash and equivalents of Rs. 23.8 crore as on December 31, 2024 (Rs. 7.6 crore as on June 30, 2025), and around a Rs. 95-crore buffer in the form of undrawn working capital lines as on June 30, 2025, which further lends support to its liquidity position. Against these sources of liquidity, the company has repayment obligations of Rs. 30-40 crore and planned capex outlay of Rs. 20-30 crore per annum over the near to medium term. Even as the company is expected to largely fund these requirements from its existing sources of liquidity, ICRA continues to draw comfort from the likely financial support from the parent entity towards funding deficits, in case of any exigencies.

Rating sensitivities

Positive factors – The ratings can be upgraded if the company demonstrates improvement in its scale of operations and earnings on a sustained basis, while maintaining a comfortable liquidity position. Improvement in the credit profile of the parent entity (Iochpe Maxion S.A.) would also be a positive rating trigger.

Negative factors – The ratings can be downgraded if the company is unable to ramp up its scale of operations by diversifying its clientele by adding new clients, and/or in case of a deterioration in liquidity profile or coverage metrics on a sustained basis.

Downward pressure could also arise from weakening of credit profile or strategic ties with the parent company, or in case of inadequate timely support from the parent company for meeting any requirements.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group Support	Parent Company: Iochpe Maxion Austria GmbH (ultimate holding company: Iochpe-Maxion S.A., Brazil). ICRA expects MWAIPL's parent company to extend timely financial support to it, should there be a need, given the operational linkages between them. There also exists a record of the parent company having extended financial support to MWAIPL in the form of equity.
Consolidation/Standalone	The ratings are based on the standalone financial statement of MWAIPL.

About the company

MWAIPL, incorporated in December 2017, is a wholly-owned subsidiary of Iochpe-Maxion Austria GmbH, with the ultimate holding company being Iochpe-Maxion S. A., Brazil. MWAIPL has set up a greenfield plant to manufacture aluminium wheel rims for PVs in Khed Taluka, Pune (Maharashtra). Commercial production under Phase 1 of the project commenced from July 2019 (against the scheduled date of September 2019) with a capacity of 0.5 million wheel rims per year. MWAIPL has gradually ramped up its capacity to 2.0 million wheel rims per year by CY2023. At present, the company caters to OEMs such as TML, SAVIPL, M&M, HCIL, HMIL and Kia Motors India Private Limited (Kia) for their aluminium alloy wheel requirements.

Key financial indicators

MWAIPL	CY2023	CY2024
Operating Income (Rs. crore)	531.3	546.9
PAT (Rs. crore)	-5.4	55.9
OPBDIT/OI (%)	11.2%	13.9%
PAT/OI (%)	-1.0%	10.2%
Total Outside Liabilities/Tangible Net Worth (times)	1.6	0.9
Total Debt/OPBDIT (times)	4.1	2.7
Interest Coverage (times)	2.3	2.9

Source: MWAIPL, ICRA Research; 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					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	October 17, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan	Long-term	76.00	[ICRA]BBB+(Stable)	8-Jan-25	[ICRA]BBB+ (Positive)	18-Dec-23	[ICRA]BBB+ (Positive)	25-Jan-23	[ICRA]BBB+ (Positive)
Fund-based / Non fund based -Working Capital	Long-term	300.50	[ICRA]BBB+(Stable)	8-Jan-25	[ICRA]BBB+ (Positive)	-	-	-	-
Unallocated limits	Long-term	14.00	[ICRA]BBB+(Stable)	8-Jan-25	[ICRA]BBB+ (Positive)	18-Dec-23	[ICRA]BBB+ (Positive)	25-Jan-23	[ICRA]BBB+ (Positive)
Fund-based -Working Capital	Long-term	-	-	-	-	18-Dec-23	[ICRA]BBB+ (Positive)	25-Jan-23	[ICRA]BBB+ (Positive)

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Term Loan	Simple
Long-term Fund-based / Non fund based -Working Capital	Simple
Unallocated limits	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-1: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Fund-based – Term Loan**	CY2018	NA	CY2028	76.00	[ICRA]BBB+ (Stable)
NA	**Fund-based/ Non Fund-based -Working Capital**	NA	NA	NA	300.50	[ICRA]BBB+ (Stable)
NA	**Unallocated limits**	NA	NA	NA	14.00	[ICRA]BBB+ (Stable)

Source: *Company*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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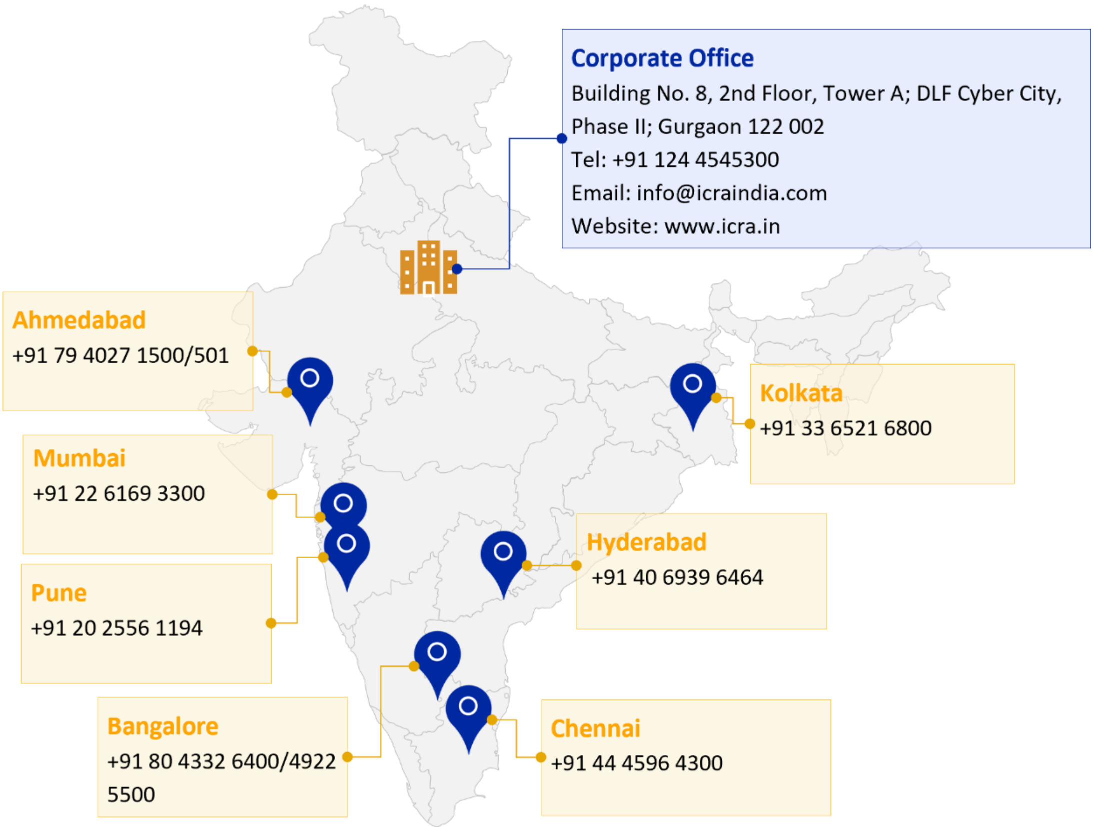

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