

# Wheels India plans to open subsidiaries in US, Europe

**Our Bureau**  
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Even as it continues capex spending, leading auto parts maker Wheels India is preparing to open subsidiaries in the US and Europe as it sees bright business potential, particularly in the off-highway segments.

"We will be opening wholly-owned subsidiaries in the US and Europe for business development and sales coordination as we see the businesses in these geographies growing in the future. We are looking at a potential new business in Europe during the first quarter of next year," Srivats Ram, Managing Director, Wheels India, said.

The expansion in the US and Europe will be in the off-road business covering construction equipment and tractor and farm machinery segments.

Ram said Wheels India spent a capex of ₹72 crore



Srivats Ram, MD, Wheels India

during the first half of this fiscal and will incur another ₹80 crore in the second half. "We see business gaining traction in H2. Going forward, we expect capex to pick up steam," he added.

The proposed capex will be spent on expanding cast aluminum capacity, process improvements in the steel wheels business, and expanding the facility for machining in the windmill business, which sees favourable order outlook. The company reported a net profit of ₹5.24 crore for the second quarter of this

fiscal compared with ₹14.53 crore in the year-ago quarter. Revenues grew 8 per cent to ₹1,189 crore (₹1,104 crore). "The Q2 profit was impacted due to one-off expenses notably a one-off charge for pre-delivery inspection charges," he said.

## H1 PROFIT UP

For the half year ended September 30, 2023, it reported net profit of ₹18.46 crore against ₹24.71 crore in the same period last year. Revenues increased by 8 per cent to ₹2,322 crore (₹2,154 crore).

"The revenue growth was driven by exports with growth in Asian markets offsetting the slowdown in Europe. We expect to see export growth in the full year, despite a slowdown in Europe. On the domestic front, we expect to see growth in the CV and air suspension markets for the balance of the year. Overall, we expect Q4 to be stronger," said Ram.