

April 05, 2023

Bajaj Motors Limited: Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term loan	48.11	60.83	[ICRA]A (Stable); outstanding
Long Term – Fund Based – Cash Credit Facilities	41.00	41.00	[ICRA]A (Stable); outstanding
Short Term – Non-Fund Based Facilities	22.50	22.50	[ICRA]A2+; outstanding
Long-term/ Short -term – Unallocated	38.39	25.67	[ICRA]A(Stable)/ [ICRA]A2+; outstanding
Total	150.00	150.00	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities, and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology-Auto Component Suppliers
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Bajaj Motors Limited is a manufacturer of forging and casting-based auto components, primarily engine and chassis parts, for 2W, four-wheelers (4Ws), tractors and CVs. The company's product portfolio primarily includes high precision and machined components for engine and chassis. The company's customer profile comprises OEMs such as HMCL, Renault Nissan, ALL and TML. Nearly 62% of the company's revenues are generated by the 2W segment, followed by CVs (~16%) and PVs (~16%).

BML was incorporated in July 1986 as a private limited company and was subsequently converted into a public limited company. The company initially started operations as a machining unit from its manufacturing facility at Gurgaon, Haryana. After establishing itself in the machining business, it backward integrated into forging operations at its Gurgaon facility in 2002. Subsequently, in 2006, the company further integrated its business and set up its first casting unit at Binola, Gurgaon. Currently, the company has six manufacturing facilities in Gurgaon with forging, casting and machining capabilities, one facility in Pantnagar (Uttarakhand) with forging and machining capabilities, and another in Haridwar (Uttarakhand) with machining capabilities.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2024)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as of Dec 31, 2022 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022	Date & Rating in FY2021
					05-April-2023	15-February-2023	4-April-2022	7-April-2021	01-June-2020
1	Term loans	Long term	60.83	48.11	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2	Fund-Based Cash Credit	Long term	41.00	-	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3	Short-term non-fund based limits	Short Term	22.50	-	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1+	[ICRA]A1+
4	Long-term/Short-term unallocated	Long Term/Short Term	25.67	-	[ICRA]A(Stable)/[ICRA]A2+	[ICRA]A (Stable)/[ICRA]A2+	[ICRA]A+ (Negative)/[ICRA]A1	[ICRA]A+ (Stable)/[ICRA]A1+	[ICRA]A+ (Stable)/[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loan	Simple
Long Term – Fund Based – Cash Credit Facilities	Simple
Short Term – Non-Fund Based Facilities	Very Simple
Long Term/Short Term – Unallocated	NA

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 – Term Loan	2018-2023	7.2-9.1%	2023-2027	60.83	[ICRA]A (Stable)
NA	Fund-based cash credit facilities	NA	NA	NA	41.00	[ICRA]A (Stable)
NA	Non-fund based limits	NA	NA	NA	22.50	[ICRA]A2+
NA	Long-term/Short-term unallocated	NA	NA	NA	25.67	[ICRA]A(Stable)/[ICRA]A2+

Source: Company

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

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