

October 25, 2024

BAXY Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund based- Term loan	90.0	90.0	[ICRA] A- (Stable); withdrawn
Long-term/ short-term fund based limits	435.0	435.0	[ICRA] A- (Stable) /[ICRA] A2+; withdrawn
Long-term/ short-term unallocated	25.0	25.0	[ICRA] A- (Stable)/[ICRA] A2+; withdrawn
Total	550.0	550.0	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Baxy Limited (BL) at the request of the company, based on the documents shared by the company and based on no objections certificates received from the bankers, which is in line with ICRA's policy on withdrawal of ratings. ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

The Key rating drivers, Liquidity position, Key financial indicators and Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology For Auto Component Suppliers Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on CEPL's consolidated financial profile, for which ICRA has consolidated the financials of CEPL and its wholly-owned subsidiary Baxy Limited (BL) and step-down subsidiary Baxy Engineering Private Limited (BEPL).

About the company

Incorporated in 1996, CEPL has been providing engineering solutions across a diverse array of businesses including auto-component manufacturing, three-wheelers, waste management products and infotech solutions. Pursuant to a Business Transfer Agreement between CEPL and BL in March 2023, the entire business of CEPL has been transferred to BL on a slump sale business. Accordingly, BL has emerged as the key operational entity of the Group, while CEPL would be the holding company with ownership of the land and buildings. The company has also incorporated BEPL as a wholly-owned subsidiary of BL, wherein it would be undertaking greenfield expansion of the auto-component division, going forward. It is currently setting up a greenfield manufacturing facility in Neemrana, Rajasthan, for the domestic and overseas markets.

Among the various business units housed under BL, BEPL is the flagship structured business unit (SBU), engaged in the production of automotive cast components, namely aluminium-based cylinder heads, cylinder blocks, manifolds, assembled

cylinder heads, gears and other critical engine components. Under Baxy Mobility, the company manufactures and sells 3Ws under the Baxy brand. These manufacturing plants are located at Bhiwadi (Rajasthan) and Roorkee (Uttarakhand). Under Baxy Enviro (Go Swach), the company provides integrated environmental solutions with products developed in-house. Under Baxy Infotech, the company acts as a system integrator, focused on providing information and communication technologies (ICT), Internet of Things (IoT) and artificial intelligence (AI)-based implementations.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2025)					Chronology of rating history for the past 3 years					
FY2025					FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term - Fund based-Term loan	Long Term	90.0	25-Oct-24	[ICRA] A- (Stable) ; withdrawn	06-Sept-23	[ICRA] A- (Stable)	-	-	-	-
			27-Sept-24	[ICRA] A- (Stable)			-	-	-	-
Long-term/ short-term fund-based limits	Long/ Short Term	435.0	25-Oct-24	[ICRA] A- (Stable)/ [ICRA] A2+; withdrawn	06-Sept-23	[ICRA] A- (Stable)/ [ICRA] A2+	-	-	-	-
			27-Sept-24	[ICRA] A- (Stable)/ [ICRA] A2+			-	-	-	-
Long-term/ short-term unallocated	Long/ Short Term	25.0	25-Oct-24	[ICRA] A- (Stable)/ [ICRA] A2+; withdrawn	06-Sept-23	[ICRA] A- (Stable)/ [ICRA] A2+	-	-	-	-
			27-Sept-24	[ICRA] A- (Stable)/ [ICRA] A2+			-	-	-	-
Commercial Paper Programme	Short Term	-	27-Sept-24	[ICRA] A2+: withdrawn	06-Sept-23	[ICRA] A2+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term -Fund Based-Term loan	Simple
Long-term/ 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-Term loan	FY2020 & FY2023	3.5-8.9%	FY2025-FY2028	90.0	[ICRA] A- (Stable); withdrawn
NA	Fund based Limits	NA	NA	NA	435.0	[ICRA] A- (Stable)/ [ICRA] A2+; withdrawn
NA	Unallocated	NA	NA	NA	25.0	[ICRA] A- (Stable)/ [ICRA] A2+; withdrawn

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	BL Ownership	Consolidation Approach
Continental Engines Private Limited	-	Full Consolidation
Baxy Limited	100.00%	Full Consolidation
Baxy Engineering Private Limited (Step-down subsidiary)	100.00%	Full Consolidation

Source: Company data

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About ICRA Limited:

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Branches



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