

December 24, 2025

## Bull Machines Private Limited: [ICRA]A+(Stable)/[ICRA]A1; assigned

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term / Short term - Fund based - Cash credit	-	120.00	[ICRA]A+ (Stable)/[ICRA]A1; assigned
<b>Total</b>	<b>-</b>	<b>120.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings assigned to the bank facilities of Bull Machines Private Limited (BMPL) factor in its strong financial risk profile and improving business position, with expanding market share in the backhoe loader segment. The company has demonstrated a healthy growth in its scale of operations, with revenues increasing to Rs. 1,159.5 crore in FY2025 from Rs. 286.7 crore in FY2021, demonstrating a CAGR of 41.8% over the said period, driven by its improving presence in the backhoe loader segment in both domestic and overseas markets. The company has been able to improve its brand positioning in recent years, with cost competitive product offerings as well as marketing efforts improving the product acceptance. The volumes are expected to further improve, going forward, with long-term export orders secured from developing markets and global OEMs, offering visibility on the volume offtake over the medium term. Besides its improving market position in the backhoe loader segment, BMPL is one of the leading players in the tractor attachment segment in the domestic market. The improving market position across product segments supports its earning visibility and is likely to help the company maintain a strong credit profile.

The company has maintained a strong financial risk profile over the years, supported by healthy margins and nil dependence on external borrowings, translating into an interest cover of 76.3 times and Total Debt/OPBITDA of 0.0 times in FY2025. Aided by healthy cash accruals and limited capital expenditure (capex) over the last few years, the company has reported a negative net debt position since FY2023. The company maintains surplus liquidity profile on its books in the form of cash and liquid investments (Rs. 51.5 crore as of March 2025 and Rs. 21.1 crore as of September 2025), in addition to the buffer from unutilised working capital facilities (over Rs. 60 crore as of September 2025), resulting in a healthy liquidity position. Going forward, while the company intends to invest Rs. 120 crore in capacity expansion in the current fiscal, the same is likely to be majorly funded from internal sources, and ICRA expects BMPL's credit profile to remain healthy.

The ratings, however, remain constrained by BMPL's exposure to the cyclical nature of its end-user industries, with both mining and construction equipment (MCE) and tractors being cyclical sectors. Nonetheless, geographical diversification across multiple markets mitigates the same to some extent. The company also remains exposed to stiff competition from other established players, both global and local, in the MCE space. The ratings also factor in the risks arising from product concentration, with sale of backhoe loaders contributing more than 85% to revenues in FY2025. However, the company's plans to develop products in the adjacent product segments and expansion into overseas markets where acceptability of backhoe loaders is high, are expected to mitigate these risks over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that BMPL will continue to maintain a healthy credit profile, supported by an improving market position in the backhoe loader segment, and expectations of healthy cash accruals and moderate capex plans supporting its financial risk profile.

## Key rating drivers and their description

### Credit strengths

**Market leader in tractor attachments; among top-five players in backhoe loader segment in India** – BMPL is the market leader in the tractor attachments segment with more than 50% market share. The company is also 2<sup>nd</sup> largest player in the backhoe loader segment in India with a market share of 4-5%. It has been continuously innovating and launching new products and investing in marketing efforts to expand its presence in these product segments.

**Strong financial risk profile, characterised by healthy margins and low leverage** – The company has a strong financial risk profile, with minimal reliance on external borrowings, and earnings continuously reinvested in the business, which has helped it report robust credit metrics. BMPL's profit margins have been on an improving trend, reaching operating profit margin of 14.3% in FY2025, which coupled with limited capital expenditure requirements and efficient working capital management, has limited the dependence on external borrowings. Despite the large capex of Rs. 120 crore planned in the current fiscal for doubling its capacity, the company is expected to continue to report strong credit metrics, given deployment of internal accruals for the same. Its interest cover stood at 44.1 times in H1 FY2026, while Total Debt/OPBITDA stood at 0.3 times during the same period, and these trends are expected to sustain, going forward.

**Healthy increase in revenues and earnings over recent years; export orders and planned capacity expansion to further support growth prospects** – The company's operating income grew to Rs. 1,159.5 crore in FY2025 from Rs. 286.7 crore in FY2021, at a CAGR of 41.8%. The company's sustained revenue growth is mainly driven by increasing product acceptance in the domestic market, and expansion in overseas markets. The revenue growth is expected to gain further momentum, going forward, supported by long-term orders secured from OEMs such as Hyundai and Devlon, and other specific export orders in developing markets. In this respect, the company is also undertaking capacity expansion, which would support its growth prospects, and operating leverage over the medium term.

### Credit challenges

**Exposed to cyclicity in end-user industries; volatility of earnings to forex fluctuations and raw material prices** – BMPL is exposed to the underlying cyclicity of its end-user industries wherein growth is directly related to infrastructure investments and in turn, to economic growth. Nevertheless, the Government's focus on infrastructure spending is expected to support construction activity and volumes in the underlying MCE industry, and in turn, BMPL's prospects. Additionally, with the increasing share of revenues derived from export markets (around 55% in H1 FY2026), and no formal hedging practices, the earnings are susceptible to foreign currency fluctuations, besides inherent vulnerability to commodity price fluctuations.

**Concentration on single product, backhoe loaders, for majority of revenues** – The company generates 80-85% of its total revenues from the sale of backhoe loaders, leading to product concentration risk. Although the company is the domestic market leader in tractor attachments segment, the revenues from the same are relatively lower. The company is exploring expansion into several new product segments such as mini excavators and telehandlers to mitigate this risk.

**Stiff competition from established domestic and global players** – The company faces stiff competition from established foreign and domestic players in the MCE industry, including JCB India, Case New Holland, Caterpillar etc. for backhoe loaders, and from smaller unorganised players in the tractor attachment segment, limiting its pricing power. Nevertheless, BMPL has been focusing on improving its presence in these two segments by upgrading its products, strengthening its financial tie-ups and expanding its dealership network.

## Liquidity position: Adequate

BMPL's liquidity profile is adequate with expected cash flow of more than Rs. 50 crore annually, unencumbered cash and bank balances of Rs. 21.1 crore and unutilised bank limits of over Rs. 60 crore as of September 2025. In relation to these sources of cash, BMPL has nil debt repayments and capex requirements of Rs. 120 crore in FY2026 and maintenance capex of Rs. 40-50 crore subsequently. Overall, ICRA expects BMPL to meet its near-term commitments through internal sources of cash and yet be left with cash surplus.

## Rating sensitivities

**Positive factors** – ICRA could upgrade BMPL's rating in case of sustained strengthening of its business profile, with meaningful expansion in its domestic market share in the backhoe loader segment, or meaningful sustained expansion of exports, that supports an improvement in its scale, while maintaining healthy profitability and a stable working capital cycle.

**Negative factors** – Pressure on BMPL's rating may arise if any material decline in revenue, profitability and/or a significant elongation in the working capital cycle adversely impacting the leverage, coverage and liquidity position on a sustained basis. Specific credit metrics that could lead to a downgrade include Total Debt/OPBITDA above 1.5x on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Construction Vehicles</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financials.

## About the company

Bull Machines Pvt Ltd (BMPL), incorporated in 1997, is a leading tractor attachments player in India. Over the years, the company diversified its presence by foraying into backhoe loader manufacturing and has now emerged as 2nd largest backhoe loader manufacturers in India, with a market share of 4.4% in FY2025. With the scale-up in revenues from the backhoe loader segment, it has emerged as the mainstay of the company, contributing approximately 85% to its turnover in FY2025, followed by tractor attachments at 10%. BMPL has two manufacturing plants located in Coimbatore, with a capacity to manufacture around 4,500 backhoe loaders per annum. The company is in the process of doubling its capacity, which would be completed over the next few quarters.

## Key financial indicators

Standalone	FY2024	FY2025*
Operating income	906.2	1,159.5
PAT	101.2	124.4
OPBDITA/OI (%)	15.0%	14.3%
PAT/OI (%)	11.2%	10.7%
Total outside liabilities/Tangible net worth (times)	0.7	0.8
Total debt/OPBDITA (times)	0.0	0.0
Interest coverage (times)	126.4	76.3

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; \*Provisional

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	December 24, 2025	Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term/ Short Term	120.00	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term / Short term-fund based limits	Simple

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	Cash Credit/WCDL	NA	NA	NA	120.00	[ICRA]A+ (Stable)/ [ICRA]A1

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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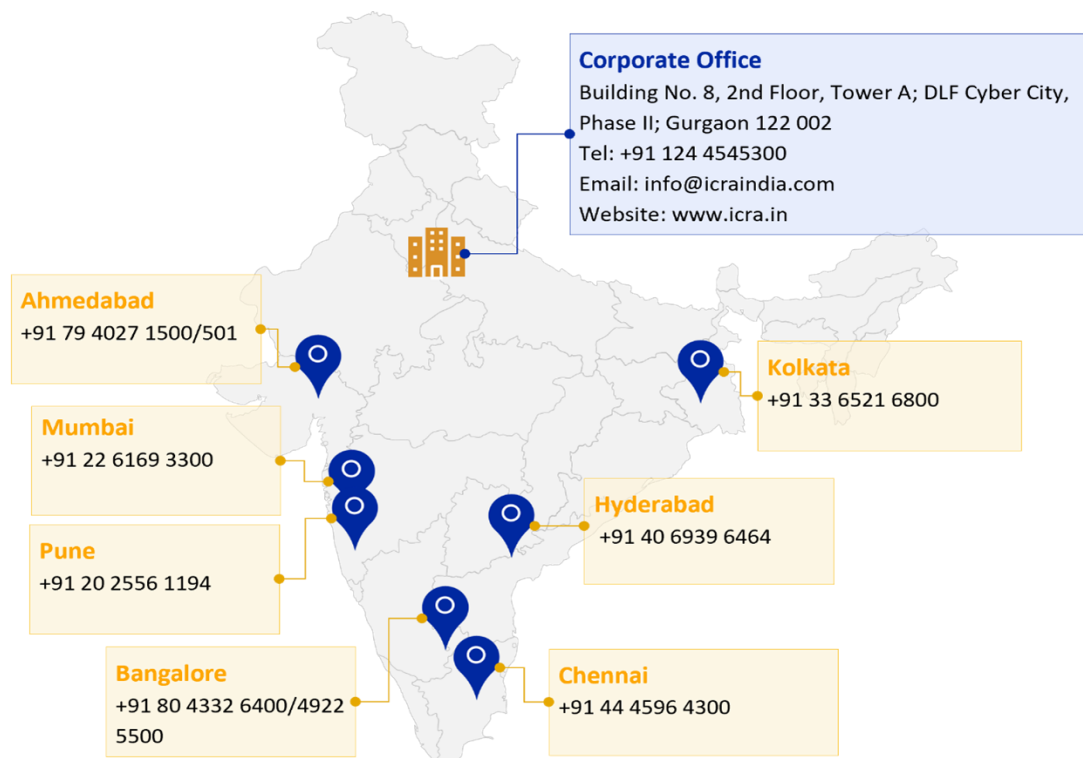
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