

February 19, 2026

## Bahadur Chand Investments Private Limited: Long-term rating upgraded to [ICRA]AA+ (Stable); short-term rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture programme	2,500.00	2,500.00	[ICRA]AA+(Stable); upgraded from [ICRA]AA(Stable)
Long-term – Borrowing programme	50.00	50.00	[ICRA]AA+(Stable); upgraded from [ICRA]AA(Stable)
Commercial paper programme	2,500.00	2,500.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>5,050.00</b>	<b>5,050.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has taken a consolidated view of Bahadur Chand Investments Private Limited (BCIPL) and its parent, Brijmohan Lal Om Parkash (BMOP), for arriving at the credit ratings, given the common management and the significant financial linkages between the entities. Hereafter, both the entities are collectively referred to as the holding entities.

The upgrade in BCIPL's long-term rating factors in the material improvement in its market value buffer, with the market value of the holding entities' stake in Hero MotoCorp Limited (HMCL, rated [ICRA]AAA/[ICRA]A1+) now at around 10x their outstanding debt. This improvement reflects the sustained increase in HMCL's share price over the past 12–15 months, supported by a healthy demand environment for the two-wheeler (2W) industry. The ratings also draw comfort from the status of the holding entities as the principal investment arms of HMCL and the strong financial flexibility derived from their sizeable shareholding in HMCL (valued at about Rs. 38,700 crore for a combined ~34% stake as of February 11, 2026). The rating action further considers the management's guidance that the absolute debt levels of the holding companies are unlikely to increase materially in the medium term, thereby preserving financial flexibility and providing a cushion against market-value volatility. While exposure to market movements remains inherent, the current valuation metrics, including HMCL's price-to-earnings (P/E) multiple, offer comfort against a significant erosion in market value over the near-to-medium term, supporting a robust market value buffer.

The healthy operational performance of HMCL has led to a significant enhancement in dividend inflows to the holding companies over the past 2–3 years, with dividends per share increasing from Rs. 95 in FY2022 to Rs. 175 in FY2026. The higher dividend receipts have supported an improvement in coverage indicators, while enabling the holding entities to maintain stable debt levels. The ratings also factor in the expectation of limited incremental financial support to key investee entities, which is likely to help restrict consolidated external borrowings within a prudent range over the medium term.

These strengths are partly offset by the significant concentration risks arising from the holding entities' dependence on HMCL, which accounts for almost the entire dividend income and about 67% of the combined book value of investments as on March 31, 2025. Nonetheless, the ratings derive comfort from HMCL's established leadership position in the domestic 2W industry, strong credit profile and sizeable cash surplus. Notably, even during the industry slowdown over FY2020–FY2022, HMCL maintained consistent dividend payouts. Dividend payouts over FY2024–FY2026 have been materially higher, supported by the subsequent recovery in 2W demand. This track record lends comfort that a stable dividend stream from HMCL is expected to continue, aiding the holding entities in meeting their debt-servicing obligations in a timely manner.

ICRA notes that the Group's investee company in the financial services business plans to approach the capital markets over the next few quarters, while its renewable energy business has entered into an agreement with the global investment firm Kohlberg Kravis Roberts (KKR). A majority of the medium-term funding requirements of these two key investee companies is expected to be met through commitments secured from external investors, thereby limiting the need for incremental support from the holding entities. ICRA will continue to monitor the performance of the major investee companies and the progress of their fundraising initiatives. Any delays in these plans, necessitating material support from the holding companies and resulting in higher borrowings, will remain a key rating sensitivity.

The consolidated interest coverage for the holding entities, at 2.3 times as on March 31, 2025, has improved over the past few years. However, the entities continue to face moderate refinancing risk, given their dependence on short-term borrowings. ICRA notes that a significant portion of the short-term debt raised by the holding entities has been of longer tenure (ranging from nine months to one year), which helps reduce frequent refinancing requirements. Moreover, there are no material non-convertible debenture maturities until the end of FY2027. The short-term debt maturities have been adequately backed by the maintenance of sufficient cash and liquid investments, and the management remains confident of the continued availability of short-term credit lines, as witnessed in the past. ICRA also notes that the company is exposed to the risk of accelerated debt repayment in the event of a breach of financial and/or rating-linked covenants, should it be unable to secure timely waivers from lenders or investors.

An income tax demand of Rs. 2,336.7 crore (including interest) was received by HMCL in Q3 FY2019. As per the management, liability for the claim, in case it materialises, would fall on BMOP. The company received a favourable outcome from the Income Tax Tribunal in July 2024 regarding the claim. ICRA will continue to monitor the developments in this regard.

ICRA also notes that various Government agencies continue to conduct investigations involving HMCL. The management has clarified that these investigations do not pertain to the parent entities of HMCL. Nevertheless, given that the financial flexibility of the parent entities is intrinsically linked to the market value of their investments in HMCL, ICRA will continue to closely monitor developments in this regard.

The Stable outlook on the rating reflects ICRA's belief that the holding entities will continue to benefit from the significant market value buffer on their investments in HMCL along with stable dividend income, thereby helping them maintain their strong credit profile and financial flexibility.

## Key rating drivers and their description

### Credit strengths

**Status as principal holding companies of HMCL provides strong financial flexibility** – BCIPL and BMOP are the holding companies of HMCL (rated [ICRA]AAA (Stable)/[ICRA]A1+), Hero Fincorp Limited (HFCL rated [ICRA]AA+ (Stable)/[ICRA]A1+), Hero Future Energies Private Limited and Rockman Industries Limited (RIL, rated [ICRA]AA (Positive)/[ICRA]A1+). The total stake held by holding entities in HMCL is about 34% as on date, and the market value of this investment stood at around Rs. 38,700 crore on February 11, 2026. While the holding companies have a large headroom to leverage their shareholding in HMCL to raise debt, if required, there also exists a significant latent value in select unlisted investee companies, particularly operating in the renewable energy and financial services domains. This is indicated by the interest evinced by private equity (PE) players in the past few years.

**Strong credit profile of HMCL, the principal contributor of dividend income** – BCIPL and BMOP are the holding companies of Hero MotoCorp Limited (HMCL; rated [ICRA]AAA (Stable)/[ICRA]A1+), Hero Fincorp Limited (HFCL; rated [ICRA]AA+ (Stable)/[ICRA]A1+), Hero Future Energies Private Limited and Rockman Industries Limited (RIL; rated [ICRA]AA(Positive)/[ICRA]A1+). The holding entities collectively hold about 34% stake in HMCL, with the market value of this investment standing at around Rs. 38,700 crore as on February 11, 2026. While the holding companies enjoy significant headroom to leverage their shareholding in HMCL to raise debt, if required, there also exists considerable latent value in select unlisted investee companies—particularly those in the renewable energy and financial services domains—as reflected by the sustained interest shown by PE investors over the past few years.

**Experienced promoters with investments in diverse industries** – The promoters—the B. M. Munjal family—have nearly 35 years of experience in managing diverse businesses in India. The key investments of BCIPL and BMOP currently span multiple sectors, including automotive and auto components (HMCL, RIL), financial services (HFCL), renewable energy (HFEPL), higher education and training (BML Educorp Services Limited and Herox Private Limited) and electronics (Hero Electronix Private Limited).

### Credit challenges

**Concentration of investment in HMCL and significant dependence on its dividend payout** – HMCL accounted for almost the entire dividend income of the holding companies in FY2025. Consequently, the holding entities remain largely dependent on HMCL's performance and, by extension, the auto industry for their cash flows. Nevertheless, its strong credit profile and its consistent track record of dividend declarations provide comfort and mitigate this concentration risk to an extent.

**Moderate coverage indicators and refinancing risk** – The debt coverage indicators for the holding entities remain moderate because of their sizeable debt (net external debt<sup>1</sup> of Rs. 3,923 crore as on December 31, 2025) which has been primarily deployed towards investments in key investee companies and business realignment. The debt is expected to continue being range-bound at Rs. 4,000–4,200 crore over the medium term. Given these debt levels, the associated interest burden is likely to keep coverage indicators subdued in the near term. BCIPL has outstanding commercial paper (CP) borrowings of Rs. 1,000 crore (as on December 31, 2025), falling due over the next 12 months. ICRA takes comfort from the fact that even during periods of heightened market risk aversion, BCIPL has been able to refinance its CP borrowings and raise funds in a timely manner.

### Liquidity position: Adequate

The liquidity profile of the holding entities is expected to remain **adequate**, supported by steady dividend inflows from HMCL (averaging Rs. 1,100 crore over FY2025-FY2026) and cash/liquid investments of Rs. 293 crore as on December 31, 2025. Against this, they face annual investment commitments of Rs. 200–300 crore, repayment obligations of about Rs. 140 crore and CP maturities of Rs. 1,000 crore through March 2027. ICRA anticipates that HMCL will maintain its strong market position and credit profile, ensuring a stable dividend stream to support debt servicing. Further, upcoming maturities are expected to be refinanced, aided by the robust financial flexibility from the holding entities' 34% stake in HMCL (valued at Rs. 38,700 crore), the resourcefulness of the B. M. Munjal family and established banking relationships.

### Rating sensitivities

**Positive factors** – ICRA could upgrade BCIPL's ratings if the entity is able to achieve a healthy diversification of its income streams and/or significant reduction in its consolidated debt, leading to an improvement in its debt coverage metrics.

**Negative factors** – Pressure on BCIPL's ratings could arise for reasons such as deterioration in the credit profile of the key investee company (HMCL) or significant decline in dividend income of the holding companies or a reduction in market value of the holding companies' investments, resulting in market value of their unencumbered equity shares in the listed companies falling below 6.0 times the outstanding debt on a sustained basis. Moreover, group debt materially exceeding the expected levels could also trigger a rating revision.

<sup>1</sup>Net external debt = Total debt less inter-corporate loans less cash and liquid investments. BCIPL has inter-corporate borrowings (zero-coupon debentures) and NCDs of Rs. 3,400 crore from BMOP.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Investment company</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of BCIPL and BMOP, given the close business, financial and managerial linkages between them.

## About the company

Incorporated in September 1979 as a private limited company, BCIPL was converted to a core investment company (CIC) in October 2016. It is a holding company for the BML Munjal family-promoted Hero Group and is one of the holding companies of Hero MotoCorp Limited (rated [ICRA]AAA (stable)/ A1+), the largest 2W manufacturer in the world. The company is ~100% held by Brijmohan Lal Om Parkash, a partnership firm. Together with its parent, it holds around 34% stake in HMCL (BCIPL directly holds 20% stake in HMCL, while BMOP holds around 14%). BCIPL and BMOP also hold equity investments in numerous Group companies, with key entities being HMCL, Hero Future Energies Private Limited, Hero FinCorp Limited, BML Educorp Services Limited and Hero InvestCorp Private Limited (which owns majority stake in Rockman Industries Limited).

## Key financial indicators

	BCIPL (Standalone)		BCIPL + BMOP Consolidated*	
	FY2024	FY2025	FY2024	FY2025
Operating income (OI)	582.7	600.8	987.1	1,028.3
PAT	103.4	199.5	296.8	406.3
OPBDIT/OI	96.6%	96.8%	97.7%	97.8%
PAT/OI	17.7%	33.2%	30.1%	39.5%
Total outside liabilities/Tangible net worth (times)	2.5	2.1	0.6	0.5
Total debt/OPBDIT (times)	13.6	12.1	5.2#	4.3#
Interest coverage (times)	1.4	1.6	2.1	2.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, ICRA Estimated(Line-by-line consolidation of BCIPL with BMOP)\*

#Total debt in holding entities excludes inter-corporate debt given to BCIPL by BMOP and includes accumulated interest

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

**Any other information: None**

## Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years				
		Amount Rated (Rs. crore)	Date & Rating	FY2025	FY2024		FY2023	
			Feb 19, 2026	Feb 20, 2025	Feb 23, 2024	Aug 09, 2023	Jun 23, 2023	Sep 02, 2022
1 NCD	Long-term	2,500.0	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2 Borrowing programme	Long-term	50.0	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
3 Commercial paper	Short-term	2,500.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debenture programme	Simple
Commercial paper programme	Simple
Long-term – Borrowing programme	Simple*

\*Not placed/Issued yet; subject to change once the terms are finalized

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
INE087M08118	Non-convertible debenture	Mar 07, 2024	9.50%	Mar 06, 2028	700.00	[ICRA]AA+ (Stable)
INE087M08126	Non-convertible debenture	Mar 01, 2024	9.25%	Aug 28, 2028	400.00	[ICRA]AA+ (Stable)
INE087M08092	Non-convertible debenture	Sep 08, 2023	9.25%	Sep 08, 2027	500.00	[ICRA]AA+ (Stable)
INE087M08134	Non-convertible debenture	Mar 01, 2024	9.25%	Mar 01, 2028	400.00	[ICRA]AA+ (Stable)
NA	Non-convertible debenture	Yet to be placed			500.00	[ICRA]AA+ (Stable)
NA	Borrowing programme	Yet to be placed/issued*			50.00	[ICRA]AA+ (Stable)
INE087M14BV1	Commercial paper	Apr 17, 2025	-	Mar 04, 2026	25.00	[ICRA]A1+
INE087M14BV1	Commercial paper	Apr 17, 2025	-	Mar 04, 2026	25.00	[ICRA]A1+
INE087M14BV1	Commercial paper	Apr 21, 2025	-	Mar 04, 2026	50.00	[ICRA]A1+
INE087M14BV1	Commercial paper	Apr 21, 2025	-	Mar 04, 2026	75.00	[ICRA]A1+
INE087M14BX7	Commercial paper	Oct 24, 2025	-	Sep 04, 2026	125.00	[ICRA]A1+
INE087M14BY5	Commercial paper	Nov 21, 2025	-	Nov 18, 2026	200.00	[ICRA]A1+
INE087M14BY5	Commercial paper	Nov 21, 2025	-	Nov 18, 2026	100.00	[ICRA]A1+
INE087M14BZ2	Commercial paper	Jan 19, 2026	-	Jan 19, 2027	250.00	[ICRA]A1+
NA	Commercial paper	Yet to be placed			1,650.00	[ICRA]A1+

Source: Company; \*Not placed/Issued yet; subject to change once the terms are finalized

## Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Bahadur Chand Investments Private Limited	Rated entity	Full consolidation
Brij Mohan Lal Om Prakash	Parent of the rated entity with ~100% shareholding	Full consolidation

Source: Company

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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