

December 27, 2024

Firefox Bikes Private Limited: Ratings withdrawn

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Long term/ Short term – Fund-based- Cash Credit	10.00	10.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn
Long term/ Short term – Fund-based/ Non-fund Based Limits	20.00	20.00	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn
Total	30.00	30.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Firefox Bikes Private Limited (Firefox) at the request of the company and in accordance with ICRA's policy on withdrawal of ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn.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 Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent Company: Hero Cycles Limited (HCL) The ratings assigned to Firefox factors in the high likelihood of its parent, HCL, extending financial support to it, should there be a need, given the high strategic importance that Firefox holds for HCL for meeting its diversification objectives. ICRA also expects HCL to be willing to extend financial support to Firefox out of its need to protect its reputation from the consequences of a Group entity's distress. HCL also has a consistent track record of extending timely financial support to Firefox, whenever a need has arisen.
Consolidation/Standalone	Standalone

About the company

Firefox, a wholly-owned subsidiary of Hero Cycles Limited, is a leading player in the premium and mass premium bicycle market in India. It has a product portfolio of mountain bikes, city/ hybrid bikes, road bikes, women's bikes, children's bikes and electric bicycles, selling over 100 different models. The company trades in bicycles procured from both domestic and overseas markets through a distribution network of ~700 dealers, 18,000-20,000 outlets and seven COCOs across India.

Firefox was established in 2005 by Mr. Shiv Inder Singh and Mr. Pradeep Mehrotra. It was later acquired by HCL in 2015, when HCL was looking at diversifying its product profile into the premium bicycle segment. The company's registered office is in Gurugram, Haryana.

Hero Cycles Limited: HCL, incorporated in 1956, is the largest manufacturer of bicycles globally. The company has a manufacturing capacity of 65 lakh bicycles per year, with units in Ludhiana (Punjab), Bihta (Bihar) and Ghaziabad (Uttar Pradesh). The company has augmented its bicycle portfolio in recent years through acquisitions in the space, namely Firefox, Insync and BSH.

HCL is the flagship company of the Late O.P. Munjal fraction of the Hero Group. Following an arrangement in FY2011 among the Munjal family (the promoters of the Hero Group), HCL is now managed by Mr. Pankaj Munjal (son of Late O.P. Munjal) and his family. As a part of the arrangement, HCL hived off its cold-rolled (CR) steel division into a separate company in May 2010.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2025)			Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	December 27, 2024	Date	Rating	Date	Rating	Date	Rating
Fund-based Limits	Long-term/Short-term	10.0	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn	30-Oct-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	01-Aug-2022	[ICRA]A- (Stable)/ [ICRA]A2+	-	-
Fund-based/Non-fund Based Limits	Long-term/Short-term	20.0	[ICRA]BBB+ (Stable)/ [ICRA]A2; withdrawn	30-Oct-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	01-Aug-2022	[ICRA]A- (Stable)/ [ICRA]A2+	-	-
Unallocated Limits	Long-term/Short-term	-	-	-	-	01-Aug-2022	[ICRA]A- (Stable)/ [ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based Limits	Simple
Fund-based/Non-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	Fund-based Limits	NA	NA	NA	10.00	[ICRA]BBB+ (Stable)/[ICRA]A2; withdrawn
NA	Fund-based/Non-fund Based Limits	NA	NA	NA	20.00	[ICRA]BBB+ (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 – Not Applicable

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