

Ref: CS/SEs/Credit_Rating/BEML

16.09.2022

National Stock Exchange of India Ltd Listing Compliance Department Exchange Plaza, Bandra - Kurla Complex, Bandra (East), MUMBAI - 400 051	The BSE Limited Listing Compliance Department P.J. Towers, 26th Floor, Dalal Street, MUMBAI - 400 001
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Dear Sir / Madam,

Sub: Intimation regarding withdrawal of Credit Ratings by ICRA.

Ref: Regn.30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform that based on the request of Company, ICRA Limited ("ICRA") has withdrawn its rating assigned to Bank Facilities, Commercial Paper (CP) and Non-Convertible Debenture (NCD) of BEML Limited, w.e.f. 15.09.2022.

Further to inform that BEML has obtained an alternative credit rating from CARE Ratings Ltd for which the intimation has already been to stock exchanges vide our letter dated 29.03.2022.

Copy of the letter withdrawing the ratings along with details of credit rating is enclosed herewith for kind information.

Thanking you.

Yours faithfully

For BEML LIMITED

Jai Gopal Mahajan
Company Secretary & Compliance officer

ಪ್ರಧಾನ ಕಛೇರಿ Corporate Office:

'ಬೆಮೆಲ್ ಸೌಧ', ೨೩/೧, ೪ನೇ ಮುಖ್ಯ ರಸ್ತೆ, ಸಂಪಂಗಿರಾಮನಗರ, ಬೆಂಗಳೂರು - ೫೬೦ ೦೨೭. ದೂರವಾಣಿ ಸಂಖ್ಯೆ: +೯೧ ೮೦ ೨೨೯೬೩೧೪೨

ಫ್ಯಾಕ್ಸ್ ಸಂಖ್ಯೆ: +೯೧ ೮೦ ೨೨೯೬೩೧೪೨

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bangalore – 560027, Tel. +91 80 22963142/211, Fax. +91 80 22963142

e-mail:cs@beml.co.in @cmdbeml @BEMLHQ

CIN:L35202KA1964GOI001530, GST NO. 29AAACB8433D1ZU

www.bemlindia.in



ICRA Limited

Ref: ICRA/ BEML Limited /15092022/01

Date: September 15, 2022

Mr. Anil Jerath

General Manager – Finance

M/s BEML Limited

BEML SOUDHA, No. 23/1, 4th Main Road S.R. Nagar

Bengaluru – 560 027, Karnataka

Dear Sir

Re: Withdrawal of the ICRA rating assigned to Bank Facilities, Commercial Paper (CP) Programme and Non-Convertible Debenture (NCD) Programme of BEML Limited

Please refer to your e-mail/letter dated April 28, 2022 and August 4, 2022 requesting us to withdraw the long-term rating of [ICRA]A+ (Negative) (pronounced ICRA A Plus with a Negative outlook) and Short-term rating of [ICRA]A1+ (pronounced as ICRA A One plus) assigned to the aggregate amount of Rs 5,000 crore bank facilities, CP and NCD programme of your company. Please note, that in accordance with ICRA's policy on withdrawal, the rating is presented to the Rating Committee of ICRA prior to withdrawal. The rating committee of ICRA, after due consideration, has withdrawn the rating assigned to the bank facilities of your company based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. Please also note, as there is no amount outstanding against the rated NCD and CP, the outstanding ratings stand withdrawn as desired by you. Accordingly, the long-term rating of [ICRA]A+ (Negative) and the short-term of [ICRA]A1+, stands withdrawn, as desired by you.

We shall be glad to be associated with rating of any future borrowing programme of your company.

With kind regards
For ICRA Limited

Mathew Kurian Eranat
(Vice President)

mathew.eranat@icraindia.com

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram – 122002, Haryana

Tel.: +91.124 .4545300
CIN : L749999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.Tel. :+91.11.23357940-45

RATING

RESEARCH

INFORMATION

September 15, 2022

BEML Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund based facilities	1,200.0	1,200.0	[ICRA]A+ (Negative); withdrawn
Long-term Non-fund-based facilities	2,500.0	2,500.0	[ICRA]A+ (Negative); withdrawn
Short-term Non-fund-based facilities	800.0	800.0	[ICRA]A1+; withdrawn
Non-Convertible Debentures	100.0	100.0	[ICRA]A+ (Negative); withdrawn
Commercial Paper	400.0	400.0	[ICRA]A1+; withdrawn
Total	5,000.00	5,000.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of BEML Limited (BEML) at the request of the company and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. ICRA has also withdrawn the rating assigned to the commercial paper (CP) programme of the company. There is no amount outstanding against the rated instrument and the rating has been withdrawn at the company's request. ICRA has also withdrawn the rating assigned to the non-convertible debenture (NCD) programme of BEML based on the confirmation from the client and the Debenture Trustee that there is no amount outstanding against the same in accordance with ICRA's policy on withdrawal. The company has also intimated the Bombay Stock Exchange (BSE) dated May 18, 2022 regarding the redemption of the above mentioned NCDs. 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 Indicator 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 Construction Equipment Manufacturers Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the issuer

About the Company

BEML Limited, erstwhile Bharat Earth Movers Limited, started as a division of Hindustan Aeronautics Limited, was spun off as a separate entity in 1964. BEML was fully owned by the Gol until 1992, when the government divested 25% of holdings in the Company. BEML is now a public sector undertaking head quartered in Bangalore, with the Government holding 54.03% stake in the company. In FY2017, the Government of India (Gol), Ministry of Defence, has communicated in-principal approval of the Cabinet Committee on Economic Affairs (CCEA) of the Government of India, for strategic disinvestment of 26% equity shares in BEML Limited out of Government of India shareholding of 54.03%. The said shareholding would be sold to the strategic buyer/s to be identified by the Government of India by following due procedure.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of Rating History for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding as of Jun 30, 2022 (Rs. crore)	Date & rating in	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020	Date & rating in FY2018	
				Sep 15, 2022	Sep 21, 2021	Nov 20, 2020 May 15, 2020	Nov 18, 2019	Oct 29, 2018	
1	Fund Based	Long-term	1,200	-	[ICRA]A+ (Negative); Withdrawn	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2	Non-Fund Based	Long Term	2,500	-	[ICRA]A+ (Negative); Withdrawn	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3	Non-Fund Based	Short Term	800	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Non-Convertible Debentures	Long Term	100	-	[ICRA]A+ (Negative); Withdrawn	[ICRA]A+ (Negative)	[ICRA]A+ (Negative)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
5	Commercial Paper	Short Term	400	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund based facilities	Simple
Long-term Non-fund-based facilities	Simple
Short-term Non-fund-based facilities	Simple
Non-convertible debentures	Very Simple
Commercial paper	Very 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
-	Long-term Fund based facilities	-	-	-	1,200.0	[ICRA]A+(Negative); Withdrawn
-	Long-term Non-fund-based facilities	-	-	-	2,500.0	[ICRA]A+(Negative); Withdrawn
-	Short-term Non-fund-based facilities	-	-	-	800.0	[ICRA]A1+; Withdrawn
INE258A07039	Non-convertible debentures	May 18, 2012	-	May 18, 2022	100.0	[ICRA]A+(Negative); Withdrawn
-	Commercial Paper	-	-	-	400.0	[ICRA]A1+; Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	BEML Ownership	Consolidation Approach
Vignyan Industries Limited	96.56%	Full Consolidation
MAMC Industries Limited	100.00%	Full Consolidation

Source: BEML annual report FY2022

ANALYST CONTACTS

Rajeshwar Burla

+91 40 4067 6527

rajeshwar.burla@icraindia.com

Mathew Kurian Eranat

+91 80-4332 6415

mathew.eranat@icraindia.com

Kapil Banga

+91 124-4545 391

kapil.banga@icraindia.com

Sugandha Mahajan

+91 124-4545 398

sugandha.arora@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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