BHARAT SEATS LIMITED

Plot No.1, Maruti Udyog Joint Venture Complex, Gurugram-122015 (Haryana) India
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CIN: L34300DL1986PLC023540 **WEBSITE: www.bharatseats.com**

September 25, 2026

BSE Limited Corporate Relationship Department PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Scrip Code: 523229	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Trading Symbol: BHARATSE

Sub: Intimation for upgradation of Credit Rating under Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ICRA Ltd., (credit rating agency) has upgraded the following Credit Rating for the below mentioned instruments on 25th September 2026:

S. No.	Instrument	Rating Action
1	**Long-term Fund-based – Term loan**	[ICRA]A+(Stable); Upgraded from [ICRA]A(Stable) and rating assigned for enhanced limit
2	**Long-term– Fund-based working capital**	[ICRA]A+(Stable); Upgraded from [ICRA]A(Stable)
3	**Short-term – non-fund based working capital**	[ICRA]A1; Rating Reaffirmed/Assigned for enhanced amount

The rating by ICRA is enclosed. Kindly take the same on your record.

Thanking You,
Yours faithfully,

For **BHARAT SEATS LIMITED**
RITU BAKSHI
Digitally signed by RITU BAKSHI
Date: 2026.09.25 13:03:40 +05'30'

RITU BAKSHI
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEM. NO.: F3401
Encl: As above

ICRA
Insights that empower

ICRA/Bharat Seats Limited/25092026/1

Date: September 25, 2026

Mr. Vinod Kumar Goyal
Chief Financial Officer
Bharat Seats Limited
Plot No. 1, Maruti Suzuki Joint Venture Complex
Gurgaon- 122002

Dear Sir,

Re: ICRA's Credit Rating for below mentioned Instruments of Bharat Seats Limited

As per the Rating Agreement/Statement of Work executed with ICRA Limited, ICRA's Rating Committee has taken the following rating actions for the mentioned instruments of your company.

Instrument	Rated Amount (Rs. crore)	Rating Action[1]	Financial Sector Regulator#
Long-term Fund-based – Term loan	83.76	[ICRA]A+ (Stable); Rating Upgraded from [ICRA]A (Stable) and rating assigned for enhanced limit	RBI
Long-term– Fund-based working capital	35.20	[ICRA]A+ (Stable); Rating Upgraded from [ICRA]A (Stable)	RBI
Short-term – Non-fund based working capital	70.00	[ICRA]A1; Rating Reaffirmed/Assigned for enhanced amount	RBI
Total	**188.96**		

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

The aforesaid rating(s) will become due for surveillance within one year from the date of rating communication letter. However, ICRA reserves the right to review and/or, revise the above rating(s) at any time based on new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the rating(s). Therefore, request the lenders and investors to visit ICRA website at www.icra.in for latest rating(s) of the company.

The rating(s) are specific to the terms and conditions of the instruments as indicated to us by you, and any change in the terms or size of the same would require a review of the rating(s) by us. In case there is any change in the terms and conditions or the size of the rated instrument, the same must be brought to our notice before the instrument is used by you. In the event such changes occur after the rating(s) have been assigned by us and their use has been confirmed by you, the rating(s) would be subject to our review, following which there could be a change in the rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the instrument from that specified in this letter, would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated instrument availed/issued by your company.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) /

[1] Complete definitions of the ratings assigned are available at www.icra.in.

investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We look forward to your communication and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

Sri Kumar Krishnamurthy Digitally signed by Sri Kumar Krishnamurthy
Date: 2026.09.25 11:13:05 +05'30'

K Srikumar
Senior Vice President
ksrikumar@icraindia.com

Annexure

Details of Bank Limits Rated by ICRA (Rated on Long-Term Scale)	Amount (Rs. crore)	Rating	Rating Assigned On
Fund Based working capital			
ICICI Bank	17.60	[ICRA]A+ (Stable)	Sep 18, 2026.
HDFC Bank	17.60	[ICRA]A+ (Stable)	Sep 18, 2026.
Total	**35.20**		
Term Loans			
HDFC Bank TL	9.38	[ICRA]A+ (Stable)	Sep 18, 2026.
ICICI Bank	9.38	[ICRA]A+ (Stable)	Sep 18, 2026.
NA*	65.00	[ICRA]A+ (Stable)	Sep 18, 2026.
Total	**83.76**		
	118.96		

**yet to be sanctioned*

Details of Bank Limits Rated by ICRA (Rated on Short-Term Scale)	Amount (Rs. crore)	Rating	Rating Assigned On
Non-fund Based working capital			
HDFC Bank	50.00	[ICRA]A1	Sep 18, 2026.
ICICI Bank	20.00	[ICRA]A1	Sep 18, 2026.
Total	**70.00**		

September 24, 2026

Bharat Seats Limited: Long-term rating upgraded to [ICRA]A+ (Stable); short-term rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term Fund-based – Term loan	69.12	83.76	[ICRA]A+ (Stable); Rating Upgraded from [ICRA]A (Stable) and rating assigned for enhanced limit	RBI
Long-term– Fund-based working capital	35.20	35.20	[ICRA]A+ (Stable); Rating Upgraded from [ICRA]A (Stable)	RBI
Short-term – Non-fund based working capital	30.00	70.00	[ICRA]A1; Rating Reaffirmed/Assigned for enhanced amount	RBI
Total	**134.32**	**188.96**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The rating action considers Bharat Seats Limited's (BSL) improved credit profile marked by healthy growth in scale of operations on the back of strong growth in content per vehicle (CPV) and increasing share of business (SOB) with its customers, Maruti Suzuki India Ltd (MSIL) and Suzuki Motorcycle India Private Limited (SMIPL), resulting in improved debt metrics. BSL is one of the two suppliers of seat sets to Maruti Suzuki India Ltd (MSIL) and leading supplier of seats to Suzuki Motorcycle India Private Limited (SMIPL); it is also engaged in wheel assembly business for SMIPL. The company's revenue grew by 51% in FY2026, driven by sales growth of 33% in car seat sales to MSIL, which accounted for 70% of total revenue, given the strong growth in CPV on the back of premiumization initiatives such as seat-mounted airbags, powered seats, improved seat fabric. Moreover, while two-wheeler (2W) seat business grew by 16% on the back of volume growth, 2W wheel assembly business ramped up sharply, albeit on a lower scale. Revenue growth is estimated to remain strong at 30-35% in FY2027, driven by gradual improvement in SoB with MSIL and material gains in SoB with SMIPL in the wheel assembly segment. The company is expanding its capacity at Kharkhoda (Haryana) and Naviyani (Gujarat) plants an estimated cost of Rs. 130-140 crore, which would largely be incurred in FY2027, and funded by a mix of debt and internal accruals. Healthy demand, increasing SoB, and improved capacity will aid revenue growth over the medium term.

Strong growth in scale of operations led to improved earnings, while operating margins moderated marginally owing to higher share of low margin 2W business. Margins are likely to be range-bound in the near term as higher share of low margin 2W wheel assembly segment is likely to offset improved operating leverage from increased scale. Improved earnings coupled with reduction in debt levels resulted in improved debt metrics as indicated by Total debt / OPBITDA of 1.1 times (2.0 times in FY2025) and DSCR of 2.0 in FY2026 (2.4 in FY2025). Debt metrics are expected to remain comfortable going forward as well, as indicated by expected Total debt / OPBITDA of 1.2-1.4 times, despite a likely moderation in FY2027 owing to debt-funded capex plans.

The ratings continue to factor BSL's favourable ownership structure with Suzuki Motor Corporation (SMC) and MSIL holding a combined equity stake of 29.6%. Further, BSL has technical collaborations with Toyo Seats Co. Ltd., Japan, for seats, with Hayashi Telempu, Thailand, for its carpets and also with Toyota Boshoku. This has helped it adapt to the original equipment manufacturers' (OEM) technological requirements.

ICRA notes that the ratings continue to be constrained by the company's high dependence on the domestic market and MSIL. The same is mitigated to an extent by the company's healthy SoB with MSIL, along with the leadership position of OEM in the passenger vehicle (PV) segment. The company's profitability also remains exposed to fluctuations in key raw material prices, as well as inherent cyclicality in auto industry. Nevertheless, the risk is mitigated to an extent as the company maintains raw material pass-through clauses with its customers, although it happens with a lag of a quarter.

The Stable outlook on the long-term rating considers ICRA's expectation that the company will record a healthy growth in revenue and earnings on the back of improving SoB in car and 2W segments and increasing CPV in car segment, while maintaining healthy debt metrics.

Key rating drivers and their description

Credit strengths

Established relationship with MSIL – BSL has an established relationship with MSIL and is one of the two suppliers of car seat sets for the OEM. The company currently caters to around one-third of MSIL's seat sets requirements. The car seat business contributed nearly 70% of the company's revenues in FY2026. The company has recently won business for MSIL's five new models, SoP dates of which are scheduled between FY2027 and FY2029. With these new awards, the company expects its SoB with MSIL to steadily improve over the medium term. Moreover, the company manufactures carpet sets for some of the models of MSIL, though this vertical forms a small share of its overall revenues (5% in FY2026). Going forward, BSL is expected to remain a critical supplier to MSIL and benefit from new model launches by the OEM and its volume growth.

Favourable ownership with MSIL and SMC owning stakes in BSL; benefits of technical collaboration – BSL is promoted by the Relan family and its key OEMs, MSIL and SMC. Both OEMs have a combined stake of 29.6% in BSL. Moreover, it has technical collaborations with foreign players such as Hayashi Telempu (Thailand) for carpets, Toyo Seats Co. Ltd. (Japan) for seats and with Toyota Boshoku as well. This has aided BSL's in-house product development capabilities and helped in securing orders from MSIL over the years.

Sole supplier of 2W seats to SMIPL – BSL remains the sole supplier of 2W seats for most of SMIPL's models; seat-set supplies accounted for 4% of the company's revenues in FY2026. In addition, the company has secured 2W wheel assembly business from SMIPL, supplies of which commenced in January 2025. The revenues from this segment increased sharply to Rs. 321 crore in FY2026 from Rs. 55 crore in FY2025, contributing around 16% of its FY2026 revenue. Starting April 2026, BSL is SMIPL's only vendor for 2W wheel assembly, which is expected to result in a sharp growth in revenue from the segment in FY2027. Although the wheel assembly business operates at relatively lower margins, this would provide diversification benefits to the company.

Healthy financial risk profile – BSL's financial risk profile remains healthy, backed by strong debt metrics as indicated by TD/OPBITDA of 1.1 times and DSCR of 2.0 times as on March 31, 2026. While its debt metrics are expected to moderate in FY2027 owing to its debt funded capex plans, same are expected to remain comfortable with expected TD/OPBITDA of 1.2-1.4. Debt metrics are expected to improve thereafter with the ramp-up of new model supplies, higher operating profits and scheduled debt repayments.

Credit challenges

High client concentration risk– MSIL accounted for around 80% of BSL's revenue in FY2026 (90% in FY2025). This exposes the company to high customer concentration risk with its revenue prospects primarily linked to MSIL's production volumes. However, the concentration risk is partially mitigated by BSL's long-standing relationship with MSIL, its presence across OEM's key vehicle platforms, and MSIL's equity stake in the company. Further, MSIL's strong market position in the domestic PV segment provides stability to BSL's revenue profile. The risk is also moderated by the increasing contribution from SMIPL, following the scale-up of the wheel assembly business, which is expected to provide diversification benefits going forward.

Susceptible to inherent cyclicality in auto industry and any sharp fluctuations in input prices – BSL caters to the automotive industry, which is highly sensitive to economic cycles. Hence, the performance of the company remains vulnerable to the performance of the PV industry and economic downturns. The earnings also remain vulnerable to any sharp volatility in raw material prices. However, the company's ability to pass through the increment in prices to its customers, though with some lag, provides comfort.

Environmental and social risks

Environmental considerations: Though BSL is not directly exposed to climate-transition risks from the likelihood of tightening emission control requirements, its automotive manufacturing customers remain highly exposed to the same. Accordingly, BSL's prospects are linked to the ability of its customers (MSIL and SMIPL) to meet tightening emission requirements. BSL's exposure to litigation/ penalties from issues related to waste and water management remains low.

Social considerations: BSL, like most automotive component suppliers, has a healthy dependence on human capital. Retaining human capital, maintaining healthy relationship with employees and supplier ecosystem remains essential for its disruption free operations. Another social risk that BSL faces pertains to product safety and quality, wherein instances of product recalls and high warranty costs may lead to a financial implication and could affect the reputation and create a long-lasting adverse impact. In this regard, BSL's strong track record of catering to leading automotive OEMs underscores its ability to mitigate these risks to an extent.

Liquidity position: Adequate

BSL's liquidity profile is adequate, supported by expected retained cash flows of around 105-125 crore in FY2027 and buffer of Rs 35.2 crore in working capital limits as of March 31, 2026. It has debt repayment obligations of Rs. 13-14 crore in FY2027 for the existing loans and capex plans of Rs 130-140 crore, which would be funded through debt of Rs 65 crore (yet to be tied-up), and internal accruals. BSL continues to enjoy healthy financial flexibility from being a part of the Rohit Relan Group.

Rating sensitivities

Positive factors – The rating could be upgraded if the company demonstrates a sustained growth in its scale of operations, driven by an uptick in its share of business with MSIL or diversification of its clientele, while maintaining healthy profitability and debt metrics. Specific credit metrics that could lead to ratings upgrade include Total Debt to OPBDITA of less than 1.5 times on a sustained basis.

Negative factors – A material decline in the share of business with MSIL or weakness in demand in the PV industry, resulting in reduced scale of operations and weak cash accruals for BSL, consequently impacting its return indicators or credit metrics on a sustained basis, could result in a negative rating action.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of BSL.

About the company

BSL, incorporated in 1986, is promoted by Mr. Rohit Relan and family. As of June 30, 2026, the company was held 16.4% by Rohit Relan family trust, 28.6% by NDR Auto Components Limited, 14.8% each by MSIL and SMC, and remaining by public shareholders.

The company manufactures car seats and moulded floor carpets for MSIL and 2W seats for SMIPL. It is one of the two suppliers of car seats to MSIL and only supplier of 2W seats to SMIPL. It commenced 2W wheel assembly business in January 2025, which is expected to scale up materially in FY2027. The company's manufacturing facilities are at Gurgaon, Manesar, Kharkhoda and Bhorakalan in Haryana, and at Surendra Nagar and Hansalpur in Gujarat. In FY2026, the company derived 70% of its revenues from its car seat assembly division, 16% from 2W wheel assembly, 4% from the motorcycle seat division and the rest from other divisions such as carpet sets and extrusion components for vehicle roofs. The company's revenue is generated entirely from the domestic market.

Key financial indicators (audited)

BSL standalone	FY2025	FY2026
Operating income	1,288.8	1,951.0
PAT	32.7	42.2
OPBDIT/OI	5.9%	5.1%
PAT/OI	2.5%	2.2%
Total outside liabilities/Tangible net worth (times)	2.3	2.2
Total debt/OPBDIT (times)	2.0	1.1
Interest coverage (times)	8.5	9.8

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount Rated (Rs Crore)**	**Sep 24, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based-working capital	Long-term	35.20	[ICRA]A+ (Stable)	June 30, 2025	[ICRA]A (Stable)	Apr 23, 2024	[ICRA]A- (Stable)	May 20, 2023	[ICRA]A- (Stable)
Fund Based-Term Loans	Long-term	83.76	[ICRA]A+ (Stable)	June 30, 2025	[ICRA]A (Stable)	Apr 23, 2024	[ICRA]A- (Stable)	May 20, 2023	[ICRA]A- (Stable)
Non-Fund Based working capital	Short term	70.00	[ICRA]A1	June 30, 2025	[ICRA]A1	Apr 23, 2024	[ICRA]A2+	May 20, 2023	[ICRA]A2+
Unallocated	Long-term/ short term							May 20, 2023	[ICRA]A- (Stable)/ [ICRA] A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term– Fund-based working capital	Simple
Long-term fund-based – Term Loan	Simple
Short -term – Non fund-based working capital	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	Financial Sector Regulator#
NA	**Cash Credit**	NA	NA	NA	35.20	[ICRA]A+ (Stable)	RBI
NA	**Term Loan-I**	FY2024	NA	FY2029	9.38	[ICRA]A+ (Stable)	RBI
NA	**Term Loan-II**	FY2024	NA	FY2029	9.38	[ICRA]A+ (Stable)	RBI
NA	**Term Loan-III***	NA	NA	NA	65.00	[ICRA]A+ (Stable)	RBI
NA	**Letter of Credit/ Bank Guarantee**	NA	NA	NA	70.00	[ICRA]A1	RBI

*Source: Company; *yet to be sanctioned*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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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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

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