

Press Release

OCEAN MOTORS PRIVATE LIMITED

July 03, 2023

Rating Downgraded and Issuer not co-operating



| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 62.50 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 3.50 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 66.00 | - | - |

Rating Rationale

Acuite has downgraded its long term rating to 'ACUITE BB+' (read as ACUITE double B plus)' & short term rating to ACUITE A4+ '(read as ACUITE A four plus)' on the Rs 66.00 crore bank facilities of Ocean Motors Private Limited. This rating is now an indicative rating and is based on best available information and is on account of information risk .

About the Company

Ocean Motors Private Limited (Erstwhile Patel Service Center) is an Indore-Madhya Pradesh based company was established in the year 2002 as a proprietorship firm which was later reconstituted as a private limited company in the year 2011. The company was initially engaged as a Maruti Authorized Service Station and later in the year 2011 the company became the dealer of Maruti Suzuki India Limited (MSIL). The company is promoted by Mr. Mahendra Patel and Mr. Ravi Nagar. The company has all total 12 showrooms which include 10 showrooms of Maruti Suzuki and 2 showrooms of Nexa. All the showrooms are located in Madhya Pradesh.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit ratings based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

| Particulars | Unit | FY 22 (Actual) | FY 21 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 302.99 | 263.35 |
| PAT | Rs. Cr. | 1.40 | 1.40 |
| PAT Margin | (%) | 0.46 | 0.53 |
| Total Debt/Tangible Net Worth | Times | 1.80 | 0.97 |
| PBDIT/Interest | Times | 2.49 | 2.40 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 26 Apr 2022 | Term Loan | Long Term | 22.85 | ACUITE BBB- Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 6.10 | ACUITE BBB- Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 18.57 | ACUITE BBB- Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.98 | ACUITE BBB- Stable (Reaffirmed) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE BBB- Stable (Reaffirmed) |
| | Cash Credit | Long Term | 8.00 | ACUITE BBB- Stable (Reaffirmed) |
| | Bank Guarantee | Short Term | 3.50 | ACUITE A3 (Reaffirmed) |
| 09 Feb 2021 | Inventory Funding | Long Term | 3.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB- (Withdrawn) |
| | Inventory Funding | Long Term | 12.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 7.90 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Cash Credit | Long Term | 8.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Working Capital Term Loan | Long Term | 1.27 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 0.32 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Inventory Funding | Long Term | 1.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Channel Financing | Long Term | 7.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Bank Guarantee | Short Term | 3.50 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB- (Withdrawn) |
| | Inventory Funding | Long Term | 10.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Channel Financing | Long Term | 5.00 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 0.43 | ACUITE BBB- Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 1.58 | ACUITE BBB- Stable (Assigned) |
| | Bank Guarantee | Short Term | 3.50 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Working Capital Term Loan | Long Term | 2.49 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 6.37 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | | Short | | |

| | | | | |
|-------------|-------------------|------------|-------|---|
| 05 Jan 2021 | Channel Financing | Term | 5.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 3.50 | ACUITE A4+ (Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Inventory Funding | Long Term | 1.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 9.20 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Channel Financing | Short Term | 7.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 2.05 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1.39 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 8.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Inventory Funding | Long Term | 3.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Inventory Funding | Long Term | 12.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|------------------------------|----------------|------------------------------------|------------------|----------------|----------------|------------------|-------------------|---|
| ICICI Bank Ltd | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 3.50 | ACUITE A4+ Downgraded Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 8.00 | ACUITE BB+ Downgraded Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | Simple | 6.10 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 18.57 | ACUITE BB+ Downgraded Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 5.00 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Kotak Mahindra Prime Limited | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 22.85 | ACUITE BB+ Downgraded Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 1.98 | ACUITE BB+ Downgraded Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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