

Press Release
OCEAN MOTORS PRIVATE LIMITED
October 01, 2025
Rating Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	77.50	ACUITE BB+ Stable Upgraded	-
Bank Loan Ratings	3.50	-	ACUITE A4+ Upgraded
Total Outstanding Quantum (Rs. Cr)	81.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE D**' (read as **ACUITE D**) on Rs. 4.11 Cr. bank facilities of Ocean Motors Private Limited (OMPL). The outlook is '**Stable**'.

Also, Acuite has upgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE C**' (read as **ACUITE C**) and upgraded the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A4**' (read as **ACUITE A four**) on Rs. 76.89 Cr. bank facilities of Ocean Motors Private Limited (OMPL). The outlook is '**Stable**'.

Rationale for rating

The rating upgradation takes into consideration the completion of curing period of previously identified delays in CRIF report. Further, the rating factors the stable growth in the operating performance of the company supported by continuous expansions coupled with moderately efficient working capital management. The rating also draws comfort from the established market position and extensive experience of promoters in automobile industry along with long association with Maruti Suzuki India Limited (MSIL). However, these strengths are partially offset by moderate financial risk profile and inherent cyclicity in the automobile industry along with limited bargaining power.

About the Company

Ocean Motors Private Limited (Erstwhile Patel Service Center) is an Indore, Madhya Pradesh based company initially engaged as a Maruti authorized service station and later in 2011 became an authorised dealer of MSIL. The company is promoted by Mr. Mahendra Patel and Mr. Ravi Nagar. The company currently has 3 Nexa showrooms, 14 arena showrooms, 5 Nexa sales outlets, 15 service outlets, 2 True Value showrooms, 2 warehouses, 1 motor driving school, all located in Madhya Pradesh.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of OMPL to arrive at this rating.

Strengths

Extensive management experience and long track record of operations

OMPL started its operation as an Maruti authorized service station and later in 2011 it became an authorised dealer for the passenger vehicle segment of MSIL. The company has an established track record of operations of more than two decades in the automobile industry. Further, the company benefits from its long standing association with MSIL (market share of MSIL is more than 40% in the Indian Automobile Industry) and its aggressive marketing strategy. Apart from the sales of new cars, the company has diversified its business into sales of pre-owned cars (True Value Showrooms), motor driving school, spare parts and services, and acts as a direct selling agent for NBFCs and insurance companies.

Stable growth in operating performance supported by continuous expansion

The operating revenue of the company has depicted a steady growth which stood at Rs. 564.97 Cr. in FY25 (Prov.) (Rs. 537.07 Cr. in FY24), majorly driven by strong demand in the passenger vehicle segment in FY25 along with increasing market presence of the company. Moreover, in 2025, the company has opened 4 new outlets with additional 2 outlets under construction as of now. The operating margin of the company stood range-bound at 2.40 percent in FY25 (Prov.) (2.32 percent in FY24). Moreover, the company has clocked revenue of Rs. 198.59 Cr. till August 2025 and going forward, following the recent revision in GST rates w.e.f September 22, 2025 (from 28% to 18%) and expected rate cut by the principal (Maruti Suzuki), the management anticipates a favourable impact on its operational scale.

Moderately efficient working capital operations

The working capital operations of the company stood efficient marked by moderate gross current assets (GCA) of 66 days in FY25 (Prov.) (76 days in FY24) which mainly comprises of inventory. The debtor days stood increased at 11 days in FY25 (Prov.) (6 days in FY24), owing to higher receivables from allied services in the year-end and yearly incentive receivable from the principal. However, the average credit period allowed to customers on the service segment is 15-30 days and the company receives advance payments for the sales of new cars. Further, the company needs to pay in advance to procure the vehicles and hence the creditor days remains nil.

Weaknesses

Moderate financial risk profile

The company's financial risk profile is moderate marked by its moderate net worth of Rs. 48.35 Cr. as on March 31, 2025 (Prov.) (Rs. 25.93 Cr. as on March 31, 2024). The increase in net worth is primarily attributable to consideration of sub-ordinated unsecured loans of Rs. 18.03 Cr. as quasi equity and also supported by profit accretions. The total debt, mainly comprising of short-term borrowings stood declined at Rs. 67.08 Cr. as on March 31, 2025 (Prov.) (Rs. 123.62 Cr. as on March 31, 2024). Therefore, the gearing stood improved yet moderate at 1.39 times as on March 31, 2025 (Prov.) (4.77 times as on March 31, 2024). The debt protection metrics also stood moderate with interest coverage ratio of 1.83 times in F25 (Prov.) (1.95 times in FY24) and debt service coverage ratio stood similar at 1.08 times in FY25 (Prov.) and FY24.

Stiff competition from other dealers and brands

MSIL's focus on expanding its dealership network is expected to increase competition among its own dealers. Furthermore, the company is also exposed to intense competition from other automobile companies such as Honda, Tata Motors, Hyundai, Mahindra and Kia to name a few. Besides, launch of new models by peers at competitive prices eats into the market share of MSIL, which in turn affects dealers including OMPL. Further, the rating is constrained by the inherent cyclicalities in the automobile sector and outlook for passenger cars.

Rating Sensitivities

- Substantial improvement in the scale of operation at stable margin
- Stretch in the working capital cycle resulting into increased reliance on working capital borrowings
- Any further debt funded capital expenditure that adversely impacts the financial risk profile

Liquidity Position

Adequate

The company has an adequate liquidity position marked by net cash accruals of Rs. 5.58 Cr. in FY25 (Prov.) as against its maturing debt obligations of Rs. 4.64 Cr. for the same period. Going forward, the cash accruals of the company are estimated to remain in the range of around Rs. 6-7 Cr. during FY26-27 against repayment obligations ranging around Rs. 2 Cr. for the same period. The average utilisation for the cash credit facility remains low at ~7.50 percent and for the inventory funding facility, the average utilisation stood modest at ~52.86 percent for past six months ended July 2025, reflecting sufficient liquidity cushion available with the company. Furthermore,

the company maintained unencumbered cash and bank balances of Rs. 1.15 Cr. as on March 31, 2025 (Prov.) and the current ratio stood moderate at 1.07 times as on March 31, 2025(Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	564.97	537.07
PAT	Rs. Cr.	1.78	1.71
PAT Margin	(%)	0.31	0.32
Total Debt/Tangible Net Worth	Times	1.39	4.77
PBDIT/Interest	Times	1.83	1.95

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <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. Acuité'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
17 Jun 2025	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4 (Downgraded from ACUITE A4+)
	Inventory Funding	Long Term	14.00	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	13.00	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Inventory Funding	Long Term	12.10	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.92	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Inventory Funding	Long Term	15.00	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Proposed Inventory Funding	Long Term	15.00	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Proposed Long Term Bank Facility	Long Term	3.37	ACUITE C (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	4.11	ACUITE D (Downgraded from ACUITE BB+ Stable)
02 Jan 2025	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.11	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	12.10	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	0.92	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	14.00	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Inventory Funding	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	3.37	ACUITE BB+ Stable (Reaffirmed)
05 Oct 2023	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	12.84	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	6.10	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	1.56	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	14.00	ACUITE BB+ Stable (Reaffirmed)
	Inventory Funding	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Inventory Funding	Long Term	15.00	ACUITE BB+ Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	8.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)

03 Jul 2023	Term Loan	Long Term	22.85	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Inventory Funding	Long Term	6.10	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	1.98	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	18.57	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
26 Apr 2022	Bank Guarantee/Letter of Guarantee	Short Term	3.50	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	22.85	ACUITE BBB- Stable (Reaffirmed)
	Inventory Funding	Long Term	6.10	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.98	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	18.57	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE A4+ Upgraded (from ACUITE A4)
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
Axis Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
Indusind Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.10	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
Not Applicable	Not avl. / Not appl.	Proposed Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.37	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)
Kotak Mahindra Prime Limited	Not avl. / Not appl.	Term Loan	21 Dec 2021	Not avl. / Not appl.	05 Jan 2027	4.11	Simple	ACUITE BB+ Stable Upgraded (from ACUITE D)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	31 Jan 2020	Not avl. / Not appl.	29 Jun 2026	0.92	Simple	ACUITE BB+ Stable Upgraded (from ACUITE C)

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