

September 08, 2025

Rohan Motors Limited: [ICRA]BBB(Stable)/ [ICRA]A3+; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long Term – Fund based – Cash credit	10.00	[ICRA]BBB (Stable); assigned
Short Term – Fund based – Inventory Funding	35.00	[ICRA]A3+; assigned
Total	45.00	

*Instrument details are provided in Annexure-I

Rationale

The assigned ratings favourably factor in Rohan Motors Limited's (RML) established operational track record as a key dealer of Maruti Suzuki India Ltd. (MSIL) in Delhi, Haryana, Uttar Pradesh and Uttarakhand, with presence across more than 10 cities in North India. With its wide presence, RML accounted for 1.17% of MSIL's pan-India sales in FY2025, although this has reduced from 1.34% in FY2023 on account of increased competition in the automotive dealership market. The ratings also factor in that RML is a part of the larger Suri Group of Companies, supporting its relationship with its principal original equipment manufacturer (OEM), MSIL, and RML's financial flexibility.

The ratings are, however, constrained by the intense competition in the automobile dealership industry, which limits RML's pricing power and ability to improve margins. While the operating profit margins have remained thin, given the inherent nature of the automobile dealership business, the same have weakened in the recent years due to increasing competition. Besides, this has resulted in increased dependence on external borrowings, and a moderate credit profile with average debt metrics (interest cover of 2.9 times and Total Debt/OPBDITA of 4.0 times in FY2025 as per provisional financials). While the company focuses on generating revenues from the relatively higher-margin and stable services segment, ICRA expects revenues and earnings to remain susceptible to cyclicalities in the underlying auto industry.

The Stable outlook reflects ICRA's expectation that RML will continue to benefit from the OEM's position as a market leader in the domestic passenger vehicle (PV) segment, helping the company maintain its credit profile.

Key rating drivers and their description

Credit strengths

Established position as MSIL dealer with long experience – RML has been an authorised dealer of MSIL's PVs for Delhi NCR since 1988. The Platinum dealer rating was also awarded to RML by MSIL, reflects the company's strong sales and services performance and its established track record of dealership operations. It is among the largest authorised dealers for MSIL in Delhi NCR, with a sales and services network spread across Delhi NCR and surrounding areas, including Haryana, Uttar Pradesh and Uttarakhand.

Part of Suri Group of Companies; long experience of promoters and management in the automotive dealership business – RML's promoters have extensive experience of over three decades in the automotive business and the company has strong credentials as one of the large dealers of MSIL's passenger vehicles in Delhi NCR. The promoters are further supported by an experienced management team.

Credit challenges

Thin margins inherent to dealership business; exposed to intense competition – RML’s profit margins have historically been thin, given the nature of the dealership business where the commission is decided by the principal. Further, it is exposed to intense competition from other MSIL dealers as well as dealers of other PV OEMs in the vicinity. Its margins moderated to 2.1% in FY2025 from 3.4% in FY2023 on account of high competition and is likely to remain range bound, going forward as well.

Average credit profile – ML continues to maintain an average credit profile, with a total debt to operating profit before depreciation, interest, tax, and amortisation (TD/OPBDITA) at 4.0 times in FY2025, and an interest cover of 2.9 times during the same period. However, supported by plough back of profits in the business, the net worth and gearing remained comfortable at Rs. 182.6 crore and 0.7 times, respectively as on March 31, 2025.

Revenues exposed to cyclicity inherent to the domestic automotive industry – The company, by virtue of operating in the auto dealership industry, is susceptible to the risks arising from its cyclicity. Further, uncertainties in the economy or monetary tightening measures, such as higher interest rates, may have a significant impact on the business.

Liquidity position: Adequate

RML’s liquidity position is adequate, supported by its healthy anticipated cash flows from operations, unencumbered cash balance of Rs. 17.7 crore (as on March 31, 2025) and buffer in the form of undrawn working capital facilities of Rs. 4.0 crore (as on June 30, 2025). Against this, RML does not have any repayment obligation, considering nil term debt on its books. Further, RML has a planned capex of Rs. 13.0 crore for FY2026, which is expected to be funded entirely from these available sources of liquidity.

Rating sensitivities

Positive factors – ICRA could upgrade RML’s ratings if it achieves a material improvement in its profit margins and earnings, while managing working capital efficiently and maintaining a sufficient margin in its working capital limits, resulting in a sustained improvement in coverage metrics.

Negative factors – Pressure on RML’s ratings could arise from a sharp deterioration in the earnings or a significant rise in debt on a sustained basis, or any significant increase in loans and advances to Group companies, weakening its liquidity position. Specific metric that could result in ratings downgrade includes an interest cover below 2.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Automobile Dealers
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Rohan Motors Ltd is a part of the diversified Suri Group, which has interests in air conditioning systems, automotive components, education, hospitality and telecom. The company operates dealership for Maruti Suzuki India Limited (MSIL), and has been in operations since 1988, with presence majorly across Delhi-NCR, Haryana, Uttar Pradesh and Uttarakhand. The company is designated as a platinum dealer of MSIL.

Over the last 30 years, Rohan Motors Ltd. has expanded its presence across northern India with 27 showrooms and 14 workshops with a strong presence in Delhi, Gurgaon, Noida, Greater Noida, and Ghaziabad, as well as other cities within Uttarakhand and Uttar Pradesh.

The company offers a complete range of services from sale of new cars, exchange and sale of True Value cars, genuine Maruti accessories, car insurance and extended warranty apart from services of vehicles in fully equipped service workshops and repair of vehicles.

Key financial indicators

	FY2024	FY2025*
Operating income	1,451.9	1,545.5
PAT	20.6	11.4
OPBDIT/OI	2.9%	2.1%
PAT/OI	1.4%	0.7%
Total outside liabilities/Tangible net worth (times)	0.7	1.0
Total debt/OPBDIT (times)	1.4	4.0
Interest coverage (times)	4.4	2.9

Source: Company, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore, *-Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs crore)	Sep 08,2025	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long Term	10.00	[ICRA]BBB (Stable)	-	-	-	-	-	-
Inventory Funding	Short Term	35.00	[ICRA]A3+	-	-	-	-	-	-

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund based – Cash credit	Simple
Short term fund based –Inventory Funding	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	Cash Credit	NA	NA	NA	10.00	[ICRA]BBB (Stable)
NA	Inventory Funding	NA	NA	NA	35.00	[ICRA]A3+

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Sruthi Thomas

+91 80 4332 6430

sruthi.thomas2@icraindia.com

K. Srikumar

+91 44 4596 4318

ksrikumar@icraindia.com

Himanshu Gupta

+91 124 4545 300

nhimanshu.gupta@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



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.