September 03, 2026

Rohan Motors Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund based – Cash credit	10.00	10.00	[ICRA]BBB (Stable); reaffirmed	RBI
Short-term – Fund based – Inventory funding	35.00	35.00	[ICRA]A3+; reaffirmed	RBI
Total	**45.00**	**45.00**		

**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 ratings reaffirmation continues to factor in Rohan Motors Limited's (RML) established position as a key dealer of Maruti Suzuki India Limited (MSIL) across Delhi, Haryana, Uttar Pradesh and Uttarakhand, supported by a long operating track record, diversified dealership network and its association with the larger Suri Group. The ratings also derive comfort from MSIL's strong leadership position in the domestic passenger vehicle (PV) segment with 39% share in FY2026, and RML's continued focus on expanding its sales and after-sales network. The company's ongoing investments in strengthening its after-sales service infrastructure through workshop and body shop expansions are expected to support improvement in profitability over the medium term, given the higher-margin and relatively stable nature of service revenues compared to vehicle sales. The ratings 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, however, remain constrained by the inherently thin profitability of the automobile dealership business and the intense competition in its key operating regions of Delhi-NCR, which resulted in elevated discounting and pressure on dealership margins. Although the PV industry witnessed healthy growth during FY2026, RML's revenues were relatively muted, declining by 4% due to competitive pressures, despite some revival during the second half of the fiscal following the GST 2.0 implementation. The profitability remained stable, with the OPBDITA margin at 2.1% and PAT margin at 0.7% in FY2026, similar to levels witnessed in FY2025. ICRA also notes that the company's interest coverage moderated in FY2026 to 2.5 times in FY2026, largely on account of the lower operating profits. Nevertheless, the company's credit profile remained supported by improved working capital management, translating into a reduction in debt levels to Rs. 90.8 crore as on March 31, 2026 from Rs. 136.9 crore as on March 31, 2025, leading to an improvement in Total Debt/OPBDITA to 2.9 times in FY2026 (PY: 4.3 times) and Total Debt/TNW to 0.5 times as of March 2026 from 0.7 times as of March 2025.

The Stable outlook on the long-term rating reflects ICRA's expectations that RML will continue to benefit from MSIL's market leadership and its established dealership network, enabling it to maintain an adequate credit profile despite competitive pressures in the dealership industry.

Key rating drivers and their description

Credit strengths

Established position as MSIL dealer – 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, reflecting its strong sales and services performance and 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 largest 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 profitability remains constrained by the inherently thin margins in the automobile dealership business, where vehicle margins and incentives are largely determined by the principal. The competitive intensity increased further following MSIL's removal of the dealership proximity restriction, resulting in the addition of dealerships and elevated discounting, particularly in Delhi-NCR. Consequently, RML's OPBDITA margin remained subdued at 2.1%, while its PAT margin stood at 0.7% in FY2026. Although improved pricing discipline and OEM incentives may support margins, profit margins are likely to remain range-bound over the medium term.

Revenues exposed to cyclicality inherent in the domestic automotive industry – RML remains exposed to the cyclicality inherent in the domestic passenger vehicle industry. The demand for vehicles is sensitive to economic growth, consumer sentiment, financing availability, interest rates and regulatory or taxation changes.

Liquidity position: Adequate

RML's liquidity position is adequate, supported by its healthy anticipated cash flows from operations, unencumbered cash balance of Rs. 22.2 crore (as on March 31, 2026) and buffer in the form of undrawn working capital facilities of Rs. 46.9 crore (as on March 31, 2026). Against this, RML does not have any repayment obligations, considering nil term debt on its books. Further, RML has a planned capex of Rs. 11.0 crore for FY2027, 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 revenues and profit margins, 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 significant 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

Analytical approach	Comments
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

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

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

The company offers the complete range of services which includes sale of new cars, exchange and sale of true value cars, genuine Maruti accessories, insurance and extended warranty along with service of vehicles in fully-equipped service workshops and repair of accidental vehicles.

Key financial indicators (audited)

	FY2025	FY2026*
Operating income	1,545.5	1,484.0
PAT	11.4	9.8
OPBDIT/OI	2.1%	2.1%
PAT/OI	0.7%	0.7%
Total outside liabilities/Tangible net worth (times)	1.1	0.7
Total debt/OPBDIT (times)	4.3	2.9
Interest coverage (times)	2.9	2.5

*Source: Company, ICRA Research; * Provisional numbers; 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)	September 03, 2026	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	10.00	[ICRA]BBB (Stable)	Sep 08, 2025	[ICRA]BBB (Stable)			-	-
Inventory funding	Short-term	35.00	[ICRA]A3+	Sep 08, 2025	ICRA]A3+			-	-

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	Financial Sector Regulator#
NA	**Cash credit**	NA	NA	NA	10.00	[ICRA]BBB (Stable)	RBI
NA	**Inventory funding**	NA	NA	NA	35.00	[ICRA]A3+	RBI

Source: Company

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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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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.

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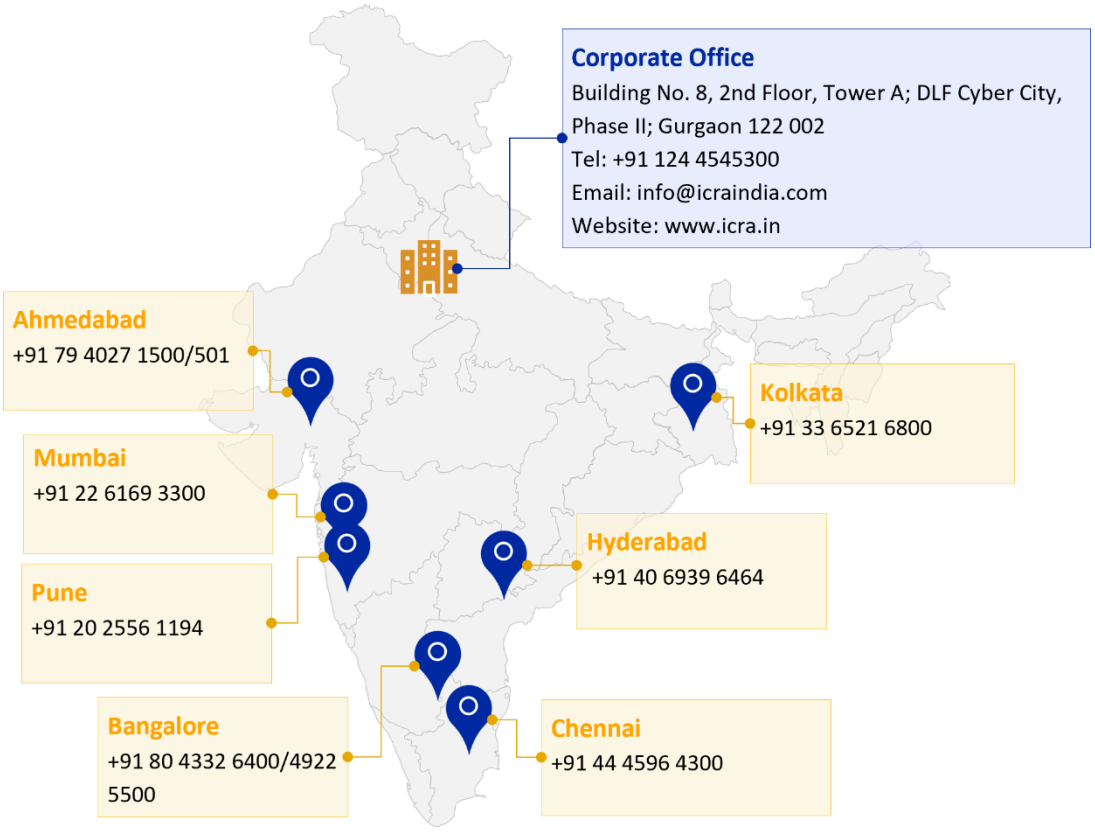

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