

Tushi Motors Private Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.36 (Enhanced from 7.51)	CARE BB; Stable	Reaffirmed
Short Term Bank Facilities	71.00 (Enhanced from 70.29)	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Tushi Motors Private Limited (TMPL) is constrained by limited experience of promoters in auto dealership business, thin profitability margins inherent in dealership business, low net worth leading to leveraged capital structure and modest debt-coverage indicators, elongation of working capital cycle, operations confined to the state of Odisha and intense competition and cyclicity in auto industry.

The rating however derives strength from resourceful promoters with presence across diverse businesses and steady financial performance in FY25.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations above Rs 300 crores while sustaining operating margins of FY23 levels.
- Improvement in overall gearing below 3.00x on a consistent basis.
- Positive cash flow from operations leading to improvement in Total debt to CFO.

Negative factors

- Consistent decline in sales volume impacting profitability levels and liquidity position.
- Deterioration in the capital structure as marked by overall gearing ratio above 5x.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that the company will continue to benefit from the strong market share of the principal (Maruti Suzuki India Limited – MSIL) in the domestic automobile market, which coupled with stable revenue stream from spares and services business shall enable the company to sustain its satisfactory operational profile and fund support from promoters, if required.

Detailed description of key rating drivers:

Key weaknesses

Limited experience of promoters in auto dealership business: The company began operations largely from FY21, after signing a deal with Maruti in January 2020, with FY21 being the first full year of operations. Therefore, the promoters have limited track record of operations in auto dealership business.

Thin profitability margins inherent in dealership business: The company's operating margin has improved in the past three years but remained thin primarily on account of the trading nature of operations. Besides, the company has limited negotiating power and limited pricing flexibility with the principal. The market also faces aggressive competition from various other established automobile dealers. Although the company's PBIDT margin improved from 3.47% in FY24 to 4.66% in FY25 due to optimization of cost, PAT margins have remained thin at 0.17% in FY25 (P.Y.: 0.17%). Going forward, the company expects to generate more value from the service side, because of Maruti's strong on-road presence.

Low net worth leading to leveraged capital structure and modest debt-coverage indicators: The capital structure of TMPL marginally improved but still remained weak with overall gearing of 4.63x as on Mar 31, 2025 (FY24: 4.92x). Despite increase in total debt limits, the marginal change was due to infusion of equity of Rs. 3 crores by the promoters hence improving

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

the net worth base to Rs 18.92 crores. The weak capital structure was on account of low net worth base, higher utilisation of WC limits and infusion of USL from promoters considering initial stages of operations and to fund capex. Debt coverage indicators of the company stood moderate with TD/GCA of 21.70 times in FY25 as against 27.78 times in FY24 and interest coverage of 1.49x in FY25 (1.37x in FY24).

TMPL must maintain sufficient level of inventory which is mandated by the principal. The company funds inventory and other working capital requirement through inventory financing from banks. TMPL debt structure mainly consist of working capital borrowings which includes Inventory funding limit of Rs 71 crores (including ad hoc limit of Rs 10 crores), Cash credit limit of Rs 5 crores, unsecured loan from promoter/promoter entities and GECL loan.

The company has finished setting up NEXA workshop in Bhubaneswar and a Rural outlet in Balikuda at a total cost of around Rs. 9.50 crores funded through term loan of Rs.5.62 crore and rest through promoter funds. Both the Rural outlet and Nexa workshop has begun operations. Work pertaining to Arena workshop in Trisulia, one Rural outlet and Nexa studio is going on and expected to be completed in current FY at a cost of Rs.2.3 crore and will be entirely funded through promoters.

Elongation of working capital cycle: The company has witnessed a gradual elongation in its operating cycle over the years, increasing from 41 days in FY24 to 77 days in FY25. The company mostly sells vehicles on a "Cash and Carry" basis, with a portion financed through vehicle loans, resulting in a low average collection period of around 5–10 days. Majority of the receivables outstanding as of year end, pertains to sales made and billed against which the delivery is done in 8 to 10 days. Further, on account of the low bargaining power with its principal, the company receives shorter credit period and immediate payment is to be made which results in an average creditors period of around 1 to 2 days. Inventory holding days increased from 25 days in FY23 to 70 days in FY24 due to slower sales growth. This contributed to elongation in operating cycle.

Operations confined to the state of Odisha: The company's scale of operations though growing, remains constrained due to its limited geographical presence. The company has a dealership of Maruti Suzuki India Limited passenger vehicles and Light Commercial Vehicles, only in the state of Odisha thus exposing the company to socio-economic risks associated with the region. As a result, the company does not get benefit from economies of scale and during financial stress it may impact the financial flexibility of the company.

Intense competition and cyclicity in auto industry: Indian automobile industry is highly competitive in nature as there are large numbers of players operating in the market. Entry of the global players in the Indian market has further intensified the competition. Hence, original equipment manufacturers (OEMs) offer various discount schemes to attract customers. Due to very high competition in the industry, the dealers are also forced to pass on discounts and exchange schemes to attract the customer as this is a volume-driven business. Furthermore, the automotive sector is dependent on economic growth, credit conditions and consumer confidence. The auto industry is inherently vulnerable to the economic cycles and is highly sensitive to interest rates and fuel prices. Further, the policies implemented by the government also have a direct bearing on the sale of passenger vehicles.

Key strengths

Resourceful Promoters with presence across diverse businesses: The company is promoted by the Patnaik family of Odisha who hold major interests in mining activities and are resourceful. The promoter Mr Anshuman Patnaik has also interest in real estate & in trading of minerals through other group companies. He is ably supported by Mrs Preeti Pallvi Patnaik who is the Managing Director of TMPL. Mrs Indrani Patnaik, mother of Mr. Anshuman Patnaik is a leading industrialist in the state of Odisha and is the owner of several mines. Owing to initial stages of operations, the promoters are infusing funds in form of equity and unsecured loans (USL) to support the growth of the company. As of March 2024, the company equity capital stood at Rs 19.38 crores and USL from related parties stood at Rs 14.27 crores which has increased to Rs 22.38 crores and Rs 24.12 crores as of March 2024, respectively.

Steady financial performance in FY25: The company has recorded a revenue growth at a CAGR of 42.64% from FY21 till FY25. In the last fiscal, i.e., FY25, the company has reported a TOI of Rs 232.81 crores against Rs. 234.51 Crore in FY24. The stagnant TOI was on account of decrease in both sales volume and per vehicle sales realisation. TMPL derives major portion of its income from sale of vehicles. During FY25, around 90% of total income was contributed by vehicles sales (around 3056 units were sold in FY25, which is lesser than the FY24 level wherein 3154 units were sold), 5.31% came from sale of accessories and spares and remaining 4.26% from labour service charges, commission & incentives and other incomes. The Net CFO remained negative at Rs. -3.41 crores in FY25, showing an improvement from FY24 levels, which stood at Rs. -11.15 crores The company currently sells vehicles through its 7 showrooms including outlets for Nexa, Arena, R-outlet, a commercial outlet, and a Tru Value showroom and provides services through 4 workshops and runs one driving school too. The company has recently launched a new body shop and workshop in Netaji Nagar, Cuttack. This expansion is expected to enhance the company's profitability moving forward in the upcoming years.

Liquidity: Stretched

TMPL's liquidity is stretched marked by higher utilisation of the working capital limits largely to fund its inventory. The average utilisation of both the cash credit and EDFs limit for the last 12 months ended April 2025 stood at around 90%. The promoters have infused funds to support growing scale of operations. Cash flow from operations of the company has stood negative over the last three years. The current ratio as on March 31, 2025, though improved from FY24, remained moderate at 1.08x. The company is having a debt repayment obligation of Rs. 2.48 crores in FY26 which is expected to be met out of cash accruals and in case of shortfall, the management has articulated that promoters would infuse funds as and when required.

Applicable criteria
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Auto Dealer](#)
[Short Term Instruments](#)
About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer

Tushi Motors Private Limited (TMPL) was incorporated in 2010 as Altrade Motors Private Limited though operations commenced from 2020, when the company bagged the dealership of Maruti Suzuki India Limited. The company is promoted by Mrs Preeti Pallavi Patnaik and Mr Anshuman Patnaik. The company currently operates 7 showrooms, 4 workshops and 1 driving school and has sold more than 9711 vehicles from FY22. The company derives majority of revenue from sale of vehicle and sale of spare & accessories, and servicing of vehicles.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	234.51	232.81
PBILDT	8.13	10.84
PAT	0.39	0.38
Overall gearing (times)	4.92	4.63
Interest coverage (times)	1.37	1.49

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	November 2026	7.36	CARE BB; Stable
Fund-based - ST-Others		-	-	-	71.00	CARE A4

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	7.36	CARE BB; Stable	-	1)CARE BB; Stable (15-Apr-24)	-	-
2	Fund-based - LT-Cash Credit	LT	5.00	CARE BB; Stable	-	1)CARE BB; Stable (15-Apr-24)	-	-
3	Fund-based - ST- Others	ST	71.00	CARE A4	-	1)CARE A4 (15-Apr-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Others	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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