



## Press Release

### Oceandeeep Energies Private Limited (OEPL)

April 03, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Facilities	38.76	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	-	Assigned	Simple
Total	38.76 (Rupees Thirty-Eight Crore and Seventy-Six Lakh Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has assigned the ratings to the Bank facilities of Oceandeeep Energies Private Limited (OEPL) based on the strengths derived from the experienced promoters with an established track record in the shipping industry, comfort from the group company, strong medium term revenue visibility and improving scale of operations. However, the ratings are constrained by the dependency on a single vessel and limited fleet hindering growth and scalability, client concentration risk, highly geared capital structure, tender-based nature of operations and intense competition and factors affecting revenue and operations.

The stable outlook reflects the benefits derived and expected to be derived by the company from its back-to-back arrangement with ONGC, which provides strong revenue visibility over the medium term in the projected years.

#### Key Rating Sensitivities:

##### Upward Factors

- Sustained increase in scale of operation with improvement in cash accruals and liquidity position.
- Improving debt coverage indicators

##### Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis.



## Press Release

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Experienced promoters with an established track record in the shipping industry**  
OEPL is promoted by Capt. P.B Narayanan, Capt. Jeevan Krishnan Sanjeevan and Ms. Arathi Narayanan. Capt. P.B Narayanan has over 20 years of experience in the shipping industry. Capt. Jeevan Krishnan Sanjeevan is a promoter and director of the company. He is a Master Mariner with 12 years sailing experience onboard various types of ships including, bulk carriers, oil tankers, gas carriers and offshore vessels. Ms. Arathi Narayanan is a promoter and director of the company, responsible for overseeing and managing the business activities.
- **Comfort from the group company**  
OEPL is a group company where the key managerial persons of ABS Marine Services Limited (ABSMS) have a significant influence. ABSMS has an established track record for over two decades and provides diversified services such as ship management, port services, chartering and hiring services. OEPL has received financial support from ABSMS for asset acquisition and during the dry dock period, amounting Rs 20.12 crore as of 31 March 2024. This amount is to be repaid over time, with a significant portion expected to be repaid in FY25 [Refers to period April 01, 2024 to March 31, 2025].
- **Strong medium term revenue visibility**  
OEPL offers its chartering services to ABSMS on a back-to-back on-hire basis, where ABSMS (CRISIL BBB/Stable/A3+ vide press release dated October 22, 2024) acts as the charterer for the arrangement with ONGC (CARE AAA/Stable/A1+ vide press release dated February 17, 2025). This arrangement ensures that OEPL provides the vessels for hire, while ABSMS has the chartering agreement with ONGC in its name. The contract between OEPL and ABSMS is structured for a period of five years, running through February 2028. This extended contract period helps OEPL secure medium-term revenue, as the chartering arrangement ensures a stable source of income over the next three years supporting OEPL's financial stability and strategic planning. With this arrangement, OEPL is insulated from some of the risks of fluctuating demand and pricing in the market, as the agreement with ABSMS ensures consistent income for the firm through 2028.



## Press Release

- **Improving scale of operations**

The total operating income (TOI) improved to Rs 22.45 crore in FY24 [Refers to period April 01, 2023 to March 31, 2024] from Rs 7.26 crore in FY23 [Refers to period April 01, 2022 to March 31, 2023]. This is primarily due to the increase in the number of days of operation. The EBITDA margin improved from 65.60% in FY23 to 79.77% in FY24. The PAT also improved to Rs 4.87 crore in FY24 against a loss incurred in the previous year because of the increased operating income. The PAT margin improved to 21.65% in FY24 from a loss in FY23. This loss in FY23 was caused due to the low operating income, a result of less operational days. The vessel owned by OEPL is relatively young, with an age of 11 years. A lower-aged vessel typically requires less frequent maintenance compared to older vessels, which helps in reducing operational downtime and associated costs. As a result, profitability for OEPL is expected to improve with an increase in the number of operating days and the stabilization of operating expenses. The TOI is expected to grow in FY25 and be stable over the medium term.

### Key Rating Weaknesses

- **Dependency on a single vessel and limited fleet hindering growth and scalability**  
OEPL currently owns a single operational vessel, which creates a significant reliance on the continued operation of this vessel for the company's projected revenue. This dependency poses a risk, as the company's financial performance is directly tied to the vessel's ability to remain operational and generate revenue. In FY24 (April 2023 to March 2024), the vessel was out operation during the period of June 2023 to October 2023 owing to the modifications requested by ONGC as customization and the dry-docking period. This restricted the company's TOI to Rs 22.45 crore in FY24. In FY25, the company was able to make a revenue of Rs 43.14 crore until February 2025 because of its continued and increased operational days. Furthermore, the company's growth potential is constrained by the limited fleet, particularly as the only vessel is committed under a contract with ONGC for the next three years. This limited vessel restricts OEPL's flexibility to explore new opportunities or expand its operations, limiting the company's ability to scale up or diversify its services.
- **Client concentration risk**



## Press Release

The revenue of Oceandeepp Energies Private Limited (OEPL) comes only from ABS Marine Services Limited (ABSMS); this exposes the company to customer concentration risks. Any change in the business risk profile of its largest customers could have a significant impact on the company's performance.

- **Highly geared capital structure**

The long-term debt to equity ratio stood at 20.15x as on 31 March 2024. The overall gearing ratio stood at 20.16x and the overall indebtedness of OEPL marked by the TOL/TNW stood at 30.44x as on 31 March 2024. Albeit the high leverage ratios, these ratios improved to a positive figure as on 31 March 2024 owing to the positive PAT made during the year FY24 which in turn increased the Tangible Net Worth (TNW). The TNW is expected to increase with the accretion of profits in the projected years. The interest coverage ratio improved to 4.40x in FY24 from 3.25x in FY23. The DSCR of the company dropped to 1.87x in FY24 from 3.25x in FY23. The TNW stood at Rs 2.26 crore as on 31 March 2024. With the back-to-back arrangement in place with ONGC and with increased operational days in FY25 the tangible net worth is expected to increase significantly.

- **Tender-based nature of operations and intense competition**

The shipping industry is fragmented with many small players resulting in intense competition. In general, the companies providing chartering services for public sector entities get their contract through a tender driven process. This exposes the companies to the risk of non-renewal of contracts. Additionally, OEPL being in its early stages of operations it may not be able to meet the minimum requirements of a tender process. Hence it offers its chartering services to the contract of ABSMS.

- **Factors affecting revenue and operations**

Downtime due to maintenance, repairs, or inspections, along with force majeure events like adverse weather or equipment failure, can reduce a vessel's operational days. Additionally, there could be planned non-operational days for tasks such as crew changes or supply runs. Such factors also influence revenue as clients do not pay during non-operational periods. These factors collectively impact total revenue as they reduce the number of operational days available for revenue. Managing and minimizing these interruptions effectively is very crucial for the company to generate consistent revenue.



## Press Release

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Service Sector Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Entities\)](#)

### **Liquidity – Adequate**

The NCA stood at Rs 13.89 crore in FY24 as against a debt repayment obligation of Rs 5.54 crore in FY23 (Rs.7.85 crore in FY24). The NCA is expected to be in the range of Rs 33.00 to 35.00 crore as against debt repayment obligation in the range of 7.00 crore to 8.00 crore during the projected period (FY25-27). The average working capital limit utilization stood at 55.94% for the last 12 months ended February 2025. The overall gearing ratio stood at 20.16x as on 31 March 2024 and is expected to improve significantly with the accretion of profits during the projected period. The cash and cash equivalents stood at Rs 8.38 crore as on March 18, 2025.

### **About the Company**

Oceandee Energies Private Limited (OEPL) [formerly Oceandee Petroleum Services Private Limited] specializes in providing charter hiring services with the vessel "Erin." OEPL is a group company of ABS Marines Services Limited (ABSMS), with the promoters and directors of ABSMS holding a majority stake in OEPL. The company is promoted by Capt. Jeevan Krishnan Sanjeevan, Ms. Arathi Narayanan and Capt. P.B. Narayanan. The company was established with a specific focus on ship chartering services. Erin primarily operates from the Kakinada port offering shipping services from port to port.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	7.26	22.45





## Press Release

EBITDA	4.76	17.91
PAT	-2.68	4.87
Total Debt	36.00	45.48
Tangible Net Worth	-2.61	2.26
EBITDA Margin (%)	65.60	79.77
PAT Margin (%)	NM	21.65
Overall Gearing Ratio (x)	NM	20.16
Interest Coverage (x)	3.25	4.40

\* Classification as per Infomerics' standards.

#NM – Not Meaningful

**Status of non-cooperation with previous CRA: Nil**

**Any other information: NA**

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023
					Date (Month XX, 20XX)	Date (Month XX, 20XX)	Date (Month XX, 20XX)
1.	Term Loan	Long Term	38.26	IVR BB+/Stable	-	-	-
2.	Overdraft	Long Term	0.50	IVR BB+/Stable	-	-	-

### Analytical Contacts:

Name: Rekha Chokkalingam

Tel: (022) 62396023

Email: [rekha.chokkalingam@infomerics.com](mailto:rekha.chokkalingam@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Private Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



## Press Release

instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	13-09-2030	38.26	IVR BB+/Stable
Overdraft	-	-	-	-	0.50	IVR BB+/Stable

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-oceandeep-apr25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: NA**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).