

Autoline Industries Limited

March 08, 2022

Ratings

Facilities	Amount (Rs. crore)	Rating ²	Rating Action
Long Term Bank Facilities	94.98 (Enhanced from 82.62)	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities	20.00	CARE D (Single D)	Reaffirmed
Total Bank Facilities	114.98 (Rs. One hundred fourteen crore and ninety-eight lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of Autoline Industries Limited (AIL) continues to factor in the on-going delays in debt servicing due to the stressed liquidity position.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Timely repayment of its debt obligations and no instances of delay in payment of their dues

Detailed description of the key rating drivers

Key Rating Weaknesses

On-going delays in debt servicing

There are on-going delays in debt servicing with two of its lenders due to the stressed liquidity position. The company has registered net loss of around Rs.35 crore and Rs.2 crore in FY21 (refers to the period April 01 to March 31) and 9MFY22 (refers to the period from April 01 to December 31) respectively.

Liquidity: Poor

The liquidity position of the company is stressed as reflected by the delay in debt servicing of debt obligation along with high utilization of working capital limit.

Analytical approach: Standalone

Applicable Criteria

[Policy on default recognition](#)

[Policy On Curing Period](#)

About the Company

Incorporated in December 1996, AIL is engaged in manufacturing of auto components especially sheet metal components, sub-assemblies and assemblies. AIL is an integrated auto ancillary company that designs, engineers, develops and manufactures auto components and assemblies. The capacities have been acquired through organic and inorganic growth. AIL's products (more than 1,000 varieties) are used in Commercial Vehicles (CV), Passenger Cars (PC), Sports Utility Vehicles (SUV), two wheelers, tractors by Original Equipment Manufacturers (OEMs) like Tata Motors Limited (rated CARE AA-; Stable/CARE A1+ as on August 19, 2021), Mahindra & Mahindra Limited (rated CARE AAA; Stable/CARE A1+ as on August 3, 2021), Bajaj Auto Limited, Force Motors, General Motors and others in the automobile industry.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (UA)
Total operating income	317.37	285.78	381.82
PBILD	-12.53	8.07	32.14
PAT	-65.36	-35.61	-1.63
Overall gearing (times)	8.07	43.65	NA
Interest coverage (times)	-0.43	0.28	1.69

A: Audited; UA: Un-audited; NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Not applicable

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	September 2026	67.48	CARE D
Fund-based - LT-Cash Credit	-	-	-	-	27.50	CARE D
Non-fund-based - ST-Letter of credit	-	-	-	-	20.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	67.48	CARE D	-	1)CARE D (30-Dec-20) 2)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-
2	Fund-based - LT-Cash Credit	LT	27.50	CARE D	-	1)CARE D (30-Dec-20) 2)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-
3	Non-fund-based – ST-Letter of credit	ST	20.00	CARE D	-	1)CARE D (30-Dec-20) 2)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Letter of credit	Simple

Annexure 5: Bank Lender Details for this Company

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

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

Contact us

Media Contact

Name: Mradul Mishra
Contact no.: +91-22-6754 3573
Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Monika Goenka
Contact no.: +91-20-4000 9019/8879300881
Email ID: monika.goenka@careedge.in

Relationship Contact

Name: Aakash Jain
Contact no.: +91-20-4000 9090/8106400001
Email ID: aakash.jain@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**