

## Autoline Industries Limited <sup>(Revise)</sup>

August 1, 2017

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	124.91	<b>CARE D (Single D)</b>	Revised from CARE B- [Single B Minus]
Short-term Bank Facilities	20.00	<b>CARE D (Single D)</b>	Revised from CARE A4 [A four]
<b>Total Facilities</b>	<b>144.91</b> <b>(Rs. One hundred and forty four crore and ninty one lakhs only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

The revision in ratings assigned to the bank facilities of Autoline Industries Limited (AIL), factors in the ongoing delays in debt servicing by AIL due to its stressed liquidity position. The ratings continue to derive strength from experienced management.

### Detailed description of the key rating drivers

#### Key Rating Weakness

#### Ongoing delays in debt servicing:

There are on-going delays in servicing of its debt obligations of bank facilities due to its stretched liquidity position on account of slow sales velocity.

#### Key Rating Strengths

##### *Considerable experience of the promoters*

The promoters of AIL have nearly fifteen years of experience in manufacturing sheet metal components, assemblies and sub-assemblies for OEMs in the automobile industry. The company started business as a contract manufacturer of sheet metal components and gradually started offering products across value chain of auto components manufacturing business. Currently, AIL supplies both standard and customized product range covering various products utilized for the manufacturing of commercial vehicles (CV), passenger vehicles (PV), two and three wheelers

#### Analytical Approach followed: Standalone

#### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology-Auto Ancillary Companies](#)

### 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 Ltd

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

(TML), Mahindra & Mahindra (M&M), Bajaj Auto Ltd (BAL), Force Motors (FM), General Motors (GM), Volkswagen (VW), etc. in the automobile industry

Brief Financials (Rs. crore)	FY15 (A)	FY16 (A)
Total operating income	362.45	311.57
PBILDIT	-15.22	-0.13
PAT	-32.60	-38.59
Overall gearing (times)	1.34	1.87
Interest coverage (times)	NM	NM

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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#### **About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### **Disclaimer**

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo 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.

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2024	99.46	CARE D
Fund-based - LT-Cash Credit	-	-	-	25.45	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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	99.46	CARE B-; Stable	1)CARE B-; Stable (02-May-17)	1)CARE B- (22-Apr-16)	-	1)CARE D (20-Aug-14)
2.	Fund-based - LT-Cash Credit	LT	25.45	CARE B-; Stable	1)CARE B-; Stable (02-May-17)	1)CARE B- (22-Apr-16)	-	1)CARE D (20-Aug-14)
3.	Non-fund-based - ST-Letter of credit	ST	20.00	CARE A4	1)CARE A4 (02-May-17)	1)CARE A4 (22-Apr-16)	-	1)CARE D (20-Aug-14)

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