

Autoline Industries Limited

December 30, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	82.62 (Reduced from 124.91)	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed
Short Term Bank Facilities	20.00	CARE D (Single D)	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed
Total Facilities	102.62 (Rs. One Hundred Two Crore and Sixty-Two Lakhs Only)		

Details of instruments/facilities in Annexure-1

In the absence of minimum information required for the purpose of rating, CARE was unable to express an opinion on the rating of Autoline Industries Limited (AIL) and in line with the extant SEBI guidelines, CARE revised the rating of bank facilities of the firm to 'CARE D; ISSUER NOT COOPERATING'. However, the firm has now submitted the requisite information to CARE. CARE has carried out a full review of the rating and the rating stands at 'CARE D'.

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of AIL continues to factor in the on-going delays in debt servicing. Timely repayment of debt going forward is the key rating sensitivity.

Rating Sensitivities

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

- Timely repayment of debt going forward.

Detailed description of the key rating drivers

Key Rating Weakness

On-going delays in debt servicing

There are on-going delays in debt servicing with one of its lender due to the stressed liquidity position. The company has registered cash losses of around Rs.44 crore in FY20 and Rs.17 crore in H1FY21. Moreover, the average utilization of cash credit limit was also more than 100% for the last 12-months ended August 2020. The company has applied for restructuring of loan with some of its lenders.

Analytical approach: Standalone

Applicable Criteria:

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

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology - Manufacturing Companies](#)

[Rating Methodology - Auto Ancillary Companies](#)

[CARE's Policy on Curing period](#)

[Criteria for Short Term Instruments](#)

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

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	H1FY21 (UA)
Total operating income	452.97	316.23	75.36
PBILDT	5.28	-13.17	-2.16
PAT	-4.03	-65.36	-27.48
Overall gearing (times)	2.59	7.34	14.66
Interest coverage (times)	0.16	NM	NM

A: Audited; UA: Unaudited; NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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	-	-	March 2024	65.12	CARE D
Fund-based - LT-Cash Credit	-	-	-	17.50	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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	65.12	CARE D	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-	1)CARE D (27-Mar-18) 2)CARE D (01-Aug-17) 3)CARE B-; Stable (02-May-17)
2.	Fund-based - LT-Cash Credit	LT	17.50	CARE D	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-	1)CARE D (27-Mar-18) 2)CARE D (01-Aug-17) 3)CARE B-; Stable (02-May-17)
3.	Non-fund-based - ST-Letter of credit	ST	20.00	CARE D	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D (01-Apr-19)	-	1)CARE D (27-Mar-18) 2)CARE D (01-Aug-17) 3)CARE A4 (02-May-17)

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 the 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

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. Investors/market intermediaries/regulators or others are welcome to write to 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

CARE's ratings 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'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.

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