Press Release

Autoline Industries Limited

June 23, 2025

Ratings

Security / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	131.50 (reduced from 131.76)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+; Stable (IVR Double B Plus with Stable Outlook)	Rating Upgraded	Simple
Short Term Bank Facilities	19.00	IVR A3 (IVR A Three)	IVR A4+ (IVR A Four Plus)	Rating Upgraded	Simple
Total	**150.50 (Rupees one hundred and fifty crore and fifty lakhs 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

The upgrade in the ratings assigned to the bank facilities of Autoline Industries Limited (AIL) considers stable business performance of the company which results in sustained growth in cash accruals over the past two fiscals leading to satisfactory debt protection metrics coupled with asset monetization initiatives which is expected to improve the liquidity of the company in the near term. Moreover, the company is having a healthy order book backed by reputed clientele indicating a satisfactory revenue visibility. Further, the ratings continue to derive strength from its experienced promoters. However, these rating strengths continue to remain constrained due to susceptibility of its profitability to volatility in its raw material prices, exposure to cyclicality inherent in auto industry, intense competition in automotive component industry which exert pressure on margins and leverage capital structure of the company.

The stable outlook reflects the expected improvement in financial risk profile of the company in the near to medium term marked by stable business performance.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in revenue with further improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity

- Improvement in the capital structure marked by improvement in overall gearing, and improvement in the debt protection metrics
- Improvement in liquidity

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators.
- Moderation in the capital structure marked by moderation in overall gearing with improvement in interest coverage ratio to below 2x
- Elongation in the operating cycle and fluctuation in raw material prices impacting on the liquidity position of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

The promoters have long standing experience in automobile parts manufacturing business and have favourable relations with suppliers and customers. Extensive business experience of the promoters supports the business risk profile of the company to a large extent.

Stable business performance

The revenue has marginally increased from Rs.650.74 crore in FY24 [FY refers to the period from April 01 to March 31] to Rs. 656.93 crore in FY25 registering a Y-o-Y growth of ~0.95%. Despite marginal growth in total operating income, the absolute EBITDA has improved from Rs.51.68 crore in FY24 to Rs. 67.67 crore in FY25 mainly due to mainly decline in raw material prices. Hence, EBITDA margin has improved from 7.94% in FY24 to 10.30% in FY25. Notwithstanding the growth in EBITDA, the PAT margin remained almost stagnant due to rise in interest and depreciation charges at 2.88% in FY25 (2.87% in FY24). However, the net cash accruals have improved from Rs.32.29 crore in FY24 to Rs. 40.08 crore in FY25.

Satisfactory debt protection metrics

The debt protection metrices marked by interest coverage continues to remain satisfactory though has moderated from 2.32x in FY24 to 2.13x in FY25 due to rise in interest expense attributable to elevated debt level. Moreover, the total debt/NCA continues to remain moderate at 7.14 years as on March 31, 2025.

Reputed clientele with healthy order book position

AIL has a strong client profile marked by presence of leading automobile manufacturers of the country which supports the business risk profile of the company to a large extent and reduce counterparty risk. Furthermore, as on 31.03.2025, AIL has an order book position of Rs.852.75 crore. The company is expecting to complete the orders by the end of this fiscal year indicating a strong revenue visibility.

Asset monetization initiative through stake sale in subsidiary

Autoline Industrial Parks Limited (AIPL), AIL's subsidiary, has entered a strategic MOU with MNSC Realty & Developers Pvt Ltd to sell 98.817 acres and 6.25 acres of land. The sale is set to yield Rs. 113 Crore, with AIPL and other shareholders receiving Rs.105 Crore and Rs. 8 Crore, respectively, over the next few years. As a result, Autoline Industries Ltd. will get Rs.95.17 Crore through MNSC by Divestment of Investment in Autoline Industrial Parks Ltd (AIL has an investment of Rs.70.72 Crore in Autoline Industrial Parks Limited (AIPL)). This move will enable AIL to realize a profit of Rs.18.22 Crore on the sale of its investment in AIPL. The proceeds from this transaction are expected to boost AIL's liquidity. AIL has already received ~Rs. 84.50 crores till 31.03.2025.

Key Rating Weaknesses

Profitability remains susceptible to price volatility of raw materials

Steel is the major raw material for the company. Steel prices are highly volatile and prone to fluctuations based on global demand supply situations and other macro-economic factors. Thus, the company's cash flows and profits are susceptible to fluctuation in raw material prices.

Intense competition in automotive component industry which exert pressure on margins

Intense competition due to the presence of other automotive component manufacturers, which exerts pricing pressures, is likely to weigh on the company's operating margins. With increasing presence of domestic as well as international players in the automotive ancillary business, the competition had increased over the years.

Leveraged capital structure

The company has exposure to its group companies aggregating to Rs.5.10 crore as on March 31, 2025, in the form of investments. Excluding the same, the adjusted tangible net worth (ATNW) stood at Rs.111.36 crore as on March 31, 2025. Based on the ATNW, the capital structure marked by overall gearing ratio remained leveraged at 2.57x as on March 31, 2025. The total indebtedness of the company marked by TOL/ATNW has moderated and stood at 4.81x as on March 31, 2025, as against 3.79x as on March 31, 2024. On a consolidated basis also the overall gearing ratio of the company also stood moderate at 1.87x as on March 31, 2025.

Exposure to cyclicality inherent in auto industry

The company's business is susceptible to inherent cyclicity as the automotive industry, linked to the performance of the economy.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Manufacturing Companies.
- Financial Ratios & Interpretation (Non-Financial Sector).
- Criteria for assigning Rating outlook.
- Policy on Default Recognition
- Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity position appears adequate marked by expected healthy cash generation by the company to service its debt obligations in the near term. Further, expected cash inflow from stake sale in subsidiary is expected to improve the liquidity of the company in the near term. However, the average fund-based utilisation stands high at ~95% for the past 12 months ended April 2025 indicating limited liquidity buffer. Moreover, the company has limited gearing headroom in view of its moderate capital structure.

About the Company

Autoline Industries Ltd (incorporated on December 16, 1996, as Autoline Stampings Private Ltd.) was initially set up in January 1995 as a partnership firm known as "Autoline Pressings". The registered office of the company is located at Nanekarwadi, Chakan, Pune. The company is engaged in manufacturing of auto components (sheet metal) and is a supplier to Original Equipment Manufacturers (OEMs) and automobile companies. The company has three business divisions namely Medium and Large Stamped Assemblies, Mechanical Assembly/Driver Control Systems and Concept, Styling, Designing, Analysis Application Software Services.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	650.74	656.93
EBITDA	51.68	67.67
PAT	18.79	19.04
Total Debt	186.65	286.28
Tangible Net Worth	101.68	116.46
Adjusted Tangible Net Worth	96.58	111.36
EBITDA Margin (%)	7.94	10.30
PAT Margin (%)	2.87	2.88
Overall Gearing Ratio (x)	1.93	2.57
Interest Coverage (x)	2.32	2.13

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Oct 01, 2024	Sep 10, 2024	Aug 24, 2023	Jul 26, 2022
1.	Term Loan	Long Term	74.62	IVR BBB-; Stable	IVR BB+; Stable	IVR BB+; Stable	IVR BB; Stable	IVR B+; Stable
2.	Revolving Working Capital	Long Term	10.00	IVR BBB-; Stable	IVR BB+; Stable	IVR BB+; Stable	IVR BB; Stable	IVR B+; Stable
3	Supply Chain Finance	Long Term	30.00	IVR BBB-; Stable	IVR BB+; Stable	IVR BB+; Stable	IVR BB; Stable	IVR B+; Stable
4.	Cash Credit	Long Term	16.88	IVR BBB-; Stable	IVR BB+; Stable	IVR BB+; Stable	IVR BB; Stable	IVR B+; Stable

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					Oct 01, 2024	Sep 10, 2024	Aug 24, 2023	Jul 26, 2022
5.	Letter of Credit	Short Term	19.00	IVR A3	IVR A4+	IVR A4+	IVR A4	IVR A4

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt 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).

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	Dec 2031	74.62	IVR BBB-; Stable
Revolving Working Capital	-	-	-	-	10.00	IVR BBB-; Stable
Supply Chain Finance	-	-	-	-	30.00	IVR BBB-; Stable
Cash Credit	-	-	-	-	16.88	IVR BBB-; Stable
Letter of Credit	-	-	-	-	19.00	IVR A3

Annexure 2: Facility wise lender details
https://www.infomerics.com/admin/prfiles/Len-Autoline-Industries-23june25.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.