

## RATING RATIONALE

14 April 2020

### Auto Ignition Ltd.

**Brickwork Ratings reviews the ratings for the Bank Loan Facilities of ₹ 62.25 Crs of Auto Ignition Ltd., based on best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Jan,2019)	Present
Fund based	60.25	60.25	Long Term	BWR BB+ (Stable) Issuer Not Cooperating*	BWR BB (Stable) Issuer Not Cooperating
Non Fund based	2.00	2.00	Short Term	BWR A4 Issuer Not Cooperating*	BWR A4 Issuer Not Cooperating
	62.25	62.25	INR Sixty Two Crores and Twenty Five Lakhs Only		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Details of Bank facilities is provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for review in Jan 2020 and BWR took up with the issuer to provide required information via emails and over phone calls.. Despite the efforts of BWR to get at least the minimum required business and financial information and documents for a review, the issuer has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Hence Brickwork has revised the rating to BWR BB (Stable)/A4 which continues to be in Issuer Non Cooperation category.

## LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

## KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in Dec,2013]

Key Parameters	Units	FY12	FY13
Result Type		Audited	Audited
Net Sales/Revenue	Rs. Crs.	184.23	165.09
EBITDA	Rs. Crs.	16.73	17.22
PAT	Rs. Crs.	6.50	6.45
Tangible Net worth	Rs. Crs.	66.55	70.50
Total Debt : TNW Ratio	Times	0.58	0.47
Current Ratio	Times	1.25	1.28

## COMPANY PROFILE [AS AVAILABLE WITH BWR in Dec,2013]

Auto Ignition Ltd (AIL), Delhi was promoted by Mr R K Sarine and his family in 1971 as Auto Ignition Pvt Ltd and later reconstituted as a public limited company in 1994. AIL is a manufacturer and exporter of heavy-duty auto electric components for commercial vehicles, tractors, off-road vehicles, stationary engines and two & three wheelers under the brand name AUTO-LEK.

## NON-COOPERATION WITH PREVIOUS RATING AGENCY : NA

## RATING HISTORY

Facilities Availed	Current Rating (April 2020)			Rating History for the past 3 years(Amount in (Rs.Crs))								
	Tenure	Amount (In Crs)	Rating	17.01.2019	2018	07.12.2017^						
Bank Loan Fund Based (FB)	Long Term	60.25	BWR BB Issuer Not Cooperating Downgrade	<table border="1"> <tr> <td>FB</td> <td>60.25</td> <td>BWR BB+ (Stable) Issuer Not Cooperating Reaffirmation</td> </tr> </table>	FB	60.25	BWR BB+ (Stable) Issuer Not Cooperating Reaffirmation	-	<table border="1"> <tr> <td>FB</td> <td>60.25</td> <td>BWR BB+ (Stable) Issuer Not Cooperating Downgrade</td> </tr> </table>	FB	60.25	BWR BB+ (Stable) Issuer Not Cooperating Downgrade
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Bank Loan Non Fund Based(NFB)	Short Term	2.00	BWR A4 Issuer Not Cooperating Reaffirmation	<table border="1"> <tr> <td>NFB</td> <td>2.00</td> <td>BWR A4 Issuer Not Cooperating Reaffirmation</td> </tr> </table>	NFB	2.00	BWR A4 Issuer Not Cooperating Reaffirmation	-	<table border="1"> <tr> <td>NFB</td> <td>2.00</td> <td>BWR A4 Issuer Not Cooperating Downgrade</td> </tr> </table>	NFB	2.00	BWR A4 Issuer Not Cooperating Downgrade
NFB	2.00	BWR A4 Issuer Not Cooperating Reaffirmation										
NFB	2.00	BWR A4 Issuer Not Cooperating Downgrade										
<b>Total</b>		62.25	<b>INR Sixty two Crores and twenty five lakhs Only</b>									

^Initial rating of BWR BBB-/A3 was assigned on 10th Dec 2013 and the Rating was moved to rating not reviewed category on 06 Apl,2015

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

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- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Manufacturing Companies](#)

- **Short Term Debt**

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### ANNEXURE I

#### Auto Ignition Ltd.

#### Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Bank of India	Term Loan	8.25	-	8.25
		CC	20.00	-	20.00
2.	Kotak Mahindra Bank Ltd	Invoice Finance	12.00	-	12.00
		WC DL	4.00	-	4.00
3.	Citibank	WC DL	16.00	-	16.00
		SLC/BG	-	2.00	2.00
TOTAL					62.25

**Total INR Sixty Two Crores and Twenty Five Lakhs Only**

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**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons