

## Rating Rationale

Auto Ignition Ltd

7<sup>th</sup> Dec 2017

Brickwork Ratings has reviewed the Rating for the bank loan facilities of Rs.62.25 Cr of Auto Ignition Ltd based on best available information, as the issuer did not cooperate. Accordingly the long term rating for the said instrument is downgraded to BWR BB+ and short term ratings is downgraded to BWR A4.

### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating <sup>^</sup>	
			Previous	Present
Term Loans	8.25	Long Term	BWR BBB- Outlook : Stable	Issuer did not cooperate BWR BB+ (Pronounced: Double B Plus) Outlook : Stable Downgraded
Cash Credit	20.00			
Bill Discounting/FBP/FBD/ PCFC/EPC (sublimit of CC)	(20.00)			
WCDL/CC/Usance Letter of Credit/Pre/Post Shipment Finance Under LCs/PO/Bill Discounting	16.00			
Invoice Finance M&M	9.50			
Invoice Finance TAFE	2.50			
WCDL	4.00			
SLC/Guarantee	2.00	Short Term	BWR A3	Issuer did not cooperate BWR A4 (Pronounced BWR A Four) Downgraded
<b>Total</b>	<b>62.25</b>	<b>INR Sixty Two Crores and Twenty Fifty Lakhs Only</b>		

<sup>^</sup> Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

**Rating: Long term and short term rating downgraded**

**Nature of Non-co-operation:**

The rating was due for a review in April 2017 BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the company financial performance and its ability to service its debt and maintain a valid rating.

**Limitations of the rating:**

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

**About the Company {Information as available 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.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Sl. No.	Instrument / Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs in Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	60.25	BWR BB+* <b>Downgraded</b>	Not Rated	Not review	Not Rated
2	Non Fund Based	Short Term	2.00	BWR A4 <b>Downgraded</b>	Not Rated	Not review	Not Rated
<b>Total</b>		<b>62.25 INR Sixty Two Crores and Twenty Fifty Lakhs Only</b>					

\* Issuer did not Co-operate; based on best available information

Initial rating was done in Dec 2013.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)



Analytical Contacts	Media
S Venkatesh Chief General Manager <a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
	Relationship Contact
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	

**For print and digital media**

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

**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.