Press Release

Auto Axis Private Limited

November 19, 2018

Rating Update

Total Bank Facilities Rated*	Rs.29.00 Cr.#
Long Term Rating	ACUITE BB- Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Rating Rationale

Acuité has reviewed the long-term rating of **'ACUITE BB-' (read as ACUITE double B minus)** on the Rs.29.00 crore bank facilities of Auto Axis Private Limited (AAPL) This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition -https://www.acuite.in/view-rating-criteria-17.htm
- Trading Entities- https://www.acuite.in/view-rating-criteria-6.htm

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

The Assam-based Auto Axis Private Limited (AAPL) was incorporated in 2006 by Mr. Anil Kumar Himatsingka and Mr. Ravi Kumar Himatsingka. The company began operations in 2007 as a dealer for Light Commercial Vehicles (LCVs) and M&HCVs of TATA Motors. It also deals in spare parts, Accessories and undertakes servicing of vehicles. AAPL has two 3S (Sales, Service and Spares) Facilities (Jorhat and Nogaon) and five sales outlets with yet another facility coming up at Golaghat,Assam.

About the Rated Entity - Key Financials

	Unit	FY15(Actual)	FY14 (Actual)	FY13 (Actual)
Operating Income	Rs. Cr.	198.03	130.31	152.91
EBITDA	Rs. Cr.	4.42	4.00	3.77
PAT	Rs. Cr.	0.62	0.53	0.45
EBITDA Margin	(%)	2.23	3.07	2.46
PAT Margin	(%)	0.31	0.40	0.29
ROCE	(%)	12.35	12.80	11.78
Total Debt/Tangible Net Worth	Times	4.77	5.27	7.49

PBDIT/Interest	Times	1.68	1.45	1.47
Total Debt/PBDIT	Times	1.40	1.15	1.25
Gross Current Assets (Days)	Days	75	71	58

Status of non-cooperation with previous CRA (if applicable)
None

Any other information
Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
13-Sep-2017	Loan Against Property	Long Term	1.00	ACUITE BB- Issuer not co-operating*
	Inventory Funding	Short Term	4.00	ACUITE A4 Issuer not co-operating*
	Cash Credit	Long Term	6.00	ACUITE BB- Issuer not co-operating*
	Trade Advance	Short Term	1.50	ACUITE A4 Issuer not co-operating*
	Channel Financing	Short Term	4.00	ACUITE A4 Issuer not co-operating*
	Trade Advance	Short Term	12.50	ACUITE A4 Issuer not co-operating*
28-Jun-2016	Loan Against Property	Long Term	1.00	ACUITE BB- (Reaffirmed)
	Inventory Funding	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BB- (Reaffirmed)
	Trade Advance	Short Term	1.50	ACUITE A4 (Reaffirmed)
	Channel Financing	Short Term	4.00	ACUITE A4 (Reaffirmed)

	Trade Advance	Short Term	12.50	ACUITE A4 (Reaffirmed)
11-May-2015	Loan Against Property	Long Term	2.00	ACUITE BB- (Assigned)
	Inventory Funding	Short Term	4.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BB- (Assigned)
	Trade Advance	Short Term	1.50	ACUITE A4 (Assigned)
	Channel Financing	Short Term	3.00	ACUITE A4 (Assigned)
	Trade Advance	Short Term	8.00	ACUITE A4 (Assigned)

**The issuer did not co-operate; based on best available information.*

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Loan Against Property	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB- Issuer not co-operating*
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB- Issuer not co-operating*
Trade Advance	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4 Issuer not co-operating*
Channel Financing	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 Issuer not co-operating*
Trade Advance	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE A4 Issuer not co-operating*

**The issuer did not co-operate; based on best available information.*

Contacts

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About Acuité Ratings & Research:
Acuité Ratings & Research Limited *(Erstwhile SMERA Ratings Limited)* is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.