

## Press Release

Auro Industries Limited

July 11, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE B+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	3.00	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	13.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has downgraded the long-term rating of '**ACUITE BB-**' (read as ACUITE double B minus) to '**ACUITE B+**' (read as ACUITE B plus) and has downgraded the short-term rating of '**ACUITE A4+**' (read as ACUITE A four plus) to '**ACUITE A4**' (read as ACUITE A four) on the Rs.13 Cr bank facilities of Auro Industries Limited. The rating is flagged as "Issuer Not-Cooperating" based on account of information risk.

### About the Company

Established in 1990, based in Kolkata, Auro Enterprises was set up as a proprietorship firm by Mr. Madhusudan Goenka for trading of electrical rectifiers and transformers before, reconstituted in 1995 and renamed as Auro Industries Limited. Currently, the company is managed by Mr. Madhusudan Goenka, Mr. Praveen Kumar Goenka, and Mr. Binod Agarwal. The company is currently engaged in trading of various products such as iron & steel, tyre & tubes, fabrics, automotive batteries, pollution control devices, among the others.

### Non-cooperation by the issuer/borrower

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

### 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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit ratings is based.

### Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

### Material Covenants

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

### Outlook

Not Applicable

### Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests

### Status of non-cooperation with previous CRA

None.

### Any other information

Not Applicable.

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitle: <https://www.acuite.in/view-rating-criteria-61.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Apr 2021	Cash Credit	Long Term	8.00	ACUITE BB-   Stable (Assigned)
	Proposed Bank Facility	Long Term	0.43	ACUITE BB-   Stable (Assigned)
	Bank Guarantee	Short Term	0.75	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	2.25	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	1.57	ACUITE BB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE A4   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE B+   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.57	ACUITE B+   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE A4   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.43	ACUITE B+   Downgraded   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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