

Autoline Industries Limited

August 18, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 243.00 Crore (Enhanced from Rs 150.50 Crore)	Regulator[^]
Long Term Rating	IVR BBB- / Stable (Rating Reaffirmed)	RBI
Short Term Rating	IVR A3 (Rating Reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility-wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics has reaffirmed the long-term and short-term ratings of the bank facilities of Autoline Industries Limited (AIL). The reaffirmation of ratings factors in AIL's established relationships with leading domestic automotive OEMs, including Tata Motors, Mahindra, Ashok Leyland, Daimler India and Cummins, supported by repeat orders and healthy fresh business inflows, providing strong medium-term revenue visibility.

The ratings also draw comfort from the healthy 25.2% growth in operating income to ₹822.29 crore in FY2026, successful commercialisation of multiple new vehicle programmes, integrated manufacturing and engineering capabilities, adequate available capacity with capacity utilisation of around 61.8%, and strengthening of the capital structure, with tangible net worth improving to ₹192.17 crore and gearing declining to 1.65x as on March 31, 2026 from 2.46x a year earlier. However, the ratings continue to be constrained by high customer concentration, with Tata Motors Limited and Tata Motors Passenger Vehicles Limited contributing around 65% of revenues. The ratings also factor-in the moderate debt protection metrics with Total Debt/EBITDA of 4.06x and interest coverage of 1.96x for FY26. Other limiting factors for the rating are elevated working capital intensity, susceptibility of margins to steel price movements and programme stabilisation costs, as well as exposure to cyclicity in the automotive industry.

Outlook: Stable

Stable outlook is driven by the expectation of continuation of strong revenue growth over FY27-FY28, driven by successful development of new products for the OEMs' new vehicle models. The significantly improved capital structure in FY26 with further strengthening expected over FY27-FY29, is expected to translate into an overall stronger financial profile.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Established relationships with leading OEMs coupled with healthy order inflows provide strong revenue visibility

AIL has developed long-standing relationships with leading domestic automotive OEMs including Tata Motors Limited (TML), Tata Motors Passenger Vehicles Limited (TMPVL), Mahindra Vehicle Manufacturers, Ashok Leyland, Daimler India and Cummins. The company continues to maintain a preferred Tier-I supplier status with OEMs for several structural sheet metal, Body-in-White (BIW), mechanical assemblies and driver control systems across commercial vehicles (CVs), passenger vehicles (PVs) and electric vehicle (EV) platforms. During FY2026, Tata Motors and Tata Motors Passenger Vehicles together contributed around ~65% of the company's revenues, reflecting strong customer acceptance as well as repeat business from existing platforms.

The relationship with key OEMs strengthened further during FY2026 with successful commercialisation of several new vehicle programmes including Tata Sierra, Nexon Facelift, Punch Facelift, Altroz Facelift, Mahindra Udo three-wheeler platform, all of which commenced production during the year. Management indicated that these programmes were implemented largely as per schedule, with only minor delays, and have already started contributing to revenues. The company has also secured approximately ₹600

crore of fresh business from existing customers, providing healthy revenue visibility over the medium term. The continued addition of new platforms across both passenger and commercial vehicle segments reduces dependence on individual vehicle models while strengthening customer stickiness.

Healthy improvement in operating scale supported by successful execution of expansion projects and new product launches

AIL reported a healthy improvement in its scale of operations during FY2026, with operating income increasing by 25.2% to ₹822.29 crore from ₹656.93 crore in FY2025. The growth was driven by higher production volumes from recently commercialised vehicle platforms, increasing share of passenger vehicle programmes and higher tooling revenues. According to the management, the company benefited from improved production schedules across Tata Motors and Mahindra during the year, supported by favourable demand in passenger vehicles, commercial vehicles and EV platforms. The management further highlighted that the company's quarterly revenues increased steadily during FY2026 as new programmes stabilised. Management also stated that the current growth is not dependent on a single platform but is being driven by a combination of existing products, new model launches and increasing volumes from previously launched programmes, thereby improving the sustainability of future revenues.

Integrated manufacturing capabilities and strong engineering competencies enhance competitive positioning

AIL has developed integrated manufacturing capabilities covering the complete value chain of sheet metal stamping, robotic welding, mechanical assemblies, Body-in-White (BIW) assemblies and tooling, enabling the company to manufacture more than 4,000 different automotive components for multiple OEM platforms. The company operates press capacities ranging from 63 tonnes to 2,000 tonnes and has increasingly adopted robotic welding cells to improve manufacturing precision, consistency, productivity and quality.

The company is also supported by its in-house engineering capabilities through Autoline Design Software Limited (ADSL), which undertakes product design, engineering and software services for automotive applications. During FY2026, the Board approved the amalgamation of ADSL with Autoline Industries, which is expected to improve operational integration, eliminate duplication of corporate overheads and strengthen the

company's ability to offer integrated design-to-manufacturing solutions to OEM customers.

Improvement in capital structure supported by equity infusion, asset monetisation and strengthening of net worth

The company's financial profile improved materially during FY2026 following successful equity infusion and completion of the monetisation of its investment in Autoline Industrial Park recognised in FY26(A) at Rs. 21.84 Cr. Tangible net worth increased significantly to ₹192.17 crore as on March 31, 2026, from ₹116.46 crore a year earlier, supported by the addition of PAT and fresh equity infusion during FY26 through the conversion of 22 lakhs preferential warrants into equity shares. The company allotted 22 lakh equity shares at an issue price of ₹102.50 per share (face value of ₹10 and securities premium of ₹92.50), resulting in a total equity infusion of approximately ₹22.55 crore. The company has another potential source of equity infusion on the allotted 32.65 lakh warrants at an issue price of ₹75 per warrant (face value ₹10 and premium ₹65) on which it has already received 25% of the issue price upfront. Despite an increase in absolute borrowings to fund business expansion and tooling requirements, the company's overall gearing improved to 1.65 times as on March 31, 2026 from 2.46 times as on March 31, 2025. Management further indicated that a significant portion of the tooling-related term loans are expected to be repaid through customer receivables (for billing done for client specific tools developed) during FY2027, which is likely to support further deleveraging going forward.

Growing contribution from tooling business and focus on productivity enhancement support future profitability

Apart from its core automotive component business, AIL has strengthened its tooling operations, which have become an increasingly important value-added business segment. Management indicated that tooling revenues increased to approximately ₹75 crore during FY2026, substantially higher than the earlier expectation of around ₹40 crore, supported primarily by higher orders from Tata Motors. The company has also initiated measures to enhance its in-house tool room capabilities and reduce dependence on outsourced tooling. Going forward, management intends to focus largely on automation, robotic welding, productivity improvements and cycle-time optimisation rather than undertaking significant capacity expansion. These initiatives are expected to

improve manufacturing efficiencies, reduce dependence on skilled labour and support gradual improvement in operating margins over the medium term.

Adequate available manufacturing capacity provides headroom for future growth with limited incremental capex

The company operated at a capacity utilisation of around 61.8% during FY26, broadly in line with the previous year, despite reporting a 25% increase in operating income. This was primarily driven by higher value addition per unit through increased supplies of complex assemblies, and commencement of supplies for new OEM platforms, rather than a significant increase in production volumes. Further, ramp-up of the recently commissioned facilities at Pune, Sanad and execution of higher-value orders from key customers such as Tata Motors and Mahindra supported revenue growth without materially impacting overall capacity utilisation. This indicates the availability of sufficient installed manufacturing capacity to support expected growth over the near to medium term without requiring significant greenfield investments. Management indicated that future capital expenditure would largely be directed towards automation, balancing existing production lines, installation of additional robotic welding cells and productivity enhancement rather than major capacity additions. Accordingly, a significant portion of the anticipated revenue growth over FY2027-FY2029 is expected to be generated through better utilisation of existing manufacturing infrastructure, which is likely to moderate future capital intensity

Weaknesses

High customer concentration despite diversification across multiple vehicle platforms

Although AIL supplies components across passenger vehicles, commercial vehicles and EV platforms, its customer concentration remains relatively high. During FY2026, Tata Motors Limited and Tata Motors Passenger Vehicles Limited together accounted for nearly 65% of total revenues, while the top three customers contributed over 70% of total sales. While the relationship with Tata Motors spans multiple vehicle platforms and component categories, thereby reducing dependence on any single model, the company's revenues remain exposed to changes in production schedules, procurement policies,

inventory rationalisation and demand conditions affecting a limited number of OEMs. Consequently, customer concentration continues to remain a key credit monitorable despite continued order additions.

Operating margins remain susceptible to raw material price movements and programme stabilisation risks

Steel continues to constitute the principal raw material for the company, accounting for nearly 65–68% of total revenue, exposing profitability to fluctuations in steel prices. Although the company benefits from periodic price revisions with OEMs, there could be timing differences in pass-through of raw material cost increases, particularly during periods of sharp commodity price volatility. Further, despite healthy revenue growth during FY2026, EBITDA margin moderated to 9.47% from 10.30% in FY2025. Management attributed the decline primarily to costs associated with stabilisation of newly launched programmes such as Sierra, Nexon Facelift and Mahindra Udo, which required manpower training, production balancing and lower initial operating efficiencies. Although these programmes have now largely stabilised and management expects margins to improve during FY2027, profitability continues to remain exposed to commodity prices and execution efficiencies.

Working capital intensity continues to remain relatively high, constraining liquidity

The company's operations remain inherently working capital intensive owing to inventory requirements, tooling execution and customer credit terms. During FY2026, the operating cycle increased to around 68 days from 59 days in the previous year, while inventory holding increased to approximately 43 days in FY26 from 37 days in FY25. Cash flow from operations also moderated sharply to ₹11.23 crore during FY2026 from ₹67.27 crore in FY2025. Management clarified that the deterioration was largely attributable to approximately ₹75 crore of tooling inventory that had been manufactured and kept ready for dispatch towards the end of FY2026 but was billed only during FY2027. While management expects normalisation of working capital during FY2027, liquidity remains sensitive to execution of tooling orders, inventory management and timely customer collections.

Debt protection metrics continue to remain moderate despite improvement in the capital structure

Despite the strengthening of the company's net worth during FY2026, debt protection metrics continue to remain moderate owing to expansion-related borrowings and higher working capital requirements. Total debt increased to ₹316.55 crore as on March 31, 2026 from ₹286.28 crore a year earlier, while interest coverage moderated to 1.96 times from 2.13 times in FY2025. Similarly, Total Debt/EBITDA remained elevated at 4.06 times. Nevertheless, the company's credit profile remains dependent on timely improvement in debt protection metrics through sustained profitability and deleveraging.

Exposure to cyclicity in the automotive industry and concentration in domestic OEM production schedules

AIL derives virtually its entire revenue from the automotive sector and therefore remains exposed to cyclical fluctuations in vehicle demand, regulatory changes, consumer sentiment and OEM production schedules. Although the company has diversified across passenger vehicles, commercial vehicles, EVs, tooling and engineering services, its revenues continue to remain closely linked to domestic automotive production. While management expects sustained growth supported by infrastructure spending, uptick in commercial vehicle sales volumes, increasing EV penetration and implementation of the vehicle scrappage policy, any prolonged slowdown in the automotive sector or reduction in production volumes by key OEMs could adversely impact the company's operating performance.

Liquidity – Adequate

The company's liquidity is expected to remain adequate, supported by healthy expected cash accruals, improving debt protection metrics and moderation in leverage. The overall gearing improved to 1.69x as on March 31, 2026 from 2.57x as on March 31, 2025, aided by equity infusion, conversion of CCDs into equity and asset monetisation. Additionally, a significant portion of the tooling-related term loan is expected to be repaid through milestone-based receipts from Tata Motors during FY27, which should support debt servicing. However, liquidity remains constrained by the high utilisation of fund-based

working capital limits, with average utilisation of around 85% for during FY26, with facilities frequently nearing full utilisation during several months. This reflects elevated working capital requirements on account of higher inventory and receivables.

Rating Sensitivities

Upward Factors

- Sustained growth in scale of operations along with improvement in operating margins and cash accruals.
- Improvement in the capital structure and debt protection metrics, with overall gearing reducing below 1.0x and interest coverage improving above 3.5x on a sustained basis.
- Sustained improvement in liquidity through stronger cash flow generation and efficient working capital management

Downward Factors

- Material decline in operating income and/or profitability, resulting in weakening of debt protection metrics.
- Deterioration in the financial risk profile, with overall gearing remaining above 2.0x and/or interest coverage declining below 2.0x on a sustained basis.
- Elongation in the working capital cycle or adverse raw material price movements, resulting in pressure on liquidity and incremental debt requirements.

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 the 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, and Application Software Services

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	656.93	822.29
EBITDA	67.67	77.91
PAT	19.04	38.66
Total Debt	286.28	316.55
Tangible Net Worth (TNW)	116.46	192.17
EBITDA Margin (%)	10.30	9.47
PAT Margin (%)	2.88	4.67
Overall Gearing (times)	2.57	1.69
Interest Coverage (times)	2.13	1.96

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

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](#)

[Policy on Withdrawal of Ratings](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in in 2023-24
					Jun 23,2025	Oct 01,2024	Sept 10, 2024	Aug 24, 2023
1.	Fund-based facilities	LT	171.07	IVR BBB- / Stable	IVR BBB- / Stable	IVR BB+ / Stable	IVR BB+ / Stable	IVR BB / Stable
2.	Non-fund-based facilities	ST	19.00	IVR A3	IVR A3	IVR A4+	IVR A4+	IVR A4
3.	Proposed non-fund-based facilities	ST	52.93	IVR A3	-	-	-	-

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISI N	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Completeness Indicator
Term loan	-	-	-	Dec 2031	91.07	IVR BBB- /Stable	-	RBI	Simple
Cash Credit	-	-	-	-	30.00	IVR BBB- /Stable	-	RBI	Simple
Revolving Working Capital	-	-	-	-	10.00	IVR BBB- /Stable	-	RBI	Simple
Supply Chain Finance	-	-	-	-	40.00	IVR BBB- /Stable	-	RBI	Simple
Letter of credit	-	-	-	-	19.00	IVR A3	-	RBI	Simple
Proposed Letter of Credit	-	-	-	-	52.93	IVR A3	-	RBI	Simple
Cash Credit	-	-	-	-	0.00(Reduced from 16.88 Cr)	Withdrawn*	-	RBI	Simple
Letter of Credit	-	-	-	-	0.00(Reduced from 19.00 Cr)	Withdrawn*	-	RBI	Simple

*Cash credit and Letter of Credit facility from Bank of Baroda have been withdrawn based on No Due certificate and request to withdraw these facilities.

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Autoline_Ind18_Aug26_b32b32a873.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

Annexure 5: List of activities/instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA



Sr. No.	Instrument / activity Name	Regulator of the instruments
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.



\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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About Infomerics

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For more information and definitions of ratings, please visit www.infomerics.com.

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