



Rating Rationale

Auto Clutches

11th August 2017

Brickwork Ratings has reviewed the rating assigned to the Bank Loan Facility of Rs. 7.15 Crore of Auto Clutches, based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is revised/reaffirmed as **BWR BB- (Outlook: Stable)/A4 ISSUER NOT COOPERATING***

Particulars

Facilities Rated [#]	Amount (Rs. Crs)		Tenure	Rating ¹	
	Previous	Present		Previous	Present
Fund Based Cash Credit	5.50	5.50	Long Term	BWR BB <i>(Pronounced as BWR Double B)</i> Outlook: Stable	BWR BB- ISSUER NOT COOPERATING* Outlook: Stable <i>(Pronounced as BWR Double B Minus)</i> Revised from BWR BB (Outlook: Stable)
Non Fund Based Letter of Credit Bank Guarantee	1.50 0.15	1.50 0.15	Short Term	BWR A4 <i>(Pronounced BWR A Four)</i>	BWR A4 ISSUER NOT COOPERATING* <i>(Pronounced BWR A Four)</i> Reaffirmed
Total	7.15	Rs. 7.15 Crore (Rupees Seven Crore and Fifteen Lakh Only)			

Annexure I provides bank wise details of facilities

*Issuer did not cooperate; Based on best available information

1 Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Downgraded

Nature of Non Cooperation:

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



and maintain a valid rating. Hence, on account of inadequate information and lack of management cooperation, Brickwork Ratings has revised/reaffirmed the rating of the said instrument as BWR BB- (Outlook: Stable)/A4 ISSUER NOT COOPERATING*.

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. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

About the Proprietorship concern

Auto Clutches was established in 1986 in Shimoga, Karnataka. Mr. Subramanya is the proprietor of the concern. The concern is involved in the manufacture of automotive machine parts.

Financial Performance

On a provisional basis, the concern had achieved revenue of around Rs. 32.00 Crs for FY16.

Rating History for the last three years

Sl. No.	Instrument/ Facilities	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. Cr)	Rating	(10 th May 2016) [^]	(06 th Feb 2015) ^{^^}	2014
1	Fund Based Cash Credit	Long Term	5.50	BWR BB- Outlook: Stable ISSUER NOT COOPERATING* Revised from BWR BB (Outlook: Stable)	BWR BB (Outlook: Stable) <i>Upgraded from</i> <i>BWR BB-</i> <i>(Outlook: Stable)</i>	BWR BB- (Outlook: Stable) <i>Assigned</i>	-
2	Non Fund Based Letter of Credit Bank Guarantee	Short Term	1.50 0.15	BWR A4 ISSUER NOT COOPERATING* Reaffirmed	BWR A4 Reaffirmed	BWR A4 Assigned	-

[^] Amount Rated: Rs. 7.15 Crore

^{^^} Amount Rated: Rs. 3.95 Crore

* Issuer did not cooperate; Based on best available information

Status of Non-Cooperation with Other CRA: Not Applicable



Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria

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

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For print and digital media

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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 Investors queries can be sent to 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.



Annexure I
Auto Clutches
Shimoga, Karnataka

Name of the Bank	Bank Facility	Tenure	Facility Type	Rating Amount (Rs. Cr)
State Bank of Mysore (Now, State Bank of India) RASMECCC (Shimoga) Branch No. 307, First Floor, 100 Feet Road, Rajendra Nagar, Shimoga, Karnataka – 577 204	Cash Credit	Long Term	Fund Based	5.50
	Bank Guarantee	Short Term	Non-Fund based	0.15
	Letter of Credit			1.50
Total				7.15