

## Press Release

### Fortune Metaliks Limited

June 04, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 165.00 Cr. #
<b>Long Term Rating</b>	ACUITE BBB-(Downgraded from ACUITE BBB) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A3(Downgraded from ACUITE A3+) Issuer not co-operating*

#Refer Annexure for details

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

### Rating Rationale

Acuité has downgraded the long term rating of '**ACUITE BBB**' (**read as ACUITE Triple B**) to '**ACUITE BBB-**' (**read as ACUITE Triple B minus**) and reaffirmed the short term rating of '**ACUITE A3+**' (**read as ACUITE A three plus**) on the Rs.165.00 crore bank facilities of Fortune Metaliks Limited(FML). This rating is now an indicative rating and is based on best available information.

Incorporated in 2008, Fortune Metaliks Limited is part of the Fortune group promoted by Mr. Bhagwan Dass Bansal. The company is engaged in manufacturing of billets, TMT bars and structural steel products. The manufacturing unit is located in Raipur (Chhattisgarh) with installed capacity 96,000 metric tons per annum (MTPA) of billets, 1,08,000 (MTPA) of TMT bars and 72,000 MTPA for structural steel products. Currently the operations are managed by the second generation of the Bansal family. The company sells its product under the brand name of "Fortune".

### About The Group

The Fortune group was promoted by Mr. Bhagwan Dass Bansal. The group is engaged in manufacturing of TMT bars, GI Pipes, MS pipes and structural steel. The flagship company of the group (Fortune Metals Limited) was incorporated in 2004 and is engaged in TMT bars, GI pipes, MS Pipes. The manufacturing unit is located in Punjab while the GI Pipes and MS Pipes unit is located in Raipur. In 2007, the Bansal family led by Mr. Bhagwan Dass Bansal promoted Fortune Metaliks Limited engaged in TMT bar manufacturing and structural steel manufacturing with the unit located in Raipur (Chhattisgarh). The business is managed by Mr. Bhagwan Dass Bansal along with 2nd generation of the Bansal family namely Mr. Deep Bansal and Mr. Saurabh Bansal.

### Analytical Approach

The team has taken a consolidated view of the business and financial risk profile of Fortune Metaliks Limited and Fortune Metals Limited while assigning the ratings. This is on account of the common ownership, same line of business and cross guarantees between each other. The group is collectively referred to as the Fortune Group.

### 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

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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 endeavored 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 - Key Financials

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

### 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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
16-Mar-2018	Cash Credit	Long Term	96.80	ACUITE BBB/Stable (Assigned)
	Term Loan	Long Term	43.70	ACUITE BBB/Stable (Assigned)
	Standby Line of Credit	Short term	3.00	ACUITE A3+/Stable (Assigned)
	Proposed Long Term Loan	Long term	21.50	ACUITE BBB/Stable (Assigned)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	upon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	96.80	ACUITE BBB- (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	43.70	ACUITE BBB- (Downgraded from ACUITE BBB) Issuer not co-operating*
Standby Line of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A3 (Downgraded from ACUITE A3+) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	21.50	ACUITE BBB- (Downgraded from ACUITE BBB) Issuer not co-operating*

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

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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.

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