

Press Release

Fortuna Engineering Private Limited

May 30, 2020

Rating Update



Total Bank Facilities Rated*	Rs.50.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB+) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A2+) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) to '**ACUITE BB+**' (read as **ACUITE double B Plus**) and short term rating of '**ACUITE A2+**' (read as **ACUITE two plus**) to '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.50.00 crore bank facilities of Fortuna Engineering Private Limited (FEPL). This rating is now an indicative rating and is based on best available information.

Maharashtra-based, FEPL was incorporated in 1993 by Mr. R. Suriyanarayanan. FEPL is engaged in machining and assembling of precision auto components such as connecting rods and camshafts for leading OEM's in India. FEPL has its manufacturing unit located in Nashik, Maharashtra with machining capacity of 2,50,000 connecting rods per month and 10,000 camshafts per month.

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 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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). Acuite endeavored 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 rating is based.

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite 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. Crore)	Ratings/Outlook
18-Mar-2019	Cash Credit I	Long Term	1.50#	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Cash Credit II	Long Term	1.50	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Term Loan I	Long Term	9.31	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Term Loan II	Long Term	8.32	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Term Loan III	Long Term	4.19	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Term Loan IV	Long Term	8.30	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Downgraded from ACUITE A2+)
	Proposed Fund Based Facility	Long Term	16.78	ACUITE BB+ (Downgraded from ACUITE BBB+/Stable)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit I	Not Applicable	Not Applicable	Not Applicable	1.50#	ACUITE BB+ (Downgraded) Issuer not co-operating*
Cash Credit II	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB+ (Downgraded) Issuer not co-operating
Term Loan I	Not Applicable	Not Applicable	Not Applicable	9.31	ACUITE BB+ (Downgraded) Issuer not co-operating
Term Loan II	Not Applicable	Not Applicable	Not Applicable	8.32	ACUITE BB+ (Downgraded) Issuer not co-operating
Term Loan III	Not Applicable	Not Applicable	Not Applicable	4.19	ACUITE BB+ (Downgraded) Issuer not co-operating

Term Loan IV	Not Applicable	Not Applicable	Not Applicable	8.30	ACUITE BB+ (Downgraded) Issuer not co-operating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE A4+ (Downgraded) Issuer not co-operating
Proposed Fund Based Facility	Not Applicable	Not Applicable	Not Applicable	16.78	ACUITE BB+ (Downgraded) Issuer not co-operating

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

#Sublimit - LC of Rs.1.00 crore of CC, BG of Rs.0.50 crore of CC, WCDL of Rs.1.00 crore of CC and Post Shipment Facility of Rs.0.10 crore.

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,200 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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