

Press Release

Fortuna Engineering Private Limited

November 10, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.10	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	49.90	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 50.00 crore bank facilities of Fortuna Engineering Private Limited (FEPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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.

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 continues to be 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). 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 requests

Rating Sensitivity

"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.

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

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.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels

of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Aug 2021	Term Loan	Long Term	4.19	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	8.30	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	16.78	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.31	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	8.32	ACUITE BB (Downgraded and Issuer not co-operating*)
30 May 2020	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	16.78	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.31	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.19	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	8.30	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	8.32	ACUITE BB+ (Downgraded and Issuer not co-operating*)
18 Mar 2019	Cash Credit	Long Term	1.50	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	0.10	ACUITE A2+ (Assigned)
	Cash Credit	Long Term	1.50	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	9.31	ACUITE BBB+ Stable (Assigned)
	Proposed Bank Facility	Long Term	16.78	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	8.32	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	8.30	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	4.19	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	0.10	ACUITE A4+ Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE BB- Downgraded Issuer not co-operating*
CITI Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	16.78	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	8.32	ACUITE BB- Downgraded Issuer not co-operating*
CITI Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.31	ACUITE BB- Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.19	ACUITE BB- Downgraded Issuer not co-operating*
Bajaj Finserv Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	8.30	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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