



## Press Release

### Fortune Group

September 4, 2020

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term bank facilities- Cash Credit	9.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Revised from IVR BBB-/Stable (IVR Triple B minus with Stable outlook) and moved to Issuer not Cooperating category
Short Term bank Facilities- Bank Guarantee	17.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)	Revised from IVR A3 (IVR A Three) and moved to Issuer not Cooperating category
<b>Total</b>	<b>26.00</b>		

*\*Issuer did not cooperate; based on best available information*

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding Fortune Group's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the firm is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the firm.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated July 20, 2020, August 26, 2020, August 27, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term and short-term ratings for the



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bank loan facilities of Fortune Group aggregating to Rs.26.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as "IVR BB+; Issuer Not Co-operating; Based on best available information (IVR Double B Plus) and IVR A4+ (IVR A Four Plus); Issuer Not Co-operating; Based on best available information)".

### **Analytical Approach & Applicable Criteria:**

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector)

### **About the Company**

M/s Fortune group (FG) was initially set up as a proprietorship firm in 2003 and reconstituted as a partnership firm in 2009 with Mr. Tapas Kumar Pathy, Mr. Rajendra Narayan Nayak and Mrs. Meenakshi Panda as partners. Presently, the firm is governed by the partnership deed dated April 15, 2015 with a profit-sharing ratio of 85:5:10. The firm offers a wide range of services in construction and infrastructure related developmental works across several sectors which includes execution of heavy earth work, construction of road embankment, raising of subgrade, concrete structures, asphalt topping of roads, reservoirs, steel structures, road projects, drainage work, etc. with major focus on roads and bridges.

<b>Financials (Standalone)</b>		<b>(Rs. Crore)</b>	
<b>For the year ended* / As On</b>	<b>31-03-2018</b>	<b>31-03-2019</b>	
	<b>Audited</b>	<b>Provisional</b>	
Total Operating Income	97.16	98.03	
EBITDA	10.63	10.30	
PAT	3.78	3.64	
Total Debt	9.70	9.67	
Tangible Net Worth	18.96	23.22	
EBITDA Margin %	10.94	10.51	
Overall Geating (x)	0.51	0.42	

*\*Based on Infomerics classification*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**



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### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	9.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB-/Stable (August 1, 2019)	-	-
2.	Bank Guarantee	Short Term	17.00	IVR A4+; ISSUER NOT COOPERATING	IVR A3 (August 1, 2019)	-	-

*\* Issuer did not cooperate; based on best available information*

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and



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type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund based facilities- Cash Credit	-	-	-	9.00	IVR BB+; Issuer Not Cooperating*
Short Term Non Fund based Facilities- Bank Guarantee				17.00	IVR A4+; Issuer Not Cooperating*

\* Issuer did not cooperate; based on best available information