



Press Release

Fortune Chemicals Ltd

June 19, 2020

Ratings

Sl. No.	Instrument / Facility	Amount (INR Crores)	Rating	Rating Action
1.	Long Term Bank Facilities – Proposed Term Loan	45.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING* (IVR Single B Plus with Stable Outlook ISSUER NOT COOPERATING)	Revised and Re-affirmed at ISSUER NOT COOPERATING category
2.	Long Term Bank Facilities – Cash Credit (Proposed)	5.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING* (IVR Single B Plus with Stable Outlook ISSUER NOT COOPERATING)	Revised and Re-affirmed at ISSUER NOT COOPERATING category

**Issuer not cooperating, based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision and re-affirmation to the bank facilities of Fortune Chemicals Ltd continues to reflect lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity 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 entity, despite the rating revision.

Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail June 16, 2020. However, despite repeated requests, the company has failed to submit “No Default Statement”, Audited financial statements for FY18 and FY19, and other data for review. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics is re-affirming and revising the long term rating for the bank loan



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facilities of Fortune Chemicals Ltd aggregating to INR 50.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR B+/Stable Outlook ISSUER NOT COOPERATING (pronounced IVR Single B Plus with Stable Outlook ISSUER NOT COOPERATING). Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Sector Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

About the Company

Incorporated in 1989, Fortune Chemicals Limited (FCL) is engaged, as of now, in the business of wholesale trading of commodities and merchandise. Initially, the company commenced operations by exporting pulses. Over the years, it has exported agro based commodities including processed foods, frozen foods, vegetable individually quick frozen (IQF) etc along with pharma and chemical commodities. The core trading activity of the company at present consists of mainly agro based commodities; whereas, trading in pharma products and chemicals constitute a small proportion.

Financials*

(INR crore)

For the year ended/ As On	31-03-2016 (Audited)	31-03-2017 (Audited)
Total Operating Income	305.69	306.54
EBITDA	2.73	6.66
PAT	2.64	6.23
Total Debt	NIL	NIL
Tangible Networkth	13.56	32.59
Ratios		
EBITDA Margin (%)	0.89	2.17
PAT Margin (%)	0.86	2.09

*Classification as per Infomerics' standards.



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Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20 (April 13, 2019)	Date(s) & Rating(s) assigned in 18-19	Date(s) & Rating(s) assigned in 17-18 (January 18, 2018)
1.	Long Term Bank Facilities – Proposed Term Loan	Long Term	45.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING	IVR BB/Stable Outlook ISSUER NOT COOPERATING	-	IVR BBB/Stable Outlook
2.	Long Term Bank Facilities – Cash Credit (Proposed)	Long Term	5.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING	IVR BB/Stable Outlook ISSUER NOT COOPERATING	-	IVR BBB/Stable Outlook

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.

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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. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



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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 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Proposed Term Loan	--	--	--	45.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING
Long Term Bank Facilities – Cash Credit (Proposed)	--	--	--	5.00	IVR B+/Stable Outlook ISSUER NOT COOPERATING