



## Press Release

### Fusion Industries Limited (FIL)

June 14, 2023

#### Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term fund based Bank Facilities – Cash Credit	20.00	IVR BB/ Negative; ISSUER NOT COOPERATING * (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING *)	Revised from IVR BB+/ Stable (IVR Double B Plus with Stable Outlook) and moved to ISSUER NOT COOPERATING Category	Simple
Short Term non fund Bank Facilities – Letter of Credit	5.00	IVR A4; ISSUER NOT COOPERATING * (IVR A Four; ISSUER NOT COOPERATING *)	Revised from IVR A4+ (IVR A Four Plus) and moved to ISSUER NOT COOPERATING Category	Simple
<b>Total</b>	<b>25.00</b> <b>(Rupees Twenty Five crore only)</b>			

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

#### Details of Facility are in Annexure 1

##### Detailed Rationale

The revision in the ratings reflects lack of adequate information available 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.

##### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications April 12, 2023, April 20, 2023, May 2, 2023, May 17, 2023, May 24, 2023, May 31, 2023 and June 1, 2023, and



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concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted some of 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 ratings for the bank loan facilities aggregating to Rs. 25.00 crore of FIL has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB/ Negative; INC / IVR A4; INC; based on best available information (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING / IVR A Four; ISSUER NOT COOPERATING); based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of Rating Outlook](#)

[Policy of default recognition](#)

**About the Company**

FIL was originally incorporated as Yee Kay Technocrat Pvt Ltd in 2002 by Chandna family under the guidance of Mr. Trilok Chand Chandna. The company commenced trading in pipes and fittings in 2004. Subsequently, in the year 2005, the promoters set up a manufacturing facility of pipes in Faridabad. In the year 2006, the manufacturing facility of the company was moved to Roorkee, Uttarakhand. Further, the company was reconstituted as a closely held public limited company with the current name in 2013. In FY21, FIL increased the installed capacity to 11,540 MTPA from 10,970 MTPA in FY20. The installed capacity was further increased to 18,415 in FY22.

Presently, FIL is engaged in manufacturing of PPR Pipes and Fittings, PVC Pipes and Fittings, CPVC Pipes and Fittings, UPVC Pipes and Fittings, SWR Pipes and Submersible Pipes. The company mainly operates in the domestic market. The company sells its product under the brand name "Fusion". Its manufacturing units located at Roorkee have a total installed capacity of 18,415 as on December 31, 2021.



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### Financials (Standalone):

(Rs. crore)

For the year ended / As on*	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	77.67	86.90
EBITDA	6.25	6.31
PAT	0.79	0.65
Total Debt	30.75	32.36
Tangible Net worth	20.12	20.80
<b>Ratios</b>		
EBITDA Margin (%)	8.05	7.26
PAT Margin (%)	1.02	0.74
Overall Gearing Ratio	1.53	1.56

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

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (April 12, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (January 14, 2021)
1.	Long Term fund based Bank Facilities – Cash Credit	Long Term	20.00	IVR BB/ Negative; ISSUER NOT COOPERATING *	IVR BB+/ Stable	-	IVR BB+/ Stable
2.	Short Term non fund Bank Facilities – Letter of Credit	Short Term	5.00	IVR A4; ISSUER NOT COOPERATING *	IVR A4+	-	IVR A4+

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



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### Name and Contact Details of the Rating Team:

Name: Nilesh Gupta

Tel.: (022) 6239 6023

Email: [nilesh.gupta@infomerics.com](mailto:nilesh.gupta@infomerics.com)

Mr. Amit Bhuwania

Tel.: (022) 6239 6023

Email: [abhuwania@infomerics.com](mailto:abhuwania@infomerics.com)

### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**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 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 Instruments / Facilities

Name of Instruments / Facilities	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term fund based Bank Facilities – Cash Credit	-	-	-	20.00	IVR BB/ Negative; ISSUER NOT COOPERATING *



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Short Term non fund Bank Facilities – Letter of Credit	-	-	-	5.00	IVR A4; ISSUER NOT COOPERATING *
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**Annexure 2: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 3: Facility wise lender details: Not Available**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**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)