



Press Release

Fusion Industries Limited (FIL)

July 23, 2024

Ratings:

Instrument / Facility	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	20.00	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; Issuer Not Cooperating) *	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; Issuer Not Cooperating) *	Rating downgraded and continued under ISSUER NOT COOPERATING CATEGORY*	Simple
Short Term Facilities	5.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) *	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) *	Rating reaffirmed and continued under ISSUER NOT COOPERATING CATEGORY*	Simple
Total	25.00 (Rupees Twenty Five crore only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has downgraded the long term ratings and continued under issuer not cooperating category and reaffirmed the short term ratings and continued under issuer not cooperating category due to lack of adequate information available, non-payment of annual surveillance fees 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.



Press Release

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 June 12, 2024, July 1, 2024, July 11, 2024, and July 13, 2024, and 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 long term ratings for the bank facilities of Rs.20.00 crore has been downgraded and continued under 'ISSUER NOT COOPERATING' category at IVR BB-/Negative; ISSUER NOT COOPERATING and the short term ratings of Rs.5.00 crore at IVR A4; ISSUER NOT COOPERATING category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

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

[Policy on issuer not cooperating](#)

[Rating Methodology for Manufacturing Companies](#)

[Criteria of Rating Outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

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.



Press Release

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.

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
EBITDA Margin (%)	8.05	7.26
PAT Margin (%)	1.02	0.74
Overall Gearing Ratio (x)	1.53	1.56
Interest Coverage (x)	1.99	2.18

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Security/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					June 14, 2023	April 12, 2022	-
1.	Cash Credit	Long Term	20.00	IVR BB-/ Negative; Issuer Not Cooperating *	IVR BB/ Negative; Issuer Not Cooperating *	IVR BB+/ Stable	-



Press Release

2.	Letter of Credit	Short Term	5.00	IVR A4; Issuer Not Cooperating *	IVR A4; Issuer Not Cooperating *	IVR A4+	-
----	------------------	------------	------	----------------------------------	----------------------------------	---------	---

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

Name and Contact Details of the Rating Analyst:

Name: Nilesh Gupta Tel: (022) 62396023 Email: nilesh.gupta@infomerics.com	Name: Amey Joshi Tel: (022) 62396023 Email: amey.joshi@infomerics.com
--	--

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com



Press Release

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	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	20.00	IVR BB-/ Negative; Issuer Not Cooperating *
Letter of Credit	-	-	-	-	5.00	IVR A4; Issuer Not Cooperating *

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.