



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Fortune Chemicals Ltd.

April 13, 2019

Rating

Instrument/ Facility	Amount (Rs. Crores)	Current Rating	Rating Action
Long Term Bank Facilities - Proposed Term Loan	45.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*	Moved to ISSUER NOT COOPERATING Category from IVR BBB with Stable Outlook
Long Term Bank Facilities - Cash Credit	5.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*	Moved to ISSUER NOT COOPERATING Category from IVR BBB with Stable Outlook
Total	50.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

Availability of information from the client is a key factor in the assessment of credit risk. However, no operational or financial information has been provided by the company. Based on information received at the time of last review/surveillance, the ratings have been migrated to IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING '.

Non-cooperation by Issuer

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mails dated January 08, 2019, January 15, 2019, February 12, 2019, February 20, 2019, February 26, 2019, March 6, 2019 and March 29, 2019 and concurrently several phone calls. However, despite repeated requests, the company has failed to submit the relevant details. In the absence of the relevant information and NDS, in consonance with SEBI guidelines, Infomerics has moved the long term rating for bank loan facilities of Fortune Chemicals Ltd. aggregating to Rs. 50.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Stable Outlook ISSUER NOT COOPERATING (IVR Double B 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.

The company has also not paid the fees for conducting rating surveillance as agreed to in the rating agreement.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

Infomerics Valuation And Rating Pvt. Ltd.

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

(Rs. Crores)

For the year ended / As on	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	305.69	306.54
EBITDA	2.73	6.66
PAT	2.64	6.23
Total Debt	NIL	NIL
Tangible Net Worth	13.56	32.59
Ratios		
a. EBITDA Margin	0.89	2.17
b. PAT Margin	0.86	2.09
c. Overall Gearing ratio	NA	NA

Note: Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Name of Instrument/F acilities	Current Rating (Year 2018-19)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in FY18	Date(s) & Rating(s) assigned in FY17	Date(s) & Rating(s) assigned in FY16
Long Term Bank Facilities - Proposed Term Loan	Long Term	45.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*	IVR BBB/Stable Outlook (IVR Triple B with Stable Outlook)	--	--
Long Term Bank Facilities - Cash Credit	Long Term	5.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*	IVR BBB/Stable Outlook (IVR Triple B with Stable Outlook)	--	--

*Issuer did not cooperate; based on best available information

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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.

Name and Contact Details of the Rating Analyst:

Name : Mr. Nikhil Basutkar
 Tel : +91-22-62396023
 E-mail : nbasutkar@infomerics.com

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.

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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crores)	Rating Assigned/ Outlook
Long Term Bank Facilities - Proposed Term Loan	NA	NA	NA	45.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*
Long Term Bank Facilities - Cash Credit	NA	NA	NA	5.00	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) ISSUER NOT COOPERATING*

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