



Rating Rationale

Madras Fluorine Pvt. Ltd.

20th March 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.10.61Cr of Madras Fluorine Pvt. Ltd. (MFPL or The Company)

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based			Long Term	BWR B+ (Single B Plus) Outlook: Stable	BWR B+ (Single B Minus) Outlook: Stable Re-affirmation
OCC	4.00	4.00			
(Sublimit ODBD)	(2.50)	(2.50)			
Term Loan - I	1.22	0.86*			
Term Loan - II	0.00	2.25**			
PC	2.50	2.50	Short Term	BWR A4 (BWR A Four)	BWR A4 (BWR A Four) Re-affirmation
Sublimit for FDB/FBE/BRD	(1.50)	(1.50)			
Non Fund Based					
ILC	0.50	1.00			
Total	8.22	10.61	INR Ten Crores and Sixty One Lakhs Only		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Note: * Term Loan – I – Outstanding as on 1.03.2017

** Term Loan – II - First instalment to commence during April 17 – June 17 Quarter.

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials up-to FY16, projected financials up to FY17, publicly available information and the information/clarifications provided by the company



The rating draws strength from the industry experience of the promoter , long existence of the company with established relationship with customers and suppliers and moderate tangible network. However, the ratings are constrained by small scale of operations, high debt with low coverage ratios, and working capital intensive nature of operations, foreign currency price risk, intensely competitive and fragmented nature of the industry.

Rating Outlook: Stable

BWR believes the **Madras Fluorine Pvt. Ltd.** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Madras Fluorine Private Ltd. (MFPL) was incorporated on 21st Feb, 1975 and is located at Chennai, Tamil Nadu. The Company is being managed by Mr. M Sabapathy Shivan, Managing Director and Mr. B Venkateshwar, Joint Managing Director. The Company is engaged in the manufacturing and supply of inorganic fluorine chemicals. The Products of the company are acids, Silicofluorides, bifluorides, fluoborates – solid, fluoborates – liquid, fluorides and non fluorine chemicals (Potassium Pentaborate and Potassium tetraborate).The installed capacity of the company is 1750 MTPA (Million Tonnes per annum) and the utilized capacity for FY16 is ~50%.

Company Financial Performance

The company reported a net revenue from operations of Rs. 18.73 Crores in FY15 and Rs. 19.19 Crores in FY16. Operating and net profit margins reported at 1.79% and 2.75% in FY16 as against 8.81% and 2.73% in FY15.



Rating History for the last three years

Sl No	Instrument/ Facility	Current Rating (2017)			Rating History		
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	22/02/16	2015	2014
1	OCC	Long Term	4.00	BWR B+ (Single B Plus) Outlook: Stable	BWR B+	--	--
2	(Sublimit ODBD)		(2.50)				
3	Term Loan - I		0.86				
4	Term Loan - II		2.25				
5	PC	Short Term	2.50	BWR A4	BWR A4	--	--
6	Sublimit for FDB/FBE/BRD		(1.50)				
7	ILC		1.00				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.