

Future Supply Chain Solutions Limited

July 26, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	140.53	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-convertible debentures	199.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Detailed rationale and key rating drivers

Vide its press release dated July 28, 2023, CARE Ratings Limited (CARE Ratings), had reviewed Ratings of Future Supply Chain Solutions Limited (FSCSL) under the 'issuer not-cooperating' category, as the company failed to provide information for monitoring ratings and had not paid surveillance fees for the rating exercise as agreed to in its Rating Agreement. The company continues to be non-cooperative despite repeated requests for submission of information through e-mails dated July 08, 2024, July 02, 2024, June 22, 2024, and June 12, 2024, among others. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating based on the best available information, which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

At the time of last rating on July 28, 2023, the following was the rating weakness (updated for the information available from stock exchange):

Delays in servicing debt obligation

The company failed to service its debt repayment obligation.

On January 05, 2023, the National Company Law Tribunal (NCLT) admitted FSCSL for corporate insolvency resolution process (CIRP) under insolvency and bankruptcy code (IBC) on petition filed by an operational creditor. The tribunal appointed an RP to take over the company's management. The resolution professional (RP) has invited expression of interest (EOI) through public announcement dated April 21, 2023. EOI received from seven prospective resolution applicants. The RP has requested for extension of time for completing the CIRP.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macro-economic indicator	Sector	Industry	Basic industry
Services	Services	Transport services	Logistics solution provider

Incorporated in March 2006, FSCSL is a Future Group company with a focus on providing supply chain solutions (for non-agro products) to its group companies (anchor customers) and to outside companies. FSCSL provides integrated end-to-end logistics solutions for supply chain management, and offers warehousing and distribution, multi-modal transportation and container freight stations. FSC operations are run through 80 distribution centres across India, covering 8.09 million ft² of warehouse space across India.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Brief Financials (₹crore)	31-03-2021 (A)	31-03-2022 (Abr.)	Q1FY23(UA)
Total operating income	496.69	608.75	67.04
PBILDT	84.16	114.20	-11.40
PAT	-184.36	-697.91*	-30.01
Overall gearing (times)	1.46	NM	NA
Interest coverage (times)	0.86	1.45	NM

A: Audited; UA: Un-Audited NM: Not Meaningful; NA: Not Available; Abr.: Abridged

Note: these are latest available financial results

*Includes exceptional item for the quarter and year ended March 31, 2022, includes expected credit loss provision taken on trade receivables amounting to ₹434.99 crore mainly considering admission of insolvency petitions against Future Retail Limited; impairment for inter-corporate deposit (ICD) given to Basuti Sales and Trading private Limited amounting to ₹210 crore; and impairment for interest due on above ICD amounting to ₹27.10 crore.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated for this company: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-Convertible Debentures	INE935Q07046 INE935Q07038	20-09-2018	10.2%	September 2024	199.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	93.66	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	March 2026	46.87	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	93.66	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (02-Aug-22) 2)CARE C; ISSUER NOT COOPERATING* (03-May-22)	1)CARE B (CW with Negative Implications) (03-Feb-22)
2	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (03-Feb-22)
3	Term Loan-Long Term	LT	46.87	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (02-Aug-22) 2)CARE C; ISSUER NOT COOPERATING* (03-May-22)	1)CARE B (CW with Negative Implications) (03-Feb-22)
4	Debentures-Non-Convertible Debentures	LT	199.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-23)	1)CARE D; ISSUER NOT COOPERATING* (02-Aug-22) 2)CARE C; ISSUER NOT COOPERATING* (03-May-22)	1)CARE B (CW with Negative Implications) (03-Feb-22)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Bank lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Pulkit Agarwal Director CARE Ratings Limited Phone: +91-22-6754 3505 E-mail: pulkit.agarwal@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-67543404 E-mail: saiikat.roy@careedge.in	Sonal Bhageria Assistant Director CARE Ratings Limited Phone: +91-22-6754 3631 E-mail: Sonal.Bhageria@careedge.in
	Rohit Garg Analyst CARE Ratings Limited Phone: +91-22-6754-1511 E-mail: rohit.garg@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**