



Rating Rationale

Agog Pharma Ltd.

10 July 2017

Brickwork Ratings reaffirms BWR BB+/A4+ for the Bank Loan Facilities of Rs. 9.50 Crores of Agog Pharma Ltd.

Particulars

Facility Rated#	Amount(Rs Crs)		Tenure	Previous Rating	Present Rating*
	Previous	Present			
Fund Based	2.50	2.50	Long Term	BWR BB+ (Pronounced BWR Double B Plus) Outlook:Stable	BWR BB+ (Pronounced BWR Double B Plus) Outlook:Stable Reaffirmed
Non Fund Based	4.00	7.00	Short Term	BWR A4+(Pronounced BWR A Four Plus)	BWR A4+ (Pronounced BWR A Four Plus) Reaffirmed
Total	6.50	9.50	Rs Nine Crores and Fifty Lakhs Only		

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

Annexure 1 provides details of bank loan facilities. In addition to the above, the company has derivative exposure/CEL of Rs 0.40 Crores. EPC, EBN and CC are fully interchangeable

Ratings Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied on audited financials of Agog Pharma Ltd up to FY16, provisional financials of FY17, projections up to FY19, publicly available information and information/clarifications provided by the company's management.

The reaffirmation of ratings continue to draw comfort from the sustained performance of the company and experienced management. The ratings remain constrained by the modest scale of operations, exposure of the business to regulatory risks, intense competition in the generic drug markets resulting in low bargaining power for company, exposure to country risks in view of target export markets and working capital intensive nature of operations.

Going forward, the ability of the company to increase its scale of operations, improve profitability and ensure efficient working capital management shall remain key rating sensitivities.



Rating Outlook: Stable

BWR believes **Agog Pharma Ltd's** 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

Incorporated in 1990 at Vasai, Maharashtra, Agog Pharma Ltd is an ISO 9001: 2000, WHO-GMP certified pharmaceutical company engaged in manufacturing of tablets, liquid orals, capsules and dry syrup formulations in its manufacturing facility located at Vasai. The company sells its products to African countries viz., Ghana Uganda, Tanzania and Zambia. ~98% of the company's sales are comprised of exports and about 2% constitute domestic sales.

Mr Aziz Abdul Hamid Damani is the Managing Director and Mrs Shehnaz Aziz Damani and Mr Anil Kumar Pandey are the other directors.

Financial Performance

The Company reported Net Sales of Rs 64.50 Crores in FY 16 with PAT of Rs 4.54 Crores as against Net Sales of Rs 61.75 Crores in FY 15 and PAT of Rs 2.42 Crores. On a provisional basis for FY17, the company reported Net Sales of Rs 70.70 Crores.

Rating History for the last three years

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	7 July 2016	6 May 2015	12 March 2014
1)	Export Packing Credit	Long Term	2.50	BWR BB+ (Outlook :Stable) Reaffirmed	Rating details	Rating details	Rating details
2)	Export Bill Negotiation(EBN) (Sublimit of EPC)	Long Term	(2.50)		BWR BB+ (Outlook: Stable)	BWR BB+ (Outlook: Stable)	BWR BB+ (Outlook: Stable)
3)	Cash Credit (Sublimit of EPC)	Long Term	(0.20)		Reaffirmed	Reaffirmed	Assigned

4)	Letter Of Credit	Short Term	7.00	BWR A4+	BWR A4+	BWR A4+	BWR A4+
5)	Bank Guarantee (Sublimit of LC)	Short Term	(1.00)	Reaffirmed	Reaffirmed	Reaffirmed	Assigned

Hyperlink/Reference to applicable Criteria

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

Agog Pharma Ltd Annexure-I Details of Rated Facilities

Facility Rated	Tenure	Amount(Rs Crs)	
		Previous	Present
Fund Based			
Export Packing Credit(EPC)	Long Term	2.50	2.50
Export Bill Negotiation(EBN) (Sublimit of EPC)		(2.50)	(2.50)
Cash Credit(Sublimit of EPC)		(0.20)	(0.20)
Non Fund Based			
Letter Of Credit	Short Term	4.00	7.00
Bank Guarantee (Sublimit of LC)		(1.00)	(1.00)
Total		6.50	9.50

Note: In addition to the above, the company has derivative exposure/CEL of Rs 0.40 Crores. EPC, EBN and CC are fully interchangeable



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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.

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