

Press Release

Brickwork Ratings assigns ‘BWR B’ Rating to ₹ 10.12 Crores (INR Ten Crores and Twelve Lakhs only) long-term Bank Facilities and ‘BWR A4’ Rating to ₹ 1.02 Crores (INR One Crore and Two Lakhs only) short-term Bank Facilities of Agron India Ltd.

BLR Issue Rating- Long Term: BWR B

Outlook : Stable

BLR Issue Rating-Short term: BWR A4

Brickwork Ratings (BWR) has assigned the Rating¹ of BWR B (Pronounced BWR B) with a stable outlook to ₹ 10.12 Crores (INR Ten Crores and Twelve Lakhs only) long-term Bank Facilities of Agron India Ltd (AIL).

Brickwork Ratings (BWR) has also assigned the Rating¹ of BWR A4 (Pronounced BWR A Four) to ₹ 1.02 Crores (INR One crore and two lakhs only) short-term Bank Facilities of Agron India Ltd (AIL).

Facility	Limits (₹ crore)	Tenure	Rating
Fund Based limit - Term Loan	2.12	Long Term	BWR B (Pronounced BWR B) (Outlook-Stable)
Fund Based limit - Cash Credit	8.00	Long Term	
Non Fund Based limit - Bank Guarantee/ Letter of Credit	1.02	Short Term	BWR A4 (Pronounced BWR A Four)
Total	11.14		

The rating, inter alia, factors the promoter’s experience in the industry and diversified product portfolio across the pharmaceutical, therapeutic and healthcare and energy segments.

The rating is constrained by small size of operations (as reflected by low turnover), low tangible net worth and thin profit margins of the company. The rating also reflects the

¹ Please refer to BWR website www.brickworkratings.com for definition of the ratings assigned

operational risk associated with supplier concentration, absence of long term contracts and an un-hedged exposure to forex fluctuation.

Background

Agron India Ltd (AIL) is a closely held limited company incorporated in the year 2004. The company promoted and managed by Mr. Sadan and Pandey is engaged in bulk trading. The trading profile of the company has been limited to commodities across pharmaceutical, therapeutic, healthcare, cosmetics and coal segment in the domestic and foreign markets since FY11. The company was earlier also trading industrial raw materials and other commodities, activities in this line have since been reduced considerably. In addition to trading, the company is also engaged in branding of various pharmaceutical and therapeutic products which are sold both in domestic and foreign markets under the brand name Naturon.

The company in FY 12 an operating profit of Rs. 3.46 crore and a net profit of Rs. 1.49 crore on total revenues of Rs. 32.56 crore. The total net worth of the company in FY12 stood at Rs. 4.99 crore. The moderate increase visible in the company's net worth was attributable to the profit accruals for the period.

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