AUGUST 12, 2016

CARE ASSIGNS 'CARE BBB+' AND 'CARE A2' RATING TO THE BANK FACILITIES OF ARIES AGRO LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities-Fund-based-Cash Credit	95.00	**CARE BBB+ [Triple B Plus]**	**Assigned**
Short-term Bank Facilities- Non-fund-based-LC/BG	81.00	**CARE A2 [A Two]**	**Assigned**
Total Facilities	**176.00 (Rupees One Hundred Seventy Six crore only)**		

Rating Rationale

The ratings assigned to the bank facilities of Aries Agro Limited (AAL) derive strength from the long track record and experience of the promoters in the micronutrient industry, diversified product portfolio and wide spread distribution network, average financial risk profile marked by moderately leveraged capital structure and debt service coverage indicators.

These rating strengths are constrained by susceptibility of the company's profitability to volatility in raw material prices, exposure to foreign exchange fluctuation risk, working capital intensive nature of operations, intensely competitive nature of the industry and high dependence of the micronutrient industry on monsoon.

The ability of AAL to increase its scale of operations while managing its incremental working- capital requirements effectively and maintain its profitability margins are the key rating sensitivities.

Background

Aries Agro Limited (AAL) was founded in 1969 by Mirchandani family. AAL manufactures and sells micronutrients and other nutritional products for plants and animals in India. Its products include multi micronutrient fertilizers, chelated micronutrient fertilizers, NPK fertilizers, secondary nutrients and other nutritional products, sprayers and plant protection chemicals, including pesticides, insecticides, fungicides, and herbicides. Aries Agro has four manufacturing units in India and two overseas subsidiaries for manufacturing and selling chelated micronutrients. As on March 31, 2016, the company has two operating subsidiaries, viz. Golden Harvest Middle East FZC and Amarak Chemicals FZC and three non operational subsidiaries – Aries Agro Care Pvt Ltd (AAC), Aries Agro Equipments Pvt Ltd (AAE) and Aries Agro Produce Pvt Ltd (AAP).

During FY16 (refers to the period April 1 to March 31), AAL reported a PAT of Rs.8.16 crore (PY: Rs.19.21 crore) on a total operating income of Rs.285.93 crore (PY: Rs.306.03 crore).

Analyst Contact
Name: Mr Arunava Paul
Tel: 6754 3667
Email: arunava.paul@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

Mr. Saikat Roy
Mobile: + 919820998779
E-mail: saikat.roy@careratings.com

Mr. AmodKhanorkar
Mobile: + 91 9819084000
E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED
Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD
Mr. Mehul Pandya
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-98242 56265
Tel: +91-79-4026 5656
E-mail: mehul.pandya@careratings.com

BENGALURU
Mr. Deepak Prajapati
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91-9099028864
Tel: +91-80-4115 0445, 4165 4529
E-mail: deepak.prajapati@careratings.com

CHANDIGARH
Mr. Sajan Goyal
2nd Floor, S.C.O. 196-197, Sector 34-A,
Chandigarh - 160 022.
Cell: +91 99888 05650
Tel: +91-172-5171 100 / 09
Email: sajan.goyal@careratings.com

CHENNAI
Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

COIMBATORE
Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com

JAIPUR
Mr. Nikhil Soni
304, PashupatiAkshatHeights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

KOLKATA
Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

PUNE
Mr.Pratim Banerjee
9th Floor, Pride KumarSenate,
Plot No. 970, Bhamburda, SenapatiBapat Road,
ShivajiNagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail:pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691