

**Agrimas Chemicals Limited**  
 December 02, 2020

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	25.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	18.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>43.00</b> <b>(Rs. Forty-Three Crore Only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated November 06, 2019, placed the ratings of Agrimas Chemicals Limited (ACL) under the 'issuer non-cooperating' category as ACL had failed to provide information for monitoring of the rating. ACL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated November 23, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's 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).***

The ratings assigned to the bank facilities of Agrimas Chemicals Limited (ACL) continue to take into account the ongoing delays in the servicing of debt obligations by the company.

**Detailed description of the key rating drivers**

*At the time of last rating on November 06, 2019 the following were the rating strengths and weaknesses:*

**Key Rating Weaknesses**

**Delays in debt servicing:** There are ongoing delays in debt servicing and the account is classified as NPA.

**Decline in operational performance:** The company reported decrease in TOI at Rs. 223.54 cr in FY18 (PY: 258.21 cr) and a net loss of Rs. 4.24 cr in FY18 (PY: PAT of Rs. 2.28 cr). PBILDT margin moderated to 10.10% in FY18 (PY: 12.80%). The company reported negative PAT margin of 1.90% in FY18 (PY: PAT margin of 1.11%)

**Weak Financial Risk Profile:** Overall gearing improved as on March 2018 to 1.31x (PY: 1.91x) on account of decrease in total debt. However, interest coverage ratio deteriorated and remained weak at 1.08x in FY18 (PY: 1.30x). The company reported negative cash accruals of Rs. 0.75 cr (PY: Rs. 6.11 cr).

**Liquidity: Poor**

There are continuous delays in debt servicing with negative GCA of Rs. 0.75 cr (PY: Rs. 6.11 cr).

**Analytical approach:** Combined as both Coromandel Agrico Private Limited and Agrimas Chemicals Limited (ACL) are engaged into similar line of business with common promoters and management.

**Applicable Criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios –Non-Financial Sector](#)

[Rating methodology – Short term instruments](#)

[Rating Methodology - Consolidation](#)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

### About the Company

Incorporated in 1973, ACL is engaged in manufacturing of agro chemical products. It has two manufacturing facilities, at Taloja (Mumbai) and Sikandrabad (Uttar Pradesh) with a manufacturing capacity of 7,320 Kilo liters per annum (KLPA) of liquid sand 18,600 metric tons per annum (MTPA) of powder and granules. CAPL was incorporated in 1998, and is engaged in the same line of business. The company has 3 manufacturing facilities at Sikandrabad, Baroda – Nandeswari (Gujarat) and Chiplun Lote (Maharashtra) with a manufacturing capacity of 5,500 KLPA in liquid section and 15,000 MTPA in powder and granules section of agro chemical products.

Brief Financials (Rs. crore)	FY17 (UA)*	FY18 (UA)
Total operating income	258.21	223.54
PBILDT	33.05	22.58
PAT	2.86	-4.24
Overall gearing (times)	1.91	1.31
Interest coverage (times)	1.30	1.08

\*UA refers to combined audited financials of CAPL and ACL adjusted for inter-company transactions

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure 4

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	25.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	18.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	25.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Nov-19)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (13-Sep-18) 2)CARE BBB; Stable (05-Apr-18)	1)CARE BBB; Stable (24-Apr-17)
2.	Non-fund-based - ST-BG/LC	ST	18.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Nov-19)	1)CARE A4+; ISSUER NOT COOPERATING* (13-Sep-18) 2)CARE A3 (05-Apr-18)	1)CARE A3 (24-Apr-17)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities – None**

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - ST-BG/LC	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**