

June 27, 2019

## Tagros Chemicals India Private Limited: Ratings reaffirmed and withdrawn

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loans	269.04 <sup>^</sup>	261.78 <sup>^</sup>	[ICRA]A (Stable); reaffirmed and withdrawn
Cash Credit	5.00	3.00	[ICRA]A (Stable); reaffirmed and withdrawn
Fund Based	167.50	194.50	[ICRA]A1; reaffirmed and withdrawn
Non Fund Based	69.96	84.96	[ICRA]A1; reaffirmed and withdrawn
Unallocated	38.89	6.15	[ICRA]A(Stable)/[ICRA]A1; reaffirmed and withdrawn
<b>Total</b>	<b>550.39</b>	<b>550.39</b>	

\*Instrument details are provided in Annexure-1; <sup>^</sup> includes USD 16.0 million FCTL, the rupee equivalent amount of Rs. 107.54 crore dated May 11, 2018 has been included in limits

### Rating action

ICRA has reaffirmed and withdrawn the long-term rating of [ICRA]A(Stable) (pronounced ICRA A with stable outlook) outstanding on Rs. 261.78 crore<sup>1</sup> term loan facilities and Rs. 3.00 crore cash credit facilities of Tagros Chemicals India Private Limited (TCIPL or the company) <sup>2</sup>. ICRA has also reaffirmed and withdrawn the short-term rating of [ICRA]A1 (pronounced ICRA A one) outstanding on Rs. 194.50 crore fund based facilities and Rs. 84.96 crore non fund based facilities from [ICRA]A2+. ICRA has also reaffirmed and withdrawn the long term/short term rating to [ICRA]A(Stable)/[ICRA]A1 for unallocated facilities of Rs. 6.15 crore of TCIPL.

### Rationale

The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension, as desired by the company and based on the NOC provided by its bankers.

### Key rating drivers

Key rating drivers has not been captured as the rated instrument(s) are being withdrawn.

### Liquidity position: Not applicable

<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">ICRA Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

## About the company:

TCIPL was incorporated in 1992 as Tagros Chemicals India Limited, by reviving an erstwhile sick unit at Cuddalore, Tamil Nadu, is part of the Chennai-based Jhaver Group. The company, which is currently headed by Mr. Parikshith Jhaver, is wholly-owned by the Jhaver Group and its associate companies. Tagros started operations with production of veterinary bulk drugs and forayed into manufacturing of D V Acid Chloride (DVAC) in 1993. Subsequently, Tagros ventured into the production of pyrethroid technicals such as alphamethrin, cypermethrin, permethrin and deltamethrin, which are used in manufacturing of insecticides. In addition, TCIL manufactures other technicals, such as hexaconazole and propiconazole which are used in fungicides; and formulations of such technicals. The Company had also set up a plant in Dahej in Gujarat, which commenced operations during late FY2014-15 for producing – “Metamitron”. However, the company had subsequently undertaken modifications at the plant to produce two new products – “Dicamba” and “Sulfentrazone”, which are used as weedicides and herbicides.

In 2009, the company had acquired Gujarat Agrochem Limited (GAL), which is also engaged in manufacturing of similar product lines as that of TCIPL. Apart from GAL, which is a 100% subsidiary of TCIPL, the company also has several subsidiaries overseas (mainly African countries and Colombia), which aid in getting product registrations in the region.

**Key financial indicators: Not applicable**

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

**Any other information: None**

### Rating history for last three years:

		Current Rating (FY2020)			Chronology of Rating History for the Past 3 Years		
Instrument	Type	Amount	Amount	Date &	Date &	Date &	
		Rated (Rs. crore)	Outstanding (Rs. crore)	Rating June 2019	Rating in FY2018 May 2018	Rating in FY2017 May 2017	Rating in FY2015 May 2016
1	Term Loans	261.78	261.78	[ICRA]A (stable); Withdrawn	[ICRA]A (stable)	[ICRA]A- (stable)	[ICRA]BBB+(stable)
2	Cash Credit	3.00	3.00	[ICRA]A (stable) Withdrawn	[ICRA]A (stable)	[ICRA]A- (stable)	[ICRA]BBB+(stable)
3	Fund Based	194.50	194.50	[ICRA]A1 Withdrawn	[ICRA]A1	[ICRA]A2+	[ICRA]A2
4	Non Fund Based	84.96	84.96	[ICRA]A1	[ICRA]A1	[ICRA]A2+	[ICRA]A2
5	Unallocated	6.15	6.15	[ICRA]A (stable) /[ICRA]A1	[ICRA]A (stable) /[ICRA]A1	-	-

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan 1	21 May 2013	9.75%	29 Aug 2018	7.50	
NA	Term Loan 2	30 June 2015	9.55%	29 July 2020	37.50	
NA	Term Loan 3	27 January 2017	9.30%	7 January 2022	36.50	[ICRA]A(stable);
NA	Term Loan 4	25 March 2018	8.50%	28 March 2023	72.74	Withdrawn
NA	Term Loan 5	26 March 2018	3M Libor+120 bppa	20 Sep 2022	107.54 <sup>^</sup>	
NA	Cash Credit				3.00	[ICRA]A(stable); Withdrawn
NA	Fund Based facilities				194.50	[ICRA]A1; Withdrawn
NA	Non Fund Based Facilities				84.96	[ICRA]A1; Withdrawn
NA	Unallocated Limits				6.15	[ICRA]A(stable)/ [ICRA]A1; Withdrawn

<sup>^</sup> USD 16.0 million FCTL, the rupee equivalent amount of Rs. 107.54 crore dated May 11, 2018 has been included in limits

Source: Tagros Chemicals India Private Limited

## ANALYST CONTACTS

**K. Ravichandran.**

0 44 4596 4301

[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Sai Krishna**

0 44 4596 4304

[sai.krishna@icraindia.com](mailto:sai.krishna@icraindia.com)

**Abhishwet Anand Dhete**

044 4297 4312

[abhishwet.dhete@icraindia.com](mailto:abhishwet.dhete@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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