

## Press Release

### Thakur Agro Products

July 24, 2018



### Rating Assigned

<b>Total Bank Facilities Rated*</b>	Rs. 8.50 Cr.
<b>Long Term Rating</b>	ACUITE B / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B** (read as ACUITE B)' on the Rs. 8.50 crore bank facilities of Thakur Agro Products. The outlook is '**Stable**'.

Thakur Agro Products (TAP) was established as a proprietorship firm by Mr. Dipak Thakur in 2017. The firm is expected to engage in processing of cashews with an installed capacity of 4000 kg per day. The processing facility is located in the town of Vengurla at Sindhudurg district of Maharashtra. The commercial operations of the firm are expected to begin in July, 2018 onwards.

### Key Rating Drivers

#### Strengths

- **Proximity to Raw Materials**

TAP has location advantage in terms of access to raw materials. Major producers of raw cashews lie in the west coast of Maharashtra and Goa. Additionally, there are various agricultural co-operative societies in Goa which procure raw materials from cultivators; this will ensure a steady supply of raw cashews.

#### Weaknesses

- **Project implementation risk**

Since operations are expected to begin in July, 2018 onwards, the firm is exposed to project implementation and off take risk. Currently, the plant and machinery is being installed. The total cost of the project is Rs.5.82 crore which is financed through Rs.3.32 crore of the proprietor's contribution, Rs.1.00 crore of cash credit facility and Rs.1.5 crore of term loans. Any delays in the implementation can have adverse implications on the firm.

- **Fragmented and competitive nature of business**

The firm will operate in intensively competitive and fragmented cashew processing business with several organised and unorganised players present in the market.

#### Analytical Approach

Acuité has considered the standalone business and financial risk profile of Thakur Agro Products to arrive at the rating.

#### Outlook: Stable

Acuité believes that the outlook on Thakur Agro Products will remain 'Stable' over the medium term backed by its proximity to key raw materials. The outlook may be revised to 'Positive' if the firm completes the project in a timely manner and generates revenues more than anticipated. Conversely, the outlook may be revised to 'Negative' in case of inordinate project delays.

### About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	0.00	0.00	0.00
EBITDA	Rs. Cr.	0.00	0.00	0.00
PAT	Rs. Cr.	0.00	0.00	0.00
EBITDA Margin	(%)	0.00	0.00	0.00
PAT Margin	(%)	0.00	0.00	0.00
ROCE	(%)	0.00	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.00	0.00	0.00
PBDIT/Interest	Times	0.00	0.00	0.00
Total Debt/PBDIT	Times	0.00	0.00	0.00
Gross Current Assets (Days)	Days	0	0	0

### Any other information

Not Available

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Not Applicable

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B / Stable

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