

## 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

Acuite 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

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

#### Outlook: Stable

Acuite 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

### Contacts

Analytical	Rating Desk
<p>Suman Chowdhury President - Rating Operations Tel: 022-67141107 <a href="mailto:suman.chowdhury@acuite.in">suman.chowdhury@acuite.in</a></p> <p>Shreyans Banthia Analyst - Rating Operations Tel: 022-67141128 <a href="mailto:shreyans.banthia@acuiterratings.in">shreyans.banthia@acuiterratings.in</a></p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a></p>

**About Acuité Ratings & Research:**

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

**Disclaimer:** *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.*