

## Press Release

### Natures Cane Foods LLP

August 11, 2020

### Rating Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs. 9.50 Cr.
<b>Long Term Rating</b>	ACUITE B (Withdrawn)

\* Refer Annexure for details

### Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs.9.50 crore bank facilities of Natures Cane Foods LLP (NCF).

The rating has been withdrawn on account of request received from the company and its banker's opinion on its proposed limits.

Natures Cane Foods LLP is established in 2015 by the partners, namely Mr. Prem Chand Avula, Mr. Gopichand Avula and others. The firm is in the process of setting up a processing unit of vegetable and fruits juices by using High-Pressure Processing (HPP) technology at Mega food Park, Mallavalli, Krishna District, Andhra Pradesh.

### Analytical Approach

Acuite has taken the standalone view of the business and financial risk profile of NCF to arrive at the rating.

### Key Rating Drivers

#### Strengths

##### • Experienced management

The promoters, Mr. A. Prem Chand, Mr. A. Gopichand, Mr. R. Marayya, Mr. KVV Prasad, Mr. B. D. Kumar Reddy, Ms. A. Sailaja have entrepreneurial experience for over two decades in several industries. The promoters have acquired the land at Mega Food Park, an ideal location for sourcing of material and distribution across the markets. Timely completion and operationalisation of the unit are yet to be seen.

#### Weaknesses

##### • Ongoing capex

The firm is setting up the processing unit at a project cost of around Rs.14.35 crore; the same is proposed to be funded out of term loan of Rs.9.50 crore, and rest through equity and unsecured loan. However, the firm has not availed the project loan from bank and project is currently in the proposal stage.

### Liquidity Position

NCF is at project level operations.

### Rating Sensitivities

Not Applicable

### Material covenants

Not Applicable

### About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
--	------	---------------	---------------

Operating Income	Rs. Cr.	-	-
PAT	Rs. Cr.	-	-
PAT Margin	(%)	-	-
Total Debt/Tangible Net Worth	Times	-	-
PBDIT/Interest	Times	-	-

**Not Applicable**

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Any other information**

Not Applicable

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

**Note on complexity levels of the rated instrument**

<https://www.acuite.in/view-rating-criteria-55.htm>

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-07-2020	Proposed Term Loan	Long Term	9.50	ACUITE B Issuer not co-operating*
21-05-2019	Proposed Term Loan	Long Term	9.50	ACUITE B/ Stable (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE B (Withdrawn)

**Contacts**

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Bhavani Sankar Oruganti Senior Analyst - Rating Operations Tel: 040-4004 2327 <a href="mailto:bhavanisankar.oruganti@acuite.in">bhavanisankar.oruganti@acuite.in</a>	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

**About Acuite Ratings & Research:**

Acuite Ratings & Research 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 8,000 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 Acuite 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. Acuite 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, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite 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. Acuite 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 Acuite.*