

JUNE 27, 2016

CARE ASSIGNS 'CARE BB-/ 'CARE A4' RATING TO THE BANK FACILITIES OF NAKODA GROUP OF INDUSTRIES PRIVATE LIMITED

Rating

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	16.35	CARE BB- [Double B minus]	Assigned
Short-term Bank Facilities	0.41	CARE A4 [A Four]	Assigned
Total Facilities	16.76 (Rupees Sixteen crore and seventy six lakh only)		

Rating Rationale

The ratings assigned to the bank facilities of Nakoda Group of Industries Private Limited (NGIPL) are constrained on account of working capital intensive nature of operations, susceptibility of margins to volatile raw material prices and foreign exchange fluctuation risk emanating from import and exports.

The ratings derive strength from the wide experience of the promoters in the agro processing sector, reputed and diversified clientele, healthy revenue growth and improvement in profitability over the past three years with a moderate capital structure and a diversified product portfolio with low revenue concentration risk.

The ability of the group to improve its revenue and margins amidst volatility in foreign exchange prices and raw material prices, effectively manage working capital cycle are the key rating sensitivities.

CARE has considered combined financial profiles of four group entities of the Nakoda group, ie, Nakoda Agro Commodities Private Limited (NACPL), Parshvanath Overseas (PO), Parshva Food International (PFI) and Nakoda Group of Industries Private Limited (NGIPL) together referred to as the Nakoda group. A combined view is in view of the operational and financial linkages along with common management team between the group companies.

Background

Nagpur-based NGIPL is established in October 2013 by Mr Jayesh Chaudhary and Mr Pravin Chaudhary. There were no operations under the company till FY16 (refers to the period April 1 to March 31). However, in May 2016 the company took over the operations of Navkar Procesors {rated 'CARE BB-/ CARE A4'; (accepted) on September 15, 2015}. Navkar Processors (NP) was established as a proprietorship firm in the March 1996 and is based in Nagpur. NP is a part of the Nagpur-based Nakoda group.

The 'Nakoda' group was established in the year 1989 by the Chaudhary family, led by father of Mr Praveen Chaudhary. The group comprises four entities, viz, Nakoda Agro Commodities Private Limited (NACPL), Parshvanath Overseas (PO) Parshva Food International (PFI) and NP. Products of the group include

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

candied fruit cubes, processed almonds, cashew-nuts, coconut, apricots, dry grapes, fruit jams, sweet lime peels, fruit jams, murabba and others.

NP was established as a proprietorship firm of Mr Praveen Chaudhary in the March 1996 and is based in Nagpur, Maharashtra. The company is engaged in the trading and processing of dry-fruits, candied fruit cubes and other agro-based food products. The products of the group are sold under the brand name of 'Samrat' and 'Nakoda' and are used primarily in desserts, ice-creams, bakery products and others. Customers of the group are Britannia Industries Limited, Haldiram Foods International Limited, Modern Bakery LLC, Haldiram Bakery Products, Disha Foods Private Limited (ITC Group) and others.

Analyst Contact

Name: Mr Nitin Jha

Tel: 022-67543676

Cell: +91 77100 65320

Email: nitin.jha@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT**Head Office Mumbai****Mr. Saikat Roy**

Mobile: + 91 98209 98779

E-mail: saikat.roy@careratings.com**Mr. Amod Khanorkar**

Mobile: + 91 98190 84000

E-mail: amod.khanorkar@careratings.com**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Mehul Pandya**

32, Titanium, Prahaladnagar Corporate Road,

Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com**BENGALURU****Mr. Deepak Prajapati**

Unit No. 1101-1102, 11th Floor, Prestige Meridian II,

No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

E-mail: deepak.prajapati@careratings.com**CHANDIGARH****Mr. Sajan Goyal**

2nd Floor, S.C.O. 196-197, Sector 34-A,

Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com**CHENNAI****Mr. V Pradeep Kumar**

Unit No. O-509/C, Spencer Plaza, 5th Floor,

No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**

401, Ashoka Scintilla, 3-6-502, Himayat Nagar,

Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**

304, Pashupati Akshat Heights, Plot No. D-91,

Madho Singh Road, Near Collectorate Circle,

Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**

3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)

10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**

13th Floor, E-1 Block, Videocon Tower,

Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**

9th Floor, Pride Kumar Senate,

Plot No. 970, Bhamburda, Senapati Bapat Road,

Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691