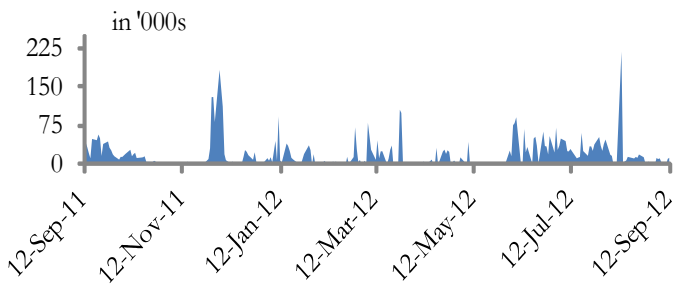


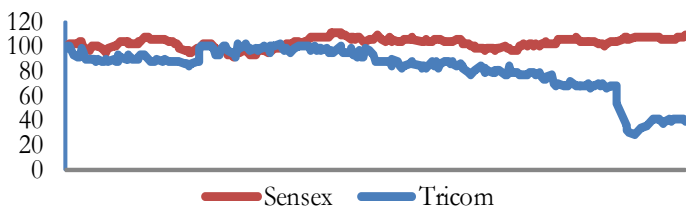
Equity Statistics

Current Market Price	Rs.	24.0
52 Week High / Low	Rs.	68.00/16.75
Market Capitalisation	Rs. crores	23.6
Free Float	Rs. crores	17.0
Dividend Yield	%	-
One Year Regression Beta	Times	0.2

BSE Volumes Trend - Average = 20.34 Thousand

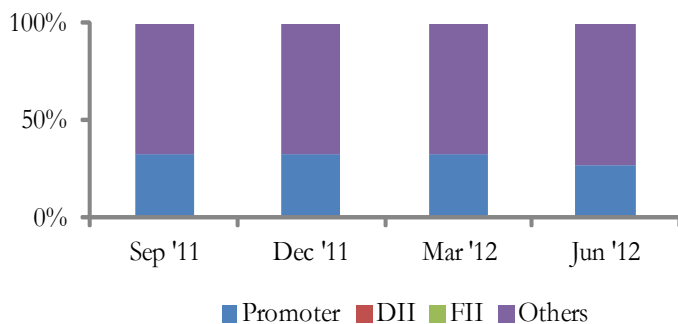


Relative Returns



Returns (%)	1M	3M	6M	1Yr
Absolute	38%	-49%	-57%	-60%
Relative to Sensex	35%	-53%	-58%	-63%

Shareholding Pattern



Business Summary

Tricom Fruit Products Ltd (Tricom), promoted by Mr Chetan Kothari, is into processing and export of varieties of fruits in the form of puree, puree concentrate and frozen clear juice concentrate. Tricom is certified with ISO 22000 and has been certified from US Food and Drug Administration, the apex body for food safety. The processing unit of the company is located at about 70 km from Pune in Maharashtra that has been accredited with Sourcing Governance Foundation (SGF) IRMA, Germany, for the integrity and quality practices adopted by the company. In FY12 (refers to the period April 1 to March 31), Tricom reported the net sales of Rs.40.01 crore with a net loss of Rs.3 crore. Geographically, the export market remains the key market segment. The company has ventured into the domestic segment in FY11.

Core strengths for Tricom are the location edge in terms of easy access to JNPT and Nhava Sheva Ports in Mumbai that are accessible via Mumbai-Pune expressway. The ability of the company to process a wide range of fruits in its state-of-the-art processing facility while adhering to globally certified quality practices with international grade packaging standards remain the key strengths. Key risks are in terms of susceptibility of profit margins due to the seasonal availability and fluctuating prices of raw material resulting in the working capital intensive nature of operations. Furthermore, the foreign exchange risk associated with export of goods along with the growing competition in the food processing industry is the challenge.

Tricom is currently trading at 0.6 times of price to sales ratio considering sales for FY12.

Board of Directors

Person	Role	Qualification
Mr. Chetan Kothari	Promoter	Chartered Accountant
Mr. P.V. Naik	MD	B.E
Mr. Jeetendra B. Wala	ID	Chartered Accountant
Mr. Bipin Shah	ID	B.Com.

Source: AR, Capitaline and CARE Research
 Note: MD: Managing Director, ID: Independent Director

Source: BSE, Capitaline and CARE Research

Background

Tricom Agrochem Limited incorporated in the year 1995 is situated in Maharashtra. It was amalgamated with Rids Securities Limited in May 2010, and the company was renamed as Tricom Fruit Products Limited on August 2010. Rids Securities Limited (RSL), situated in Gujarat, was promoted by Mr Dinesh Patadia and was engaged in the financial services business. The said business of Rids Securities Limited was entirely discontinued after the merger.

Tricom, promoted by Mr Chetan Kothari, is engaged in the processing of wide range of fruits and vegetables, namely, mangoes, pomegranates, bananas, guavas, gooseberries and tomatoes in the form of puree, puree concentrate and frozen clear juice concentrate.

Tricom, after the merger, set up a manufacturing plant with a production capacity of processing 10 tonne per hour of mango and 5 tonne per hour of other fruits and vegetables. For the said plant, the company incurred a capex to the tune of Rs.54.01 crore during FY10, and the plant was commissioned on April 30, 2011. During FY11, the first year of operation, the company's total production was 8,829 tonne of which 69% of the quantity was sold. The company has the third largest processing facility in India.

Business overview

Tricom derives its significant portion of its revenue from processing of vegetables like tomato and key fruits being mango and pomegranate apart from guava, papaya and gooseberry among others. Fruits and vegetables being the key raw material (forming approximately 65% as a percentage of total net sales in FY12) are sourced from traders across different states. As mangos and other fruits are available seasonally, the company is required to hold its inventory for a longer duration. The finished products are exported or sold in the domestic market in the aseptic or frozen form.

The products are exported to countries such as USA, Belgium, Germany, France and Netherlands. During FY12, the company reported a net loss of Rs.3 crore due to high operating cost.

Strengths and growth drivers

- Core strength of Tricom is the strategic location of the plant in terms of swift dispatches made to its customers due to proximity to JNPT and Nhava Sheva Ports in Mumbai that are accessible via the Mumbai-Pune expressway.
- The international quality management certifications for its processing unit for the adoption of quality practices along with meeting the international grade packing standards remain its key strength.
- The strength of the company lies in its ability to process a wide range of fruit products in its state-of-the-art manufacturing facility along with modern technology.

Risk and concerns

- The profitability margins are vulnerable to seasonal availability and the fluctuating prices of the raw material (i.e. fruits and vegetables) that are dependent on environment factors like rainfall and other crop conditions.
- Exposure to foreign exchange risk with respect to currency fluctuations due to the export-oriented nature of operations that have a bearing on the profitability of the company.
- Growing competition in the food processing industry from key players like Dabur India Limited (Real Juice), Nestle India Limited remains a key concern.

Future strategy and expansion plans

- Going ahead, the company plans to develop backward linkages with the farming community and is planning to go for contract farming to assure quantity and quality supply of the raw material.
- The company focuses on the export of mango pulp and pomegranate to countries like Japan, Far East, Africa, Russia and Gulf.

Industry outlook

The domestic food processing industry is broadly divided into six key segments namely dairy, fruits and vegetables, meat & poultry, fisheries, packaged goods and beverages. While the food processing industry is one of the largest industry in India, it ranks 5th in terms of production. The price volatility of raw material and efficient distribution network remain the key focus area for the domestic market. Furthermore, industry players are moving towards manufacturing value-added products with the innovative technology to assure better profitability margins. The Indian food industry is competitive due to highly fragmented structure and presence of large multi-nationals who have adopted various strategies to increase their market share in India. However, requirement of efficient distribution and supply chain, superior processing technology and brand building act as an entry barrier for new players.

Between FY05 and FY10, the Indian food processing industry has grown at a compounded annual growth rate (CAGR) of 14.5%. This has been driven by the growing urbanization, increasing disposable income, change in demographic profile, changing lifestyle and food consumption pattern patterns. Going ahead, CARE research expects food processing industry to grow approximately 10%-12% rate over the medium term period on the back of government initiatives to promote the industry. Over the 10-year period (2005 -2015) Ministry of Food Processing & Industry targets to triple the size of the industry, raise the level of processing of perishables from 6% to 20%, and enhance India's share in the global food trade from 1.5% to 3% by 2015.

Peer Comparison	Year ended March 31, 2012		
	Tricom	Flex*	Chordia
Income statement (Rs. Crore)			
Total income	40.9	56.1	29.5
Net sales	40.6	48.6	28.9
EBITDA	6.9	7.9	4.1
Ordinary PAT	(3.0)	4.2	2.1
Adjusted PAT	(3.0)	4.2	2.1
Per share data (Rs.)			
Adjusted BVPS	4.2	38.9	10.0
Diluted EPS	(0.1)	3.4	6.9
Growth (Y-o-Y) (%)			
Growth in total income	(22.9)	22.9	(5.9)
Growth in net sales	10.3	10.4	(2.2)
Growth in EBITDA	4.8	52.8	36.6
Growth in adjusted PAT	NM	21.9	NM
Growth in EPS	NM	38.3	NM
Profitability ratio (%)			
EBITDA margin	17.1	16.2	14.1
Adjusted PAT margin	(7.3)	7.4	7.0
Valuation ratios (Times)			
Price/EPS (P/E)	NM	7.9	6.3
Price/Book value (P/BV)	1.8	0.7	4.4
Enterprise value (EV)/EBITDA	NA	6.3	NA

Source: BSE, Capitaline and CARE Research

Note: Tricom: Tricom Fruit Products Limited, Flex: Flex Foods Ltd., Chordia: Chordia Foods Ltd

NM: Not meaningful, NA: Not Available

*Audited Results

Financials are based on unaudited results for FY12.

Quarterly financials	Quarter ended June 30, 2012				
	Q1FY13	Q4FY12	Q3FY12	Q2FY12	Q1FY12
Income statement (Rs. crore)					
Total income	6.2	4.8	13.0	11.7	11.5
Net sales	6.2	4.8	12.9	11.3	11.0
EBITDA	(0.4)	1.0	1.4	12.0	0.9
Ordinary PAT	(3.5)	(0.9)	(1.1)	0.2	(1.2)
Adjusted PAT	(3.5)	(0.9)	(1.1)	0.2	(1.2)
Growth (Q-o-Q) (%)					
Growth in net sales	28.7	(62.7)	13.8	2.9	NA
Profitability ratio (%)					
EBITDA margin	NM	20.6	10.9	105.6	7.9
Adjusted PAT margin	NM	NM	NM	1.6	NM

Source: BSE, Capitaline and CARE Research

FY12 financials are based on unaudited results

Financial analysis

- During the FY11, the company made a profit of Rs.0.5 crore against the net sales of Rs.36.8 crore. Despite the high interest cost the company made a profit owing to other income and subsidy income earned to the tune of Rs.0.69 crore.
- In FY12, Tricom reported EBITDA margins of 20% against the total income of Rs.40.91 crore. The net sales of the company grew by 9% y-o-y during FY12, and the company reported a net loss of Rs.3 crore in FY12 owing to high interest cost.
- Raw material cost forms the largest portion of the total cost for Tricom. During FY12, raw material cost was 63% as a percentage of net sales.
- As the operations of the company are working capital intensive, working capital requirements of the company are funded by way of cash credit facility availed by the bank resulting in high gearing levels. During the FY11, the gearing levels were high at 6.2 times as on March 31, 2011.

Annual financial statistics	FY08	FY09	FY10	FY11	FY12
Income statement (Rs. crore)					
Total income	5.9	0.5	1.1	53.0	40.9
Net sales	6.5	0.4	1.0	36.8	40.6
EBITDA	0.5	0.1	0.0	7.3	6.9
Depreciation and amortisation	0.1	0.0	0.0	1.5	1.7
EBIT	0.4	0.1	0.0	5.8	5.3
Interest	NA	NA	NA	6.0	8.5
PBT	0.4	0.1	0.1	0.4	(3.0)
Ordinary PAT	0.3	0.1	0.0	0.5	(3.0)
Adjusted PAT	0.3	0.1	0.0	0.5	(3.0)
Balance sheet (Rs. crore)					
Adjusted networth	4.8	5.1	13.1	13.6	13.7
Total debt	NA	NA	47.8	84.4	NA
Cash and bank	0.1	0.1	1.4	1.1	NA
Investments	NA	NA	0.0	0.0	NA
Net fixed assets (incl. CWIP)	4.4	4.4	61.8	64.5	NA
Net current assets (excl. cash, cash equivalents)	0.4	0.7	(2.1)	32.4	NA
Per share data (Rs.)					
Adjusted BVPS	4.9	5.1	13.3	13.8	13.9
Diluted EPS	0.6	0.1	0.1	0.5	(0.1)
DPS	NA	NA	NA	NA	NA
Growth (Y-o-Y) (%)					
Growth in total income	NA	NM	118.0	NM	(22.9)
Growth in net sales	NA	NM	146.2	NM	10.3
Growth in EBITDA	NA	NM	NM	NM	(4.8)
Growth in adjusted PAT	NA	NM	NM	NM	NM
Growth in EPS	NA	NM	NM	783.3	NM
Key financial ratio					
EBITDA margin (%)	7.0	25.6	4.2	19.8	17.1
Adjusted PAT margin (%)	4.9	10.0	0.9	1.0	NM
RoCE (%)	NA	1.0	NM	7.4	9.4
RoE (%)	NA	1.0	0.3	3.9	NM
Gross debt - equity (times)	NA	NA	3.6	6.2	NA
Net debt - equity (times)	NA	NA	3.5	6.1	NA
Interest coverage (times)	NA	NA	NA	1.0	0.6
Current ratio (times)	1.2	39.0	0.8	9.5	NA
Inventory days	NA	134.9	79.7	102.9	98.5
Receivable days	NA	1,090.3	142.6	66.5	59.4

Source: BSE, Capitaline and CARE Research

NA: Not Available, NM: Not Mentionable; FY12 financials are based on unaudited results.

Since the company was merged with Rids Securities Limited in FY10 the past financials are not comparable.

DISCLOSURES

- Each member of the team involved in the preparation of this grading report, hereby affirms that there exists no conflict of interest that can bias the grading recommendation of the company.
- This report has been sponsored by the BSE Investors' Protection Fund.

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