

Cedar Integrated Food Tech Private Limited

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	25.00	CARE BB+; Stable	Assigned
Long Term / Short Term Bank Facilities	6.00	CARE BB+; Stable / CARE A4+	Assigned
Short Term Bank Facilities	2.00	CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Cedar Integrated Private Limited derive strength from the company being a part of established ESAF group thereby leveraging the relationship with the farmer producer organizations and Self-help groups and the project site already procured by the company. However, the ratings are constrained by nascent stage of project implementation and business stabilization risk post commencement of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive rating sensitivities:

- Commencement of commercial operations as per envisaged timelines and costs and achieving the sales and profits as projected.

Negative rating sensitivities:

- Delay in execution of the project resulting in significant time and costs overrun
- Delay in financial closure

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that the outlook is expected to remain stable in the medium term backed by promoter groups experience in similar businesses.

Detailed description of the key rating drivers:

Key Weaknesses

Nascent stage of project implementation

The project is still in the nascent stage of implementation. The company has acquired the land located in Village Vadakkenchery in Taluka Alathur, Palakkad, Kerala and few of the approvals required for construction of the processing plant. Pollution control approval, Consent to Establish (CTE) have been received, however, the company is expecting to apply for town planning approval in March. Phase 1 Construction is expected to start by April 2025 and is expected to be completed within 9 months while phase 2 is still in the nascent stage of planning. The Company has appointed RINAC India Ltd. on turnkey basis for erection and commissioning of the main processing, cold chain & distribution centres, and balance of plant.

The company is also yet to achieve financial closure for the project, however, Approval from Ministry of Food Processing Industries (MoFPI) for a grant of Rs. 10 Crores has been received. These funds will be disbursed in proportionate to equity infused and term loans raised.

Business stabilization risk

The company faces significant business stabilization risks. The meat processing industry is subject to various challenges, such as supply chain disruptions from disease outbreaks and extreme weather, as well as stringent regulatory compliance requirements. Additionally, shifts in consumer preferences can impact demand for meat products. Although the company has a network of Farmer Producer Organizations (FPOs) for raw materials, it is yet to establish a consumer base in the B2B sector. The company's performance will largely depend on its ability to build a network within the HORECA (Hotel, Restaurant, and Catering) segment.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Key Strengths

Experienced promoters in food processing industry with established supply chain of FPOs

CEDAR Integrated Food Tech Pvt. Ltd. (CIFTL) is majorly promoted by ESMACO (ESAF Swasraya Multistate Agro Cooperative Society Ltd) with 51% stake in CIFTL and Cedar Retail Private Limited which holds 39% stake in CIFTL. ESAF Foundation has an established Farmer producer organization (FPO) network with 129 FPOs across the country and more than half a million Self Help Groups (SHGs). CIFTL aims to provide an organized food processing facility and supply chain for these FPOs and SHGs.

ESMACO established a pulse processing facility with installed capacity of 50 tonnes per day in FY24 which is expected to scale up production in FY25. This facility earned a revenue of Rs. 1.20 Crores in FY24 in its test marketing.

Cedar Retail, headed by Alok Thomas (holds 5% in CIFTL), recorded a TOI of Rs. 172 Crores in FY24 through its 15 retail stores in Thrissur, Kerala. 20% of its business is generated by its own brands, Suvidi, Crosso and Rhema Diary.

Liquidity: Stretched

Firm is yet to commence commercial operations and there is no regular cash inflow as on date. Term loans related to the project are yet to be availed. They are projected to be availed in the beginning of FY26. Repayment is expected to commence by January 2026 after a moratorium of 9 months. Timely completion of the project and scaling up of operations will be critical to debt servicing. AS on December 20, 2024, the promoters have infused Ra. 4.51 cr as part of their contribution to the project.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks : Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Meat Products including Poultry

CEDAR Integrated Food Tech Pvt. Ltd. (CIFTL) is promoted by ESMACO (ESAF Swasraya Multistate Agro Cooperative Society Ltd), CEDAR Retail Pvt. Ltd., JRK Marketing Pvt. Ltd. and Mr. Alok Thomas Paul - to bring all the Groups' current and future activities in Agri Supply Chain, Primary and Secondary Processing and Food Service under one organisation with aim of growing CIFTL into a large global food service organisation.

Brief Financials (₹ crore)	31-03-2023 (A)	31-03-2024 (A)
Total operating income	NA	NA
PBILDT	NA	NA
PAT	NA	NA
Overall gearing (times)	NA	NA
Interest coverage (times)	NA	NA

A: Audited NA: Not applicable due to no operations; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits		-	-	-	6.00	CARE BB+; Stable / CARE A4+
Non-fund-based - ST-Bank Guarantee		-	-	-	2.00	CARE A4+
Term Loan-Long Term		-	-	sept 2034	25.00	CARE BB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Term Loan-Long Term	LT	25.00	CARE BB+; Stable				
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	6.00	CARE BB+; Stable / CARE A4+				
3	Non-fund-based - ST-Bank Guarantee	ST	2.00	CARE A4+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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