

## C. P. Foods

March 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2.45	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	75.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

\*Issuer did not cooperate; based on best available information

### Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from C. P. foods (CPF) to monitor the rating(s) vide latest e-mail communications dated January 05, 2026, January 12, 2026, January 24, 2026, February 03, 2026, February 20, 2026, February 24, 2026, March 03, 2026, and March 10, 2026, along with numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on CPF's bank facilities will now be denoted as '**CARE BB; Stable; ISSUER NOT COOPERATING/CARE A4 ISSUER NOT COOPERATING**'.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The rating assigned to the bank facilities of CPF has been revised on account of non-availability of requisite information. Further, the ratings continue to be constrained by a moderate financial risk profile, thin profitability margins owing to tender based business, customer concentration, presence in highly fragmented and competitive industry and partnership nature of its constitution. The ratings, however, draw strength from experienced promoter and long track record in agricultural commodities trading segment, improved operational performance during FY24 and established relationship with supplier base.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

At the time of last rating on March 24, 2025, the following were the rating strengths and weaknesses.

#### Key weaknesses

##### Moderate Financial risk Profile

The capital structure of the firm stood moderately leveraged with overall gearing of 1.36x as on March 31, 2024 (2.69x as on March 31, 2023). The unsecured loan of ₹39.77 crore subordinated to bank facilities has been considered as equity. Due to the working capital intensive nature of business, the short-term borrowings remain high which constitutes a major part of book debt, followed by GECL loans. Interest coverage ratio stood moderate at 1.90x as on March 31, 2024(PY: 2.19x), and total Debt/PBILDT stood at 5.05x as on March 31, 2024(PY: 12.68x).

##### Thin Profitability margins owing to tender based business

Owing to tender based business and high competition from other organised players, the PBILDT margins of the company have remained thin in the range of 2-3% over the years. CPF directly bids for short-term Tamil Nadu Civil Supply corporation (TNCSC) contracts which forms a major portion of its annual revenue (67% in FY24). Further, in the event of unfavourable tender scenarios, the firm acts as a supplier to other organised players who have been awarded TNCSC contracts, resulting in high dependence on TNCSC contracts.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Presence in highly fragmented and competitive industry

The firm operates in a highly competitive and fragmented industry where the firm witnesses intense competition from both the organised and largely unorganised players. This fragmented and highly competitive industry results in price competition thereby affecting the profitability margins of the companies operating in the industry.

### Partnership nature of Constitution with inherent risk of withdrawal of capital

Constitution as a partnership has the inherent risk of the possibility of withdrawal of the capital at the time of personal contingency which can adversely affect its capital structure. Furthermore, partnership firms have restricted access to external borrowings as the credit worthiness of the partners would be key factors affecting credit decision for the lenders.

### Key strengths

#### Experienced promoters with established track record of operation

CPF was established by Manikanda Prabhu who has extensive experience of over 20 years in trading agro commodities. The promoters have a good understanding of the needs of its regional clients and the dynamics of the market in which the company operate. The extensive experience of the promoter has helped in establishing long-standing relationships with the customers and suppliers.

#### Improved operational performance with healthy growth in total operating income (TOI)

The scale of operations of the firm witnessed significant growth with TOI growth of 140% to ₹531 crore in FY24 (FY23: ₹221 crore) owing to higher orders from TNCSC. The company supplies various agro commodities including various types of pulses (Masoor, Moong, Toor, Udad) under short term contracts to TNCSC. These contracts are on a tender basis. In the current year, the firm has achieved revenue of ₹490 crore in 11MFY25.

#### Established relationship with supplier base

Since 2001, the firm has been trading agricultural commodities and has established extensive relationships with its suppliers. CPF majorly obtains pulses from other traders such as ETC Agro Processing India Pvt. Ltd., ETG Commodities Incorporated, and Meraki Commodities among others. CPF has storage and processing units in Virudhunagar, Tamil Nadu.

**Assumptions/Covenants:** Not Applicable

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

#### Applicable criteria

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' and credit watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non-Financial Sector](#)

[Wholesale Trading](#)

[Short Term Instruments](#)

### About the firm and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Agricultural Food & other Products	Other Agricultural Products

CPF was established in Virudhunagar, Tamil Nadu in 2001. CPF trades and processes pulses, including masoor dal, toor dal, udad dal, moong dal. The firm's day-to-day operations are managed by Manikanda Prabhu along with his family members. The firm has storage and processing units in Virudhunagar, Tamil Nadu.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	11MFY25 (UA)
Total operating income	221.30	531.22	490.00
PBILDT*	6.76	15.55	NA
PAT	1.79	6.51	NA
Overall gearing (times)	2.69	1.36	NA
Interest coverage (times)	2.19	1.90	NA

A: Audited UA: Unaudited; NA; Not Available; Note: these are latest available financial results

\*PBILDT: Profit Before Interest, Lease, Depreciation and Tax

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Annexure-2

**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-Term Loan		-	-	30-09-2028	2.45	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ST-Cash Credit		-	-	-	75.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### Annexure-2: Rating History of 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	2.45	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (24-Mar-25)	1)CARE BB; Stable (05-Mar-24)	-
2	Fund-based - LT/ ST-Cash Credit	LT/ST	75.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (24-Mar-25)	1)CARE BB; Stable / CARE A4 (05-Mar-24)	-

\*Issuer did not cooperate; based on best available information.

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

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of the instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

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