

C S Creamery Private Limited

January 03, 2023

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	19.77	CARE D (Single D)	Reaffirmed
Total Bank Facilities	19.77 (₹ Nineteen Crore and Seventy-Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The rating assigned to the bank facilities of C S Creamery Private Limited (CS) factors in the continuation of delays in debt servicing by company. The company had been receiving funding support from parent on monthly basis to fund operational losses as well for debt servicing. Due to delay in receipt of such support, delays are reported in debt servicing.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Delay free track record of operations for a continuous period of more than three months.

Negative factors – Factors that could lead to negative rating action/downgrade: Not Applicable

Detailed description of the key rating drivers

Key Rating Weakness

Continuing Delays in debt Servicing

Company have shared the bank statements from June 2022 to August 2022 in which CARE has observed the continuation of delays in interest and term loan repayments in the month of June 2022 and July 2022. While the company has not shared bank statements of subsequent months, however, as per lender interaction, the delays are continuing in servicing the interest and debt repayments obligation of the company.

Key Rating Strengths

Resourceful Promoters

The parent company Tablez Food Company(TFC) is a multi-brand retail arm of Lulu Group International. The shares of TFC are held by Mr. Adeeb Ahamed and Ms. Shafeena Yusuff Ali. The promoters have experience in the similar line of business and draw on the expertise of the larger Lulu group as well. The promoters have been infusing equity consistently in the past and are expected continue to support the operations of the companies.

Liquidity: Poor

Liquidity of the company was largely driven from its resourceful promoters. The operations of the company were severely impacted during the first and second wave of pandemic and the liquidity from the core operations is poor

Analytical approach: Combined

Business and financial risk factors of the Tablez Retail Private Limited(TR), Tablez and Toyz Private Limited(TT) and C S Creamery Private Limited(CS) have been combined as the companies are owned and managed by common promoters, engaged in retail business, and the collateral securities extended to the bank facilities are common to all the three companies as per the sanction letter of lender

Applicable criteria

[Policy on default recognition](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

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

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

[Policy On Curing Period](#)
[Rating Outlook and Rating Watch](#)
[Retail](#)

About the company

Kochi (Kerala) based, C S Creamery Private Limited was incorporated in 2016 and full owned subsidiary of Tablez Food Company Private Limited (TFC). TFC is promoted by Mr. Adeb Ahamed and Ms. Shafeena Yusuff Ali. The company holds the master franchise agreement with the renowned American ice cream brand Cold Stone to operate ice cream parlours under Franchise license from MTY Food Group Inc. (Kahala Group)

*Brief Financials (₹ crore)	March 31, 2021 (UA)	March 31, 2022 (UA)	September 30, 2022 [^]
Total operating income	55.94	56.02	NA
PBILDT	-31.64	-21.13	NA
PAT	-64.86	-53.81	NA
Overall gearing (times)	-4.22	-5.12	NA
Interest coverage (times)	-2.61	-1.86	NA

UA: UnAudited; NA: Not Available; *Financials: Combined as per CARE's calculations; ^no financials available post FY22(Prov.)

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

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 along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	1.00	CARE D
Fund-based - LT-Term Loan		-	-	December 2024	2.47	CARE D
Fund-based - LT-Term Loan		-	-	December 2024	16.30	CARE D

Annexure-2: Rating history for the 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	16.30	CARE D	1)CARE D (11-Jul-22) 2)CARE C (11-May-22)	1)CARE BB+; Stable (05-Nov-21)	1)CARE BB+; Stable (02-Sep-20)	1)CARE BBB-(SO); Stable (03-Jun-19)
2	Fund-based - LT-Cash Credit	LT	1.00	CARE D	1)CARE D (11-Jul-22) 2)CARE C (11-May-22)	1)CARE BB+; Stable (05-Nov-21)	1)CARE BB+; Stable (02-Sep-20)	1)CARE BBB-(SO); Stable (03-Jun-19)
3	Fund-based - LT-Term Loan	LT	2.47	CARE D	1)CARE D (11-Jul-22) 2)CARE C (11-May-22)	1)CARE BB+; Stable (05-Nov-21)	-	-

LT: Long term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	Nil
B. Non-financial covenants	Unsecured loans shall not be repaid during the currency of the Bank loan without prior approval of the bank

Annexure-4: Complexity level of various instruments rated for this company

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

Annexure-5: Bank lender details for this company

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

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

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About us:

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