

Food Service India Private Limited

April 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	31.98	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	2.00	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 Limited (CARE Ratings) has been seeking information from Food Service India Private Limited (FSIPL) to monitor the ratings vide e-mail communication dated January 08, 2025, January 15, 2025 and January 28, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. CARE Ratings has downgraded the outstanding ratings assigned to bank facilities of FSIPL. The rating on Food Service India Private Limited's Bank facilities will be denoted as **CARE BB; Stable/ 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).

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:
Key weaknesses
Modest scale and nascent stage of operations

Though the scale of operations has been increasing over the years, it continues to be modest in nature. FSIPL revenue increased significantly by ~22% in FY24 with TOI of Rs. 232.54 crore vis-à-vis Rs. 190.25 crore in FY23. The growth in revenue was mainly on account of geographical expansion to small cities and increase in distribution network to more than 330 distributors (PY:250 distributors).

Continued losses owing to high operational costs

During FY24, the company continued to report negative Gross Cash Accruals (GCA). The net loss has narrowed down to Rs. 11 crore (PY: Rs 16 crore) in FY23. The company reports losses owing to R&D expense, high salary expenses and increase in other expenses like sales commission.

Weak financial profile

The total debt as on March 31, 2024 was Rs. 130 crore (PY: Rs. 108 crore). The increase in debt was mainly due to increase in working capital which increased to Rs. 64.76 crore from Rs. 43.66 crore in the previous years. The financial profile is further affected by negative net worth on account of continued losses over the years.

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

Experienced promoters along with timely support from promoters

FSIPL was incorporated in November 2015 and is promoted by Mr. Ajay Mariwala. FSIPL is in initial stage of operations and the promoters are currently supporting the operations financially. Support is expected from promoters in future as and when required.

Diversified product offerings and inhouse manufacturing capabilities

FSIPL caters to hotels, restaurants & caterers (HORECA) through distributors. As on date FSIPL has a network of ~330 distributor (PY:250). FSIPL provides HORECA outlets complete Food and Beverages (F&B) solutions through its brands like Chef's Art, Springburst, Sunbay, Marimbula, Spicefield, D'amour. The company carries out trading in the seasonings segment. Apart from trading in seasonings, the company has its own manufacturing capabilities for beverages, wets, spices, and sweet premixes.

Liquidity: Stretched

The liquidity continues to be stretched on account of continuous cash losses in the company and dependence on promoter fund infusion. The average fund based working capital utilisation was as high as ~90% for the twelve months ended February 2025. Further, the free cash and bank balance as on March 31, 2024, was Rs. 0.18 crore.

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[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	Other Food Products

Incorporated in November 2015, FSIPL is promoted by Mr. Ajay Mariwala. It started its commercial operation from September 2016 post acquisition of food service division from VKL Seasonings Pvt. Ltd (VSPL) vide business transfer agreement. FSIPL is engaged in business of manufacturing (in house or through third parties) and selling of spices, sharbats, gravies & sauces and bakery premixes in domestic market as well as export markets. Manufacturing/processing facilities are located at Aleppy, Rabale, Surat, Pune and Thuravoor. FISPL is also engaged in trading of food seasoning products. FSIPL has entered into an agreement wherein, VSPL supplies seasoning products to FSIPL on a margin basis, in accordance with the transfer pricing norms. FSIPL sells its products through independent distributors or to Hotels, Restaurants and Caterers (HORECA).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	190.25	232.54
PBILDT	-9.72	-3.61
PAT	-18.32	-13.54
Overall gearing (times)	-3.99	-3.12
Interest coverage (times)	-0.74	-0.27

A: Audited; Note: these are latest available financial results

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-Cash Credit		-	-	-	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31/12/2023	6.98	CARE BB; Stable; ISSUER NOT COOPERATING*
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	2.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

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

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	Fund-based - LT-Term Loan	LT	6.98	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (29-Mar-24)	1)CARE BB+; Stable (04-Jan-23)	1)CARE BB+; Stable (18-Jan-22) 2)CARE BB+; Stable (06-Apr-21)
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	2.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (29-Mar-24)	1)CARE BB+; Stable / CARE A4+ (04-Jan-23)	1)CARE BB+; Stable / CARE A4+ (18-Jan-22) 2)CARE BB+; Stable / CARE A4+ (06-Apr-21)
3	Fund-based - LT-Cash Credit	LT	25.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (29-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 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Annexure-5: Lender details

To 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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