

YRR TEX FAB Private Limited (Formerly Yash Knitwear)

March 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.35	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable 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. has been seeking information from **YRR TEX FAB Private Limited** (YTPL) to monitor the rating vide e-mail communications dated January 13, 2025 and March 04, 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 Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, **YRR TEX FAB Private Limited** has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on YRR TEX FAB Private Limited's bank facilities will now be denoted as **CARE B; Stable; 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.

The revision in rating assigned to the bank facilities of YTPL takes into account non-submission of No default statement (NDS) by YTPL for the past 2 months of January 2025 and February 2025. Further, the rating continues to be constrained by YTPL's modest scale of operations, relatively low profit margins, highly working capital-intensive nature of operations, moderately leveraged capital structure, weak debt coverage indicators and stretched liquidity position. The rating further continues to be constrained by presence in highly fragmented and competitive nature of industry. The rating, however, continues to derive strength from long track record of the company with highly experienced promoter in the textile industry and moderately diversified customer and supplier base.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes that entity will continue to benefit from its experienced promoters along with long track record of operations.

Detailed description of key rating drivers:

At the time of last rating on March 08, 2024, the following were the rating strengths and weaknesses [updated for information available from FY24 (refers to period April 01 to March 31) audited financials]:

Key weaknesses

Modest scale of operations

During FY24, the ToI of the company stood stable Rs. 69.13 crore (vis-à-vis Rs. 67.98 crore in FY23) thus indicating modest scale of operations.

Relatively low profit margins

The profitability metrics of the company have improved marked by PBILDT margins of 6.18% in FY24; the improvement is on account of reduction in the cost of raw material consumed as against 5.13% in FY23. Consequently, the PAT margins have improved from 0.86% in FY23 to 1.05% in FY24

Moderately leveraged capital structure and weak debt coverage indicators

As on March 31, 2024, the overall gearing stood moderate at 5.07 times; the same has been arrived without factoring USL as quasi equity (vis-à-vis 1.03 times as on March 31, 2023). The debt coverage indicators continues to remain weak marked by high Total Debt/Gross Cash Accruals at 26.33 times in FY24 to times (vis-à-vis 19.94 times in FY23) on account USL being treated as debt. Interest coverage has marginally improved, though remained weak, to 1.52 times in FY24 from 1.48 times in FY23 due to proportionate increase in PBILDT as against increase in finance cost.

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

High working capital-intensive nature of operations

The operations of YTPL are working capital intensive in nature with majority of funds being blocked in debtors due to liberal credit period given to its customers. The collection period continues to remain stretched at 200 days in FY24 (vis-à-vis 195 days in FY23). The inventory period also remained high at 94 days in FY24 (vis-à-vis 85 days in FY23). Also, creditor's period has stretched to 125 days in FY24 (vis-à-vis 112 days in FY23). The operating cycle of the company stood high at 168 days in FY24 (PY: 168 days).

Key strengths

Long track record of the company with experienced promoter

The company has established long standing track record of operations through 20 years of existence in the textile trading industry. The promoter of the firm i.e. Mr. Praful Kumar Somaiya holds significant experience of around five decades in the textile industry and he has assisted by his two sons namely Mr. Yash Somaiya and Mr. Viral Somaiya. The extensive experience of the promoter enables the firm to establish strong marketing connects and business excellence for YRR Texfab Private Limited (formerly Yash Knitwear).

Diversified Customer and supplier

The customer profile of the company remained diversified as it supplies to various manufacturers and traders across local market. The top 5 customers accounted for 26.91% of total sales in FY23 (vis-à-vis 63.79% of total sales in FY22). Furthermore, the company purchases from local suppliers wherein top 5 suppliers contribute 37.94% of total purchases in FY23 (vis-à-vis 80.47% of total purchases in FY22).

Liquidity: Stretched

The liquidity position of the company continues to remain stretched marked by GCA of Rs.1.11 crore in FY24. Cash flow from operations stood at Rs.4.38 crore in FY24 (PY: Rs.0.35 crore). The working capital borrowing (Cash Credit) was utilised to the tune of Rs.11.90 crore as on March 31, 2024. Current ratio and quick ratio stood moderate at 1.12 times and 0.78 times as on March 31, 2024, respectively.

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](#)

[Wholesale Trading](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Garments & Apparels

Established in April 2002, YRR Texfab Private Limited (YTPL) is engaged in the trading of finished fabrics viz. cotton, polyester, linen, etc. YTPL purchases fabrics from local manufacturers, as per designs provided/pre-approved by customer and then subsequently sells to customers in the domestic market to the manufacturers of men's wear and children's wear. YTPL has its warehousing facility located in Bhiwandi, Thane for meeting its storage requirements of 36,000 sq. ft. and the administrative office located at Lower Parel (Mumbai)

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	67.98	69.13
PBILDT	3.49	4.27
PAT	0.58	0.72
Overall gearing (times)	28.30	5.07
Interest coverage (times)	1.48	1.52

A: Audited UA: Unaudited; 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-Bank Overdraft		-	-	-	10.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Demand loan		-	-	-	1.35	CARE B; Stable; 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-Bank Overdraft	LT	10.00	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (08-Mar-24) 2)CARE B+; Stable; ISSUER NOT COOPERATING * (29-Jan-24)	1)CARE B+; Stable (03-Feb-23) 2)CARE B+; Stable (04-Apr-22)	1)CARE B+; Stable (05-Apr-21)
2	Fund-based - LT-Working Capital Demand loan	LT	1.35	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (08-Mar-24) 2)CARE B+; Stable; ISSUER NOT COOPERATING * (29-Jan-24)	1)CARE B+; Stable (03-Feb-23) 2)CARE B+; Stable (04-Apr-22)	1)CARE B+; Stable (05-Apr-21)

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

LT: Long 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-Bank Overdraft	Simple
2	Fund-based - LT-Working Capital Demand loan	Simple

Annexure-5: Lender details

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

Contact us

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About us:

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