

Yash Appliances

April 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE BBB-; Stable	Reaffirmed
Short Term Bank Facilities	70.00 (Enhanced from 65.00)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has taken a combined view of Yash Appliances (YA) and Yash Fans & Appliances Limited (YFAL) for arriving at the ratings of Yash Appliances (YA) since both the entities are engaged in a similar line of business, have operational linkages, financial linkages, common promoters and common management personnel. The reaffirmation of the ratings assigned to the bank facilities of YA factors in experienced promoters and long track record of operations of the group, diversified product profile, addition of new products and high level of operational integration. The rating also takes comfort from adequate liquidity position, stable scale of operations and improved profitability margins.

The ratings, however, continue to remain constrained by the constitution of YA as a partnership firm leading to withdrawal of capital, reputed albeit customer concentration risk, susceptibility of margins to volatility in the raw material prices, limitation of the group to pass on increased costs to customers & foreign exchange fluctuations and competitive nature of the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations beyond Rs. 600 crores while improving PBILDT margin above 6%.
- Sustenance in overall gearing below 1.00x.
- Improvement in liquidity position led by lower working capital utilisation.

Negative factors

- Substantial decrease in the scale of operations below ~400 crore and/or decrease in PBILDT Margins below 3%.
- Any significant deterioration in debt coverage indicator marked by Total Debt/GCA >7.50x.

Analytical approach: Combined

The financial and business risk profile of YFAL and YA have been combined since both the entities are engaged in similar line of business, have operational linkages, financial linkages, common promoters and common management personnel. Details of entities combined are presented in [Annexure-6](#).

Outlook: Stable

The stable outlook reflects CARE Ratings' opinion that the group shall continue to benefit from growing scale of operations, diversified product profile with addition of new products and on the back of long-standing relationship with reputed customer base.

Detailed description of key rating drivers:

Key strengths

Long track record of operations & experienced promoters

The group has been engaged in the domestic appliances industry since commencement of manufacturing operations at YA in 2009. The current directors of YFAL and partners of YA together include Mr. Girdhari Lal Gupta, Mr. Ritesh Naredi, Mr. Yash Naredi, Mrs. Rachna Gupta (wife of Mr. Girdhari Gupta) and Mrs. Aparna Naredi (wife of Mr. Ritesh Naredi). The day-to-day affairs of the group, however, are mainly looked after by Mr. Ritesh Naredi, Mr. Girdhari Gupta and Mr. Yash Naredi. Mr Girdhari Lal Gupta and Mr. Ritesh Naredi hold an experience of around 12 and 27 years respectively in the industry. The promoters have been engaged in the manufacturing of home & kitchen appliances for nearly two decades now leading to established business relationship with customers, including several reputed players, as well as suppliers.

Reputed client base

The clientele of the group includes large appliances manufacturers including Crompton Greaves Consumer Electricals limited, Bajaj Electricals Limited (CGCEL) and Surya Roshini Limited (rated CARE AA-; Positive/ CARE A1+). The products are sold directly and under the brand name of the respective entities for which they are manufactured. Additionally, the group, also supplies products to online retailers like Flipkart.

Stable scale of operations with moderate PBILDT margin

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

The group's total income remained stable at Rs 574.73 crores in FY24 (refers to the period from April 01, 2023, to March 31, 2024), compared to Rs 566 crores in FY23 (refers to the period from April 01, 2022, to March 31, 2023). Ceiling fans, which accounted for about 61% of sales in FY24 (PY: 61%), had a sales realization of Rs 829.46 per unit in FY24, slightly down from Rs 834.59 per unit in FY23. Profitability margins and sales realizations vary based on the customer and product mix, with higher margins seen in products like LPG stoves, rice cookers, and mixer grinders. The PBILDT margin improved to 5.36% in FY24 from 3.00% in FY23, majorly attributed to better pricing by CGCEL (major customer) and improved overall sales realizations. Going forward, the PBILDT margin is expected to remain moderate in the range of ~5%-6% in the near future.

Moderate Capital Structure

The capital structure of the group moderated as reflected by overall gearing of 1.51x as on March 31, 2024 (0.97x) on account of increase in utilisation of BD limits by Yash Appliances. YA and YFAL now discount the bill from bank at an interest rate to be paid on bill discounting limit which is lower (8.50% per annum) as compared to discount/interest charged directly by CGCEL earlier of ~12.50%-13.00% per annum because of which the working capital borrowings o/s and debtors o/s have both increased as on March 31, 2024 as compared to that as on March 31, 2023. The debt-coverage indicators remained comfortable as total debt/GCA, and interest coverage ratio stood at 5.24x and 6.52x respectively during FY24 (PY: 3.27x and 4.66x).

Key weaknesses

Customer concentration risk

In FY24, top three customers contributed ~70% (PY: ~68%) of the total operating income while the group's largest customer, Crompton Greaves Consumer Electricals Ltd. (CGCEL) contributed ~60% (PY: ~59%) of the total operating income during the year. This exposes the revenue profile of the group to a customer concentration risk to some extent as any change in procurement policy of these customers may adversely impact the group's business. However, the management has a long-standing association with these entities leading to repeat orders from the customers. To mitigate the same, group has added new customers such as Butterfly Gandhimathi Appliances Ltd, G.M Elektra PVT LTD and Orient Electric Limited (CARE AA; Stable/CARE A1+) over past two years and diversified its sales, yet major % of sales is concentrated to CGCEL.

Susceptibility of margins to volatility in the raw material prices

The primary raw materials for the group include aluminium sheets, steel sheets, copper wires and scrap, plastic parts, copper wires, electrical components, etc., prices of which have remained volatile in the past, moving in tandem with the global demand supply factors. The competitive nature of the industry also limits the ability of the group to completely pass on the increased costs to the customers. The group purchases raw materials domestically and derives income majorly from domestic market. Though natural hedged to an extent, in the absence of any hedging mechanism, the profitability margins of the group are also susceptible to adverse foreign exchange fluctuations.

Competitive nature of the industry

The consumer durable industry is highly competitive and fragmented in nature characterized by presence of many established Indian and multinational players in the branded product segments as well as unorganized players in the non-branded segment. Furthermore, Indian consumers are highly price conscious as well as price sensitive. This poses a challenge for the manufacturers and suppliers like the group as even a small price variation affects the consumer preference for a specific brand or product.

Liquidity: Adequate

The liquidity of the group (YFAL and YA combined) is adequate marked by current and quick ratio of 1.22x and 0.97x respectively as on March 31, 2024. The repayment obligations for FY25 are modest of around Rs. 0.55 crores against projected gross cash accruals of Rs. ~24.36 crores. The group has a capex plan of ~Rs 20 crores in FY26 which will be funded through internal accruals. The group as on February 28, 2025 has free cash and bank balance of Rs 3.40 crores. The working capital requirements were majorly met by bank borrowings leading to an average working capital utilisation of ~53% in YA and YFAL for a period of last twelve months ended February 28, 2025.

Applicable criteria

[Consolidation](#)

[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
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Consumer Discretionary	Consumer Durables	Consumer Durables	Household Appliances
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YFAL was initially incorporated in 2007 as Globus International. On April 02, 2018, the entity was reconstituted as a public limited company- Yash Fans and Appliances Limited (YFAL). The company is primarily engaged in the contract-based manufacturing of home appliances viz. electrical fans and axial fans since the commencement of its commercial operations in 2010. The group operates from its three manufacturing facility in Baddi, Himachal Pradesh, having an installed capacity of 8 lakh pieces per annum for axial fans, 33 lakh pieces per annum for ceiling fans, 23 lakh pieces per annum for mixer grinders, 8 lakh pieces per annum for LPG stoves, 1.50 lakhs pieces for Rice Cattle and 6 lakh pieces per annum for Electric Cattles as on March 31, 2024.

Combined Financials

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	11MFY25*(UA)
Total operating income	566.58	574.73	548.16
PBILDT	16.99	30.81	27.80
PAT	13.16	17.24	16.86
Overall gearing (times)	0.97	1.51	2.58
Interest coverage (times)	3.27	5.24	6.88

A: Audited UA: Unaudited; Note: these are latest available financial results, * refers to the period from April 01, 2024, to February 28, 2025

Standalone Financials- YA

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	11MFY25*(UA)
Total operating income	390.05	340.89	287.24
PBILDT	14.03	15.67	14.68
PAT	10.97	9.04	9.76
Overall gearing (times)	0.28	0.92	2.55
Interest coverage (times)	3.44	3.68	5.19

A: Audited UA: Unaudited; Note: these are latest available financial results, * refers to the period from April 01, 2024 to February 28, 2025

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		-	-	-	10.00	CARE BBB-; Stable
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	50.00	CARE A3
Non-fund-based - ST-ILC/FLC		-	-	-	20.00	CARE A3

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-Cash Credit	LT	10.00	CARE BBB-; Stable	1)CARE BBB-; Stable (01-Apr-24)	1)CARE BBB-; Stable (04-Apr-23)	-	1)CARE BBB-; Stable (30-Mar-22) 2)CARE BBB-; Stable (05-Apr-21)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (04-Apr-23)	-	1)CARE BBB-; Stable (30-Mar-22) 2)CARE A3 (05-Apr-21)
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	50.00	CARE A3	1)CARE A3 (01-Apr-24)	1)CARE A3 (04-Apr-23)	-	1)CARE A3 (30-Mar-22) 2)CARE A3 (05-Apr-21)
4	Non-fund-based-Short Term	ST	-	-	-	1)Withdrawn (04-Apr-23)	-	1)CARE A3 (30-Mar-22) 2)CARE A3 (05-Apr-21)
5	Non-fund-based - ST-ILC/FLC	ST	20.00	CARE A3	1)CARE A3 (01-Apr-24)	-	-	-

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-Cash Credit	Simple
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
3	Non-fund-based - ST-ILC/FLC	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Yash Fans and Appliances Limited	Full	Operational and financial linkages along with common promoters and management personnel

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:

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in Dhruv Mittal Assistant Director CARE Ratings Limited Phone: 91-120-4452050 E-mail: dhruv.mittal@careedge.in Meenal Gupta Analyst CARE Ratings Limited E-mail: Meenal.gupta@careedge.in
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About us:

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