



**Press Release**  
**Yes Knits**  
**October 18, 2023**

**Rating Reaffirmed and Issuer not co-operating**

| Product                                       | Quantum<br>(Rs. Cr) | Long Term Rating                                     | Short Term Rating                                    |
|-----------------------------------------------|---------------------|------------------------------------------------------|------------------------------------------------------|
| Bank Loan Ratings                             | 4.56                | ACUITE B+   Reaffirmed  <br>Issuer not co-operating* | -                                                    |
| Bank Loan Ratings                             | 0.40                | -                                                    | ACUITE A4   Reaffirmed  <br>Issuer not co-operating* |
| <b>Total Outstanding<br/>Quantum (Rs. Cr)</b> | 4.96                | -                                                    | -                                                    |

**Rating Rationale**

Acuite has reaffirmed the long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.4.96 Cr bank facilities of Yes Knits (YK). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

**About the Company**

Yes Knits (YK), established in 2001, is a Tamil Nadu-based proprietorship firm promoted by Mr. Senthil Kumar. The firm is involved in production of knitted garments and exports the same to USA and European countries. The administrative office and the manufacturing unit are located in Tirupur.

**Non-cooperation by the issuer/borrower:**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivity**

No information provided by the issuer / available for Acuite to comment upon.

**All Covenants**

Not Applicable

**Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

## **Outlook**

Not Applicable

**Other Factors affecting Rating**

Not Applicable

## Key Financials

| Particulars                   | Unit    | FY 15 (Actual) | FY 14 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 19.90          | 12.87          |
| PAT                           | Rs. Cr. | 0.45           | 0.38           |
| PAT Margin                    | (%)     | 2.26           | 2.97           |
| Total Debt/Tangible Net Worth | Times   | 0.72           | 0.49           |
| PBDIT/Interest                | Times   | 2.21           | 1.94           |

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook                                       |
|-------------|--------------------------------|------------|-----------------|------------------------------------------------------|
| 22 Jul 2022 | Term Loan                      | Long Term  | 0.54            | ACUITE B+ (Downgraded and Issuer not co-operating*)  |
|             | Derivative Exposure            | Short Term | 0.40            | ACUITE A4 (Downgraded and Issuer not co-operating*)  |
|             | Bills Discounting              | Long Term  | 2.40            | ACUITE B+ (Downgraded and Issuer not co-operating*)  |
|             | Cash Credit                    | Long Term  | 0.12            | ACUITE B+ (Downgraded and Issuer not co-operating*)  |
|             | Packing Credit                 | Long Term  | 1.50            | ACUITE B+ (Downgraded and Issuer not co-operating*)  |
| 23 Apr 2021 | Cash Credit                    | Long Term  | 0.12            | ACUITE BB- (Downgraded and Issuer not co-operating*) |
|             | Derivative Exposure            | Short Term | 0.40            | ACUITE A4+ (Issuer not co-operating*)                |
|             | Term Loan                      | Long Term  | 0.54            | ACUITE BB- (Downgraded and Issuer not co-operating*) |
|             | Packing Credit                 | Long Term  | 1.50            | ACUITE BB- (Downgraded and Issuer not co-operating*) |
|             | Bills Discounting              | Long Term  | 2.40            | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| 31 Jan 2020 | Term Loan                      | Long Term  | 0.54            | ACUITE BB (Issuer not co-operating*)                 |
|             | Packing Credit                 | Long Term  | 1.50            | ACUITE BB (Issuer not co-operating*)                 |
|             | Derivative Exposure            | Short Term | 0.40            | ACUITE A4+ (Issuer not co-operating*)                |
|             | Cash Credit                    | Long Term  | 0.12            | ACUITE BB (Issuer not co-operating*)                 |
|             | Bills Discounting              | Long Term  | 2.40            | ACUITE BB (Issuer not co-operating*)                 |

## Annexure - Details of instruments rated

| Lender's Name      | ISIN           | Facilities          | Date Of Issuance | Coupon Rate    | Maturity Date  | Complexity Level | Quantum (Rs. Cr.) | Rating                                                     |
|--------------------|----------------|---------------------|------------------|----------------|----------------|------------------|-------------------|------------------------------------------------------------|
| Dhanlaxmi Bank Ltd | Not Applicable | Bills Discounting   | Not Applicable   | Not Applicable | Not Applicable | Simple           | 2.40              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Dhanlaxmi Bank Ltd | Not Applicable | Cash Credit         | Not Applicable   | Not Applicable | Not Applicable | Simple           | 0.12              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Dhanlaxmi Bank Ltd | Not Applicable | Derivative Exposure | Not Applicable   | Not Applicable | Not Applicable | Simple           | 0.40              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Dhanlaxmi Bank Ltd | Not Applicable | PC/PCFC             | Not Applicable   | Not Applicable | Not Applicable | Simple           | 1.50              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Dhanlaxmi Bank Ltd | Not Applicable | Term Loan           | Not available    | Not available  | Not available  | Simple           | 0.54              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |

## Contacts

| Analytical                                                                                                                                                                                                                                                                             | Rating Desk                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Mohit Jain<br>Senior Vice President-Rating Operations<br>Tel: 022-49294017<br><a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a><br><br>Abhishek Singh<br>Analyst-Rating Operations<br>Tel: 022-49294065<br><a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a> | Varsha Bist<br>Senior Manager-Rating Operations<br>Tel: 022-49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.