



Press Release
YANKI SIZZLERR PRIVATE LIMITED
April 24, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE B+ Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE B+ (read as ACUITE B plus)**' on the Rs. 30.00 Cr. bank facilities of Yanki Sizzlerr Private Limited (YSPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the experienced management, long operational track record of the company and moderate working capital management. However, the rating is constrained by the company's small scale of operations, below average financial risk profile, geographic concentration risk and exposure to intense competition.

About the Company

Yanki Sizzlerr Private Limited (YSPL) was incorporated in 2014. The directors include Mr. Abhishek Jani and Mr. Nilesh Gupta. The company is running a speciality restaurant chain and banquet as well as outdoor catering Services. Over the years, it has expanded its operations, now owning and managing restaurants in Navrangpura, Shilaj and Gandhinagar each and banquet halls in Navrangpura and Gandhinagar and also offering outdoor catering services.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Yanki Sizzlerr Private Limited (YSPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

Incorporated in 2014, Yanki Sizzlerr Private Limited (YSPL) is managed by Mr. Abhishek Jani and Mr. Nilesh Gupta. The company is running a restaurant chain and Banquet as well as outdoor Catering Service. The directors have been engaged in the industry for around a decade. Additionally, the company is supported by a qualified management team. The company's extensive industry experience is evident in their strong and long-standing relationships with customers and suppliers. Acuite believes, the company will benefit from the extensive experience of the directors in maintaining long standing relations with suppliers and customers.

Moderate Working capital management

The working capital operations of the company remained moderate, marked by a GCA of 146 days in FY 2024, as

compared to 124 days in FY 2023. Debtor days stood at 1 day as of March 31, 2024, compared to 2 days as of March 31, 2023. The inventory days were 113 days in FY 2024, compared to 91 days in FY 2023. The higher inventory levels in FY2024 were primarily due to the storage of sauces and inventory related to banquet and outdoor catering services. The average inventory holding period is around 90-120 days. Additionally, creditor days stood at 77 days in FY 2024, compared to 4 days in the previous year. The average credit period is around 15 days. Furthermore, reliance on working capital limits is moderate h, with utilization at ~ 89 percent over 6 months ending January 2025. Acuité believes that the working capital operations of the company would remain moderate over the medium term on account of nature of operations.

Weaknesses

Small scale of operations albeit comfortable profitability margins

YSPL has a small scale of operations, as reflected in its operating income of Rs. 12.37 Cr. for FY2024, compared to Rs. 13.06 Cr. in FY2023 and Rs. 8.39 Cr. in FY2022. The company reported a revenue of Rs. 13.61 Cr. in 9M FY2025 and aims to achieve revenue of approximately Rs. 20 Cr in FY2025 on the back of commencement of Gandhinagar restaurant on October 2024. The operating margins have improved to 30.94 percent in FY2024 from 29.40 percent in FY2023, However, Profit After Tax (PAT) margins deteriorated marginally to 4.77 percent in FY2024 from 5.22 percent in FY2023 due to increased interest and depreciation cost. Acuite believes that the firm's ability to register significant growth in its revenues while improving its profitability would be key a rating sensitivity.

Below Average financial risk profile

The financial risk profile of YSPL is below average, marked by low net worth, high gearing, and average debt protection metrics. The company's net worth stood at Rs. 3.36 Cr. as of March 31, 2024 compared to Rs. 2.77 Cr. as of March 31, 2023. The gearing of the firm is high at 8.55 times as of March 31, 2024, compared to 7.62 times as of March 31, 2023. Further, debt protection metrics are below-average, with the debt service coverage ratio (DSCR) at 1.16 times in FY 2024, compared to 1.52 times in the previous year. Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 8.84 times as of March 31, 2024, compared to 7.75 times as of March 31, 2023. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.06 times in FY 2024, compared to 0.08 times in the previous year. Acuite believes, the financial risk profile of the company would remain below average on account of low net worth base.

Exposure to intense competition and Geographic concentration risk

YSPL operates in a highly competitive market, facing challenges from both organized and unorganized restaurant chains with significant market share, along with evolving consumer preferences. The company's ability to sustain growth and enhance profit margins amid this intense competition will be crucial to its long-term success. Further, the restaurants are located only in Gujarat, thus exposing operations to geographical concentration risk.

Rating Sensitivities

- Consistent Improvement in scale of operations and profitability margins.
- Deterioration in working Capital cycle
- Changes in Financial Risk Profile owing to major debt funded capex

Liquidity Position

Stretched

The company's liquidity position is stretched, marked by low net cash accruals of Rs. 1.60 Cr. in FY2024 against its debt obligations of around Rs. 1.05 Cr. Further, the company is expected to generate cash accruals in the range of Rs. 2.91 – 4.47 Cr., compared to maturing repayment obligations of around Rs. 2.10 Cr. – 2.48 Cr. over the medium term with current ratio of 0.95 times as on March 31, 2024. The cash and bank balance as of FY24 stood at Rs. 1.45 Cr., compared to Rs. 1.34 Cr. in FY23. The working capital limit utilisation is high at 89 percent ending January 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	12.37	13.06
PAT	Rs. Cr.	0.59	0.68
PAT Margin	(%)	4.77	5.22
Total Debt/Tangible Net Worth	Times	8.55	7.62
PBDIT/Interest	Times	1.66	1.78

Status of non-cooperation with previous CRA (if applicable)

None

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Saraswat Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.30	Simple	ACUITE B+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.48	Simple	ACUITE B+ Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	10 Oct 2017	Not avl. / Not appl.	20 Oct 2029	5.38	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	13 Oct 2017	Not avl. / Not appl.	20 Oct 2029	1.64	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	14 Nov 2017	Not avl. / Not appl.	20 Sep 2029	0.51	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	06 Jun 2018	Not avl. / Not appl.	20 Sep 2029	0.20	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	11 Jun 2018	Not avl. / Not appl.	20 Dec 2028	0.48	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	12 Feb 2021	Not avl. / Not appl.	20 Dec 2025	0.10	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	19 Jul 2021	Not avl. / Not appl.	20 May 2031	0.64	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	06 Apr 2022	Not avl. / Not appl.	06 Apr 2028	3.43	Simple	ACUITE B+ Stable Assigned
Saraswat Bank	Not avl. / Not appl.	Term Loan	01 Mar 2024	Not avl. / Not appl.	20 Sep 2035	7.95	Simple	ACUITE B+ Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	30 Aug 2022	Not avl. / Not appl.	05 Jan 2033	0.61	Simple	ACUITE B+ Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	30 Sep 2022	Not avl. / Not appl.	05 Feb 2033	0.26	Simple	ACUITE B+ Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	25 Jul 2022	Not avl. / Not appl.	05 Feb 2033	2.02	Simple	ACUITE B+ Stable Assigned
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	26 Dec 2024	Not avl. / Not appl.	05 Dec 2030	2.00	Simple	ACUITE B+ Stable Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Amay Gupta Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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