



**Press Release**  
**Rankers International Private Limited**  
**January 02, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BBB   Stable   Assigned	-
Bank Loan Ratings	90.00	-	ACUITE A3+   Assigned
Total Outstanding Quantum (Rs. Cr)	110.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple B**) and short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on Rs.110.00 crore of bank facilities of Rankers International Private Limited (RIPL). The outlook is ‘**Stable**’.

**Rationale for rating assigned**

The rating assigned factors in the established track record of the company along with the extensive experience of the promoters and healthy growth in the revenue on y-o-y basis with improving margins. The rating further takes into account the moderate financial risk profile of the company. However, these strengths are partly offset by the moderately intensive working capital operations. Also, the company operates in a highly fragmented industry, characterized by a large number of both organized and unorganized players, and is also significantly affected by climatic conditions.

**About the Company**

Incorporated in 2004, RIPL is engaged in the business of processing and trading of various grade of salt such as industrial, edible, de-icing and drilling salts. The company runs its operations from Kutch, Gujarat. The company procures salts from local salt works and processes the same in its washery to make it fit for use. The current directors of the company are Mrs. Dinaz Adil Sethna, Mr. Trimurtulu Sarayya Rayudu, Mr. Adil Faramroz Sethna, Mr. Ravi Chand Nune, Ms. Sujatha Rani Nune.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of RIPL to arrive at the rating

**Key Rating Drivers**

**Strengths**

**Established track record of operation with experienced management**

Situated in Kutch, RIPL has been engaged in the business of salt processing & trading for almost two decades. The

company is owned and managed by two families, Rayudu and Sethna family, who are involved in this industry since 1980. This extensive experience of the promoters has benefited the company in achieving a CAGR of 54 percent in the last two years. Further, the company is majorly involved in exports (~77% in FY24) of industrial salt to China, South Korea, Kuwait, Qatar and Singapore, also supplies salt to various reputed domestic players such as Tata Chemicals Ltd and Nirma Limited for industrial uses. Further, the company also supplies de-icing and edible salts.

Acuite believes that RIPL will continue to benefit from its established track record of operations and experience

of its management team.

### **Significant growth in operating performance along with profitability**

The company achieved a revenue of Rs. 565.63 crore in FY24, compared to Rs. 441.36 crore in FY23 and Rs. 237.05 crore in FY22. This is driven by company's continuous focus on increasing its volumes, which increased from 1.63 MMT in FY23 to 2.15 MMT in FY24. Further, while 50 percent of the cost for the company constitute of freight charges, pass through of the same to customers combats the volatility of these costs. Also, being situated close to the Kandla port provides advantage to the company for vessel availability. Additionally, with increasing efficiency of operations, the company's operating margins have improved over the years, standing at 3.16% in FY24 compared to 2.24% in FY23.

The company registered a trade volume of 2.2 MMT, generating a revenue of Rs. 670 crores as of December 10, 2024.

### **Moderate Financial risk profile**

The financial risk profile of the company remained moderate, marked by a moderate net worth, moderate gearing, and healthy debt protection metrics. The net worth of the company stood moderate at Rs. 37.03 Cr. as on March 31, 2024 as against Rs. 24.6 Cr. as on March 31, 2023. The increase in net worth is primarily due to the accretion of profits to the reserves. The gearing of the company stood at 2.29 times as on March 31, 2024 as against 2.39 times as on March 31, 2023 on account of increase in working capital borrowings. Furthermore, the company plans to increase its working capital limits and secure a commercial vehicle loan to acquire trucks for logistics operations. Also, the company is expected to procure another washery in FY26 at an estimated cost of Rs 4 crore to sustain heavy volumes. The TOL/TNW stood at 3.11 times as on March 31, 2024 as against 4.27 times as on March 31, 2023. The debt protection metrics remained healthy with DSCR and Interest coverage ratio standing at 22.84 times and 30 times respectively as on 31st March 2024.

Acuite believes that the financial risk profile of the company may continue to remain moderate with steady cash accruals to fund capex, in the near to medium term.

### **Weaknesses**

#### **Moderately Intensive Working capital operations.**

The company's working capital operations remains moderately intensive, as indicated by GCA days of 91 days in FY 2024, compared to 102 days in FY 2023. The GCA days are primarily driven by high debtor days, which were 57 days in FY 2024, down from 75 days in FY 2023. Most of the company's customers are supported by sight letters of credit (LC) and usance LC, offering an average credit period of 30-60 days. Further, the inventory days for the company stood at 16 days in FY24 as against 10 days in FY23. The company's creditor days decreased to 19 days in FY2024 from 36 days in FY2023.

Acuite believes that the working capital operations of the company will continue to remain moderate on account of the nature of operation.

### **Profitability susceptible to climatic conditions and presence in the highly fragmented salt industry**

The salt industry is highly fragmented with presence of numerous regional and unorganized players. Further, the business is seasonal and highly dependent on weather conditions and remains exposed to natural calamities. Salt business has been affected in the past due to natural calamities in Kandla region alongwith reduced exports. However, RIPL's salt's strategic location in terms of its proximity to Kandla Port provides some benefit to the entity with sizeable exports of salt from India

### **Rating Sensitivities**

- Improvement in working capital operations
- Improvement in profitability margins.

### **Liquidity Position**

#### **Adequate**

The liquidity position of RIPL is adequate with net cash accruals (NCA) of Rs.13.01 crore in FY24 as against no major repayment obligations in the same year. Further, it is expected that company will generate NCA in range of Rs.21-27 crore against the repayment obligations of less than Rs. 2 crore over the medium term. The current ratio of the company stood at 1.23 times in FY 2023-24. The average bank limit utilisation for last 6 months ended November 2024 also stood low at around 40 percent. Further, the company is also planning to take enhancement in its working capital limits by Rs. 50 crore to meet its growing working capital requirement. Further, the company maintained a healthy cash and bank balance of Rs. 26.06 Crore as on March 31, 2024.

Acuite believes that the liquidity position of the company will continue to remain adequate on account of steady cash accruals.

### **Outlook : Stable**

**Other Factors affecting Rating**  
None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	565.63	441.36
PAT	Rs. Cr.	12.43	7.61
PAT Margin	(%)	2.20	1.72
Total Debt/Tangible Net Worth	Times	2.29	2.39
PBDIT/Interest	Times	30.00	14.83

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

None

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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 :

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
Bank of Baroda	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A3+   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A3+   Assigned

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Parth Patel Lead Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

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