Press Release

RIVAANSH PACKAGING SOLUTIONS PRIVATE LIMITED (ERSTWHILE RIVAANSH INFRATECH PRIVATE LIMITED)
June 04, 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	10.00	-	ACUITE A3+ | 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Total Withdrawn Quantum (Rs.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 **'ACUITÉ BBB-' (read as ACUITE triple B minus**a)nd short-term rating of **'ACUITÉ A3+' (read as ACUITE A three plus)**on the Rs. 30.00 Cr. bank facilities of Rivaansh Packaging Solutions Private Limited (Erstwhile Rivaansh Infratech Private Limited)(RPSPL).The outlook is **'Stable'.**

Rationale for rating

The rating assigned considers the experienced management and improved operating performance of the company. The rating also, derives strength from healthy financial risk profile of the company and adequate liquidity position. However, the rating is constrained by moderate working capital management, customer and supplier concentration risk and susceptibility of profitability to competitive industry and fluctuations in raw material prices.

About the Company

Mumbai based Rivaansh Packaging Solutions Private Limited (Erstwhile Rivaansh Infratech Private Limited) was incorporated in the year 2013. The company is engaged in the manufacturing of packaging products, including customized pouches and poly films, catering to industries such as food, beverages, pharmaceuticals, cosmetics and agriculture. The installed capacity is 15600 MT. The present directors of the company are Mr. Arshad Mahmad Alli Nanniwale and Mr. Jiva Raghunath Chavan.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered standalone business and financial risk profiles of RPSPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management

Incorporated in 2013, RPSPL is managed by Mr. Arshad Nanniwale and Mr. Jiva Chavan. Although the current management took over in 2022-23, the directors have been engaged in the industry for around two decades. 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.

Improved operating performance
RPSPL reported a significant increase in revenue, reaching Rs. 220.22 Cr. in FY 2025(Prov.), up from Rs. 79.48 Cr. in FY 2024. Furthermore, the company reported revenue of Rs. 26.00 Cr. (Est)for April Month FY26. This

growth was primarily driven by increase in capacity utilisation on the back of new capacity addition. The capacity increased to 15600 MT in FY25, as compared to 4 100 MT in FY24. The company achieved an operating margin of 6.92 per cent in FY2025(Prov.), compared to 8.11 per cent in FY2024. Similarly, the PAT margin deteriorated to 4.15 per cent in FY2025(Prov.) from 5.15 per cent in FY2024. The fixed cost absorption compressed the margins to an extent in FY25. The operating margin and PAT margin is estimated to be in the range of 7.00 – 8.00 per cent and 4.00 – 5.00 per cent in FY2025. Acuité believes that RPSPLs operating performance would remain steady over the medium term.

Healthy financial risk profile

The financial risk profile of RPSPL is healthy marked by moderate net worth, low gearing, and healthy debt protection metrics. The net worth of the company stood at Rs. 51.65 Cr. as of 31st March 2025(Prov.), compared to Rs. 20.65 Cr. as of 31st March 2024, this includes Rs. 35.48 Cr. of unsecured loans from promoter's considered as part of quasi-equity, based on the undertaking given by the company. The gearing of the company remained low at 0.40 times as of 31st March 2025(Prov.), compared to 0.45 times as of 31st March 2024. Further, debt protection metrics remained healthy, with the debt service coverage ratio (DSCR) at 6.17 times in FY 2025(Prov.), compared to 10.41 times in the previous year. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.50 times in FY 2025(Prov.), compared to 0.48 times in the previous year. Acuité believes the financial risk profile of the company will remain healthy, owing to steady net cash accruals and the absence of any major debt-funded capex in the near to medium term.

Weaknesses

Moderate Working Capital Management

The working capital operations of the company are moderate in nature, marked by a GCA of 94 days in FY 2025(Prov.) and FY 2024. The GCA days and working capital cycle have shown year-on-year improvement, primarily due to quicker customer payments, resulting in reduced debtor days. The debtor days stood at 36 days as of March 31, 2025(Prov.), compared to 46 days as of March 31, 2024. The inventory days for the company stood at 35 days in FY 2025(Prov.), compared to 42 days in FY 2024. Additionally, creditor days stood at 25 days in FY 2024, compared to 15 days in the previous year. Furthermore, the reliance on working capital limits remained high, with utilization at around 98.57 percent over the last 3 months ending March 2025. Acuité believes that the working capital operations of the company will continue to remain moderate due to the nature of business.

Customer and Supplier Concentration Risk

The company is exposed to elevated customer and supplier concentration risks. The top five customers contribute approximately 77 per cent of total revenue, reflecting a significant reliance on a limited client base. Similarly, the top five suppliers account for nearly 89 per cent of total purchases, indicating a high dependency on a concentrated group of vendors. This level of concentration underscores the company's vulnerability to any adverse changes in the financial or business profiles of these key stakeholders, which could materially impact the operations and performance of RPSPL. However, the risk is partially mitigated by the company's long-standing relationships with its major customers and suppliers. Acuite believes ability of the company to diverse its customer and supplier base is a key rating sensitivity.

Susceptibility of profitability to competitive industry and fluctuations in raw material prices

The company operates in a highly competitive and fragmented industry characterised by low entry barriers, which results in intense competition from the large number of organised and unorganised players present in the downstream segment providing similar products and services. Hence, the bargaining power of the company remains low due to the competitive nature of the industry. Additionally, prices of raw materials and products are highly volatile in nature. Any volatility in the prices of the raw materials has a direct impact on the profitability margins of the company.

Rating Sensitivities

- Consistent Improvement in scale of operation and profitability margins
- Sustenance of healthy financial risk profile
- Working capital management
- Diversification of Customer and Supplier base

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by generation of sufficient net cash accruals of Rs. 10.42 Cr. in FY2025(Prov.) as against its no maturing debt obligations during the same tenure. In addition, it is expected to generate sufficient cash accruals in the range of Rs. 13.79 – 17.05 Cr. as against its maturing repayment obligations of around Rs. 0.30 – 0.35 Cr. over the medium term. The current ratio stood at 1.50 times as on 31st March 2025(Prov.) as against 1.41 times as on 31st March 2024. Further, the average bank limit utilization for the past 12 months ending March 2025 is averaging around 81 percent. Acuité believes that the liquidity position of the company will remain adequate, supported by steady cash accruals.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	220.22	79.48
PAT	Rs. Cr.	9.14	4.09
PAT Margin	(%)	4.15	5.15
Total Debt/Tangible Net Worth	Times	0.40	0.45
PBDIT/Interest	Times	7.89	13.69

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
• 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. 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
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- | Stable | Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- | Stable | Assigned
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3+ | Assigned

Contacts

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

About Acuité Ratings & Research

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