

Regin Imports and Exports Private Limited

March 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	0.43 (Reduced from 0.55)	CARE BB+; Stable	Upgraded from CARE BB; Stable
Long Term / Short Term Bank Facilities	92.50 (Enhanced from 73.45)	CARE BB+; Stable / CARE A4+	Upgraded from CARE BB; Stable / CARE A4
Short Term Bank Facilities	1.00	CARE A4+	Upgraded from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Regin Imports and Exports Private Limited (RIEPL) factors in the improvement in scale of operations in FY24 and 9MFY25. The rating assigned to the bank facilities of the RIEPL continues to be constrained by the presence in a competitive and fragmented industry, moderate profitability owing to the processing and trading nature of operations, susceptibility of margins to volatile raw material prices and foreign exchange fluctuations. The ratings, however, derives strength from the vast experience of the promoter, established procurement network in African market and longstanding relationship with customers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing scale of operations above ₹500 crore while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margins more than 5%.
- Improving overall gearing below 1.0x.

Negative factors

- Declining PBILDT margins below 3% on a consistent basis.
- Any debt-funded capital expenditure (capex) negatively impacts the capital structure with overall gearing deteriorating beyond 2.00x.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that the company is expected to sustain its financial and operational performance in the medium-term on the back of experienced promoters.

Detailed description of the key rating drivers

Key weaknesses

Presence in highly competitive industry

The cashew industry in India is characterized by intense competition and fragmentation, with the presence of many companies attributable to low entry barriers and a liberal policy regime. The company faces intense competition from regional players with limited product lines. The cashew industry requires large manpower which can impact the production in case of shortage of labours. However, the company has switched to automated production lines and cut down on its labour force which limits the risk to some extent.

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

Susceptibility of profits to volatile price fluctuation of cashew kernel and exposure to foreign exchange fluctuation risk

The products dealt by the firm are cashew kernel and raw cashew nuts which are agricultural commodities and the prices of the same have demonstrated high volatility in the past. The kernel prices on the other hand are driven by demand and supply dynamics leading to lower correlation between the RCN and kernel prices. The company imports raw cashew nuts from African countries like Ghana, Cote D'Ivoire, Senegal, Guinea Conakry, Mozambique, Tanzania. The cashew kernels are exported to Dubai and neighbouring gulf countries and the merchant export of raw nuts is carried out to Vietnam. Though the company imports raw nuts, it pays its suppliers in advance and hence the forex fluctuation risk is mitigated to a greater extent.

Key strengths**Vast experience of the promoters and long track record of operations**

The promoter Regin Pauldhas has over two decades of experience in a similar line of business and that has enabled the company to establish good relations with its suppliers and customers. Till FY22, the group operated under three entities namely Regin Agency (RA) and Regin Exports (RE) and REIPL. RA and RE are proprietorship concerns and from FY23, the promoters have consolidated the operations of the group under REIPL with minimal operations under RE and RA. The group has 12 processing units in Kanyakumari District, Tamil Nadu and one in Kollam, Kerala among which seven units are automated. The process includes boiling of raw nuts in a steam kettle, which then later goes through shelling, peeling, and grading. Regin Pauldas is the Managing Director and looks after the daily operations of the company along with a team of qualified professionals. The experience of the promoters and the raw material sourcing network shall aid the Company in sustaining the business profile of the company going forward.

Improvement in scale of operations and profitability

The scale of operations of the company has improved to ₹303.89 crore in FY24 (FY23: ₹291.40 crore). Company has already surpassed the FY24 revenue in 9MFY25 by clocking TOI of ₹308.83 crores (9MFY24: ₹218.42 crore). This growth was driven by improved capacity utilization on the back of semi automation undertaken the previous year and the favourable demand scenario in the key markets. With the improved scale and rationalization of cost, operating margin has also improved to 5.50% in 9MFY25 from 3.99% in FY24.

Established procurement network and long-standing customer relationship

African countries produce 1.2 million tonne of cashew nuts annually, which is about 45% of the world's total production. Around 90% of cashew produced in Africa is exported to Asian countries like India and Vietnam for processing. The company has an established procurement network in Africa and has deployed its team to continuously monitor prices and procure at a competitive price. This strong relationship of the company with its suppliers helps in maintaining the continuous supply of raw cashew nuts. The company over the years has established healthy relationship with its customers in Vietnam and UAE, resulting in higher exports to these countries in FY24 and current year.

Liquidity: Stretched

Liquidity is stretched marked by high utilisation of the working capital limits which stood at more than 95% in the season time and 60- 70% in off-season for the past 12 months ending December 2024. The company had cash and bank balance of ₹8.17 crore as on March 31, 2024. The gross accruals in FY24 was ₹5.86 crore against which the long-term repayment obligations are low at ₹0.55 crore.

Applicable criteria

[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](#)

[Wholesale Trading](#)

About the entity and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

RIEPL based out of Kanyakumari, Tamil Nadu, is engaged in the processing and selling of cashew kernels and trading of raw cashew nuts. The company sells its products both in the domestic market and in the export market. Most of the raw cashew nuts are procured in African countries with its own team of representatives. The group has 12 units in Kanyakumari District, Tamil Nadu and one in Kollam, Kerala for processing the raw cashews among which seven units are semi-automated units. The total processing capacity is around 19,000 MT per annum.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	291.40	303.89	308.83
PBILDT	14.92	12.12	16.98
PAT	6.62	3.69	10.93
Overall gearing (times)	2.10	1.16	1.59
Interest coverage (times)	3.17	2.25	4.23

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of RIEPL to 'issuer not-cooperating' category vide press release dated August 08, 2024, on account of its inability to carry out review in the absence of requisite information from the company.

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-Term Loan		-	-	14/08/2028	0.43	CARE BB+; Stable
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	92.50	CARE BB+; Stable / CARE A4+
Non-fund-based - ST-Credit Exposure Limit		-	-	-	1.00	CARE A4+

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/ST-CC/Packing Credit	LT/ST	92.50	CARE BB+; Stable / CARE A4+	-	1)CARE BB; Stable / CARE A4 (19-Mar-24)	-	-
2	Fund-based - LT-Term Loan	LT	0.43	CARE BB+; Stable	-	1)CARE BB; Stable (19-Mar-24)	-	-
3	Non-fund-based - ST-Credit Exposure Limit	ST	1.00	CARE A4+	-	1)CARE A4 (19-Mar-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-Term Loan	Simple
2	Fund-based - LT/ ST-CC/Packing Credit	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple

Annexure-5: Lender details

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

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