



Press Release
Rashmi Rare Earth Limited
July 19, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) on the Rs. 50.00 crore bank facilities of RASHMI RARE EARTH LIMITED. The rating continues to be flagged as "Issuer NotCooperating" and is based on the best available information.

About the Company

Rashmi Rare Earth Limited (RREL) was incorporated in 2011 by Mr. Sunil Patwari and Mrs. Sarika Patwari of the Kolkata based Rashmi group. Currently, the day to day operations of the company are managed by Mr. Sunil Kumar Patwari, Mr. Mintu Saha, Mr. Binod Gupta and Mr. Jaiprakash Rai. The company is in the process of installing of Surface Mount Technology (SMT) lines, electronic device assembly line and testing & packaging lines. The company provides Electronic Manufacturing Services (EMS) to various Clients like Reliance Retail Ltd, LG Electronics India Ltd, Honeywell to name a few.

About the Group

Rashmi Group is engaged in manufacturing of integrated Iron & Steel Products, Cement, Power and Ferro Alloys. The group is headed by Mr. Sajjan Kumar Patwari and his three sons Mr. Sunil Kumar Patwari, Mr. Sanjib Kumar Patwari and Mr. Sanjay Kumar Patwari, the group has its corporate office at Kolkata, and factories located at Kharagpur and Jhargram respectively. Its products and services range from DI Pipes, TMT Bars, Pig Iron, Wire Rods, MS Billets, Sponge Iron, Sinter, Ferro Alloys, Pellet Plant and Cement to Laptops, Netbooks, All-InOne PCs and also Dredging.

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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Apr 2022	Proposed Cash Credit	Long Term	18.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	28.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
27 Apr 2020	Proposed Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	28.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	28.00	ACUITE BB+ Reaffirmed Issuer not co-operating*

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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.

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