



**Press Release**  
**Rashmi Rare Earth Limited**  
**October 16, 2024**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BB   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘**ACUITE BB**’ (read as **ACUITE double Bf**) from ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) on the Rs. 50.00 crore bank facilities of RASHMI RARE EARTH LIMITED on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” 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.

## **Unsupported Rating**

Not Applicable

### **Non-cooperation by the issuer/borrower:**

Acuité 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.

Acuité 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 Acuité’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 ratings are based.

**Rating Sensitivity**

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

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	5.26	23.18
PAT	Rs. Cr.	(9.72)	(8.99)
PAT Margin	(%)	(184.85)	(38.79)
Total Debt/Tangible Net Worth	Times	33.91	6.13
PBDIT/Interest	Times	(1.01)	(2.75)

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## 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, 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Jul 2023	Term Loan	Long Term	28.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Proposed Cash Credit	Long Term	18.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
25 Apr 2022	Term Loan	Long Term	28.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	18.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Stable)

\* The issuer did not co-operate; based on best available information.

## Annexure - Details of instruments rated

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

\* The issuer did not co-operate; based on best available information.

## Contacts

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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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