

Press Release

Rare Earth Conveyors Private Limited (RECPL)

July 31, 2019

Rating Withdrawn



Total Bank Facilities Rated*	Rs.42.00 Cr.#
Long Term Rating	ACUITE BB+ Withdrawn
Short Term Rating	ACUITE A4+ Withdrawn

#Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.42.00 crore bank facilities of RARE EARTH CONVEYORS PRIVATE LIMITED. This rating is now withdrawn and indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

RECPL, incorporated in 2007 (the erstwhile Rare Earth International, a partnership firm) is a Delhi-based company promoted by Mr. Rakesh Khurana and Mr. Pankaj Khurana. The company is engaged in the processing of rubber conveyor belts.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

About the Rated Entity- Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	140.88	138.67	136.78
EBITDA	Rs. Cr.	3.79	4.05	4.60
PAT	Rs. Cr.	0.45	0.32	0.75
EBITDA Margin	(%)	2.69	2.92	3.36
PAT Margin	(%)	0.32	0.23	0.55
ROCE	(%)	5.36	5.76	6.53
Total Debt/Tangible Net Worth	Times	0.80	0.79	1.46
PBDIT/Interest	Times	1.27	1.15	1.35
Total Debt/PBDIT	Times	8.31	7.57	9.09
Gross Current Assets (Days)	Days	193	184	177

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
27 April, 2019	Cash credit	Long term	INR 10	ACUITE BB+/ Stable (Downgraded)
	Cash credit	Long term	INR 12	ACUITE BB+/ Stable (Downgraded)
	Buyers credit	Short term	INR 6	ACUITE A4+ (Withdraw)
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	Letter of credit	Short term	INR 8	ACUITE A4+ (Assigned)
	Letter of credit	Short term	INR 8	ACUITE A4+ (Assigned)
	Bank guarantee	Short term	INR 2	ACUITE A4+ (Assigned)
	Proposed bank facility	Long term	INR 2	ACUITE BB+/ Stable (Downgraded)
05 February, 2018	Cash credit	Long term	INR 10	ACUITE BBB-/ Stable (Reaffirmed)
	Cash credit	Long term	INR 14	ACUITE BBB-/ Stable (Reaffirmed)
	Buyers credit	Short term	INR 6	ACUITE A3 (Reaffirmed)
	Buyers credit	Short term	INR 6	ACUITE A3 (Reaffirmed)
	Proposed long term loan	Long term	INR 6	ACUITE BBB-/ Stable (Assigned)
27 December, 2017	Cash credit	Long term	INR 10	ACUITE BBB- (Indicative)
	Cash credit	Long term	INR 14	ACUITE BBB- (Indicative)
	Buyers credit	Short term	INR 12	ACUITE A3 (Indicative)
	Buyers credit	Short term	INR 10	ACUITE A3 (Indicative)
13 September, 2016	Cash credit	Long term	INR 10	ACUITE BBB-/ Stable (Reaffirmed)
	Cash credit	Long term	INR 14	ACUITE BBB-/ Stable (Reaffirmed)
	Buyers credit	Short term	INR 12	ACUITE A3 (Reaffirmed)
	Buyers credit	Short term	INR 10	ACUITE A3 (Reaffirmed)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Withdrawn)
Cash credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE BB+ (Withdrawn)

Letter of credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4+ (Withdrawn)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4+ (Withdrawn)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Withdrawn)
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB+ (Withdrawn)

Contacts

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About Acuité Ratings & Research:

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