

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Rating Withdrawn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Long Term Rating	ACUITE BB+ Withdrawn
Short Term Rating	ACUITE A4+ Withdrawn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Acuite has withdrawn the long-term rating of '**ACUITE BB+**' (**read as ACUITE double B plus**) and the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on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 This rating is now withdrawn and indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.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

Acuité 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

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Aditya Singh Ratings Analyst - Rating Operations Tel: 011-49731314 aditya.singh@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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