



**Press Release**  
**R G Industries**  
**August 09, 2024**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	45.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	70.00	-	-

**Rating Rationale**

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 70.00 crore bank facilities of R G Industries.

The rating is now flagged as issuer not cooperating and is based on best available information. The rating is downgraded on account of information risk.

**About the Company**

Established in the year 1999, R G Industries is a Punjab based partnership firm. There are six partners out of which three partners of the firm are Mr. Arvinder Pal Singh, Mr. Varpreet Singh and Mr. Daljit Singh who have been associated with the firm since its inception and have an experience of more than two decades in the industry. The firm is engaged in the manufacturing of DI and CI fittings which are approved by major Government, Semi Government bodies and PSUs across India. The firm sells its product under the brand name of 'RG'. The firm is also engaged in executing different water supply and sewerage projects for different State Governments under the financial heads of Jal Jeevan Mission, AMRUT, Asian Development Bank, World Bank and Central Government. The firm also undertakes the projects under the joint ventures with profit sharing of 4:1. The partners are Mr. Arvinder Pal Singh, Mr. Varpreet Singh, Mr. Daljit Singh, Mr. Rajvir Singh, Mr. Jaskaran Singh and Mr. Kunwar Aviraj.

**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 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 endeavoured 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.

**Rating Sensitivities**

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.	180.66	169.23
PAT	Rs. Cr.	4.34	4.05
PAT Margin	(%)	2.40	2.39
Total Debt/Tangible Net Worth	Times	1.03	1.44
PBDIT/Interest	Times	2.07	2.30

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
12 May 2023	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	32.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	20.00	ACUITE BBB-   Stable (Reaffirmed)
18 Feb 2022	Secured Overdraft	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	20.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	32.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Assigned)
06 Jan 2022	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Secured Overdraft	Long Term	5.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	42.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
Karnataka Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
Karnataka Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB-)

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Archita Sharma Associate Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:archita.sharma@acuite.in">archita.sharma@acuite.in</a>	

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.