

October 12, 2023

Real Growth Commercial Enterprises Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	21.00	21.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Non Fund Based-Others	4.00	4.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	25.00	25.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term rating of Real Growth Commercial Enterprises Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D ; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Real Growth Commercial Enterprises Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Real Growth Commercial Enterprises Limited (RGCEL) was incorporated in 1995 under the name KRS Financials Pvt Ltd. In 2001, it was taken over by the RG Group and the name was changed to Rajesh Projects & Finance Limited. The company was involved in development of commercial office-cum-shopping complexes till 2007 and executed 4 commercial projects during this period. The company commenced trading of stainless-steel sheets of various dimensions in January 2010. No new real estate projects

were undertaken in the company after 2007, and the company is solely operating in the business of trading of stainless-steel sheets in Bhiwadi. The name was later changed to Real Growth Commercial Enterprises Limited in January 2011. RGCEL is managed by Mr Rajesh Goyal who is the Managing Director of the RG Group.

The company does trade of steel sheets (patti and patta) of various dimensions in Bhiwadi where it has taken a warehouse on lease. The orders are taken on a daily basis at the prevailing market rates. The order is supplied at that rate with no raw material price risk assumed by the company. In some instances, the goods are not even unloaded at the company's warehouse and are re-routed directly to the facility of the buyer located nearby based on off-hand arrangements as most of the buyers and sellers of the company are located in the same area, i.e., Bhiwadi. Thus, the company is able to save on its logistic costs and also avoid keeping stock of inventory. The inventory days stood at same levels in the range of 15-30 days in the last few years.

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	-	-
PAT (Rs. crore)	- 0.01	- 7.37
OPBDITA/OI (%)	-	-
PAT/OI (%)	-	-
Total Outside Liabilities/Tangible Net Worth (times)	4.59	11.12
Total Debt/OPBDITA (times)	-60.72	- 4.87
Interest Coverage (times)	- 0.59	- 5.37

Source : MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2024)			Chronology of Rating History for the past 3 years		
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
					October 12, 2023	August 26, 2022	July 23, 2021	May 11, 2020
1	Fund Based- Cash Credit	Long Term	21.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
2	Non- Fund Based- Others	Long Term	4.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term - Fund Based- Cash Credit	Simple
Long Term - Non- Fund Based- Others	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](https://www.icra.in)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	-	-	-	21.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non Fund Based-Others	-	-	-	4.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Real Growth Commercial Enterprises Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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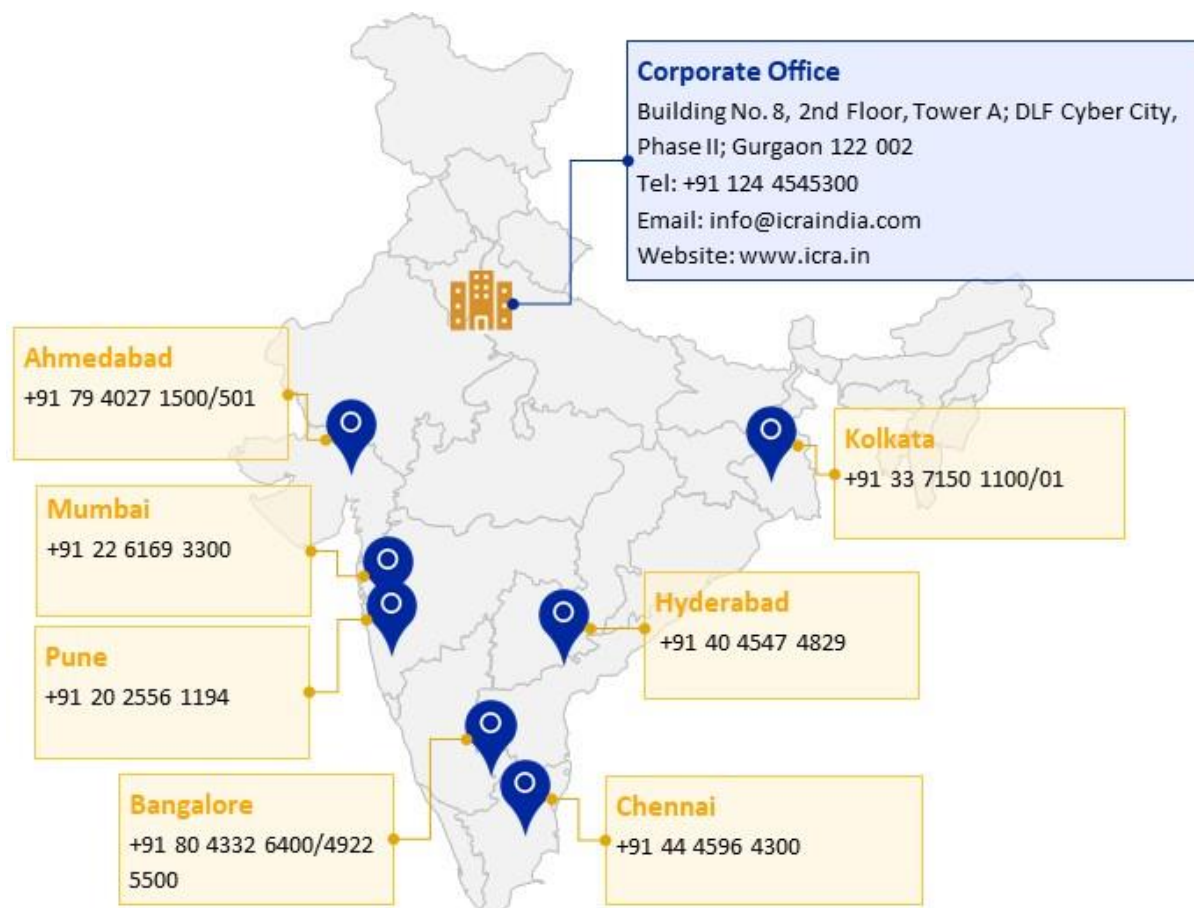


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