

Press Release
RAJPET ENERGY LLP
July 01, 2024



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | St |
|------------------------------------|---------------------|---|----|
| Bank Loan Ratings | 5.70 | ACUITE B+ Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 5.70 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE double B minus) on the Rs. 5.70 Cr. bank facilities of Rajpet Energy LLP (REL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Karnataka based, Rajpet Energy LLP (REL) was established as a Limited Liability Partnership in June, 2016 by Mr. Prasad Reddy Kambam and family. The firm is running 1.1 MW solar power plant at Kolar, Karnataka. The firm has PPA of 25 years with Bangalore Electricity Supply Company Limited (BESCL).

About the Group

Acuite has consolidated the business and financial risk profile of Raygen Power Private Limited (RPPL) and Rajpet Energy LLP (REL). Raygen Power Private Limited was incorporated in August 2015. The company runs a solar power plant of 3.3 MW at Kolar (Karnataka). The company has PPA agreement with Chamundeshwari Electricity Supply Corporation Limited (CESCL), Mysore for 25 years. Karnataka based, Rajpet Energy LLP (REL) was established as a Limited Liability Partnership in June, 2016 by Mr. Prasad Reddy Kambam and family. The firm is running 1.1 MW solar power plant at Kolar, Karnataka. The firm has PPA of 25 years with Bangalore Electricity Supply Company Limited (BESCL).

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite 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.

Acuite 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 Acuite'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 has 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 Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 21 (Actual) | FY 20 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 5.78 | 6.09 |
| PAT | Rs. Cr. | 1.53 | 2.97 |
| PAT Margin | (%) | 26.49 | 48.74 |
| Total Debt/Tangible Net Worth | Times | 0.51 | 0.84 |
| PBDIT/Interest | Times | 3.68 | 4.02 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 04 Apr 2023 | Term Loan | Long Term | 2.09 | ACUITE BB- (Reaffirmed & Issuer not co-operating*) |
| | Proposed Cash Credit | Long Term | 3.61 | ACUITE BB- (Reaffirmed & Issuer not co-operating*) |
| 06 Jan 2022 | Term Loan | Long Term | 2.09 | ACUITE BB- (Reaffirmed & Issuer not co-operating*) |
| | Proposed Cash Credit | Long Term | 3.61 | ACUITE BB- (Reaffirmed & Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| Not Applicable | Not avl. / Not appl. | Proposed Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 3.61 | ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-) |
| Kotak Mahindra Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 2.09 | ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-) |

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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