

Press Release

Red Earth Green Energy Private Limited

August 28, 2020



Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs.5.36 crore# |
| Long Term Rating | ACUITE D (Downgraded from ACUITE B-/Stable ; Issuer not co-operating*) |

#Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE B-**' (**read as ACUITE B minus**) on the Rs.5.36 crore bank facilities of Red Earth Green Energy Private Limited (RGPL). This rating is now an indicative rating and is based on the best available information.

The rating downgrade is based on the feedback received from RGPL's banker which confirmed a delay in servicing of the existing term loan.

Red Earth Green Energy Private Limited was established in the year 2016 as a Karnataka based company formed as an SPV (Special Purpose Vehicle) for developing a solar project at Athani, Belagavi District, Karnataka state with a capacity of 1.1 MW. It is engaged in the generation of power. The project had been commissioned on 27 March 2017. The company entered into a PPA for 25 years with Hubli Electricity Supply Company Limited (HESCOM) in June 2016 at a determined tariff of Rs.8.40 per kilo-watt hour.

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 the due date.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Infrastructure Entities: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

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 (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|-----------|------------------|-------------------------------|
| 07-Jun-2019 | Term Loan | Long Term | 5.28 | ACUITE B-/Stable (Downgraded) |
| | Proposed Bank Facilities | Long Term | 0.08 | ACUITE B-/Stable (Assigned) |
| 24-Aug-2018 | Term Loan | Long Term | 5.36 | ACUITE B (Indicative) |
| 27-June-2017 | Term Loan | Long Term | 5.36 | ACUITE B/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|--------------------------|------------------|----------------|----------------|-----------------------------|--|
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 5.28 | ACUITE D (Downgraded from ACUITE B-/Stable Issuer not co-operating*) |
| Proposed Bank Facilities | Not Applicable | Not Applicable | Not Applicable | 0.08 | ACUITE D (Downgraded from ACUITE B-/Stable Issuer not co-operating*) |

*The issuer did not co-operate; based on best available information.

Contacts

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|---|--|
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About Acuité Ratings & Research:

Acuité Ratings & Research 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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