



**Press Release**  
**R R ENERGY LIMITED**  
**January 10, 2025**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	44.12	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	44.12	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

**Rating Rationale**

Acuite has downgraded its long term rating to ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) from ‘**ACUITE BBB**’ (read as **ACUITE Triple B**) on the Rs 44.12 crore bank facilities of R R Energy Limited (RREL). The rating is now flagged as “Issuer Not Cooperating” and is based on the best available information. The rating is downgraded on account of information risk.

**About the Company**

Established in 2004, R R Energy Limited (RREL), a company headquartered in Chhattisgarh, is involved in the production of biomass based power. Until FY2021, the Company was also engaged in manufacturing ferro alloys but it has divested the same in FY2022 and is not engaged in that line of business. The biomass power plant has a total capacity of 15MegaWatt (MW), and RREL holds a 20-year power purchase agreement (PPA) with Chhattisgarh State Power Distribution Company Limited (CSPDCL) for the sale of 13MW power, effective from March 2016. The management has introduced opportunistic coal trading business. Currently led by Mr. Rajendra Kumar Agrawal, Mr. Amar Agrawal, Mr. Subhash Chander Singhal, Mr. Naresh Garg, Mr. Vijay Kumar Garg, and Mr. Prabhu Nath Pandit, the key promoters have an industry experience of 16 years.

**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 an 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). Acuite has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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.	65.87	94.45
PAT	Rs. Cr.	2.06	3.86
PAT Margin	(%)	3.13	4.09
Total Debt/Tangible Net Worth	Times	0.20	0.23
PBDIT/Interest	Times	3.91	4.22

### 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>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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. Acuité'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
20 Oct 2023	Cash Credit	Long Term	15.00	ACUITE BBB   Stable (Upgraded from ACUITE BB+)
	Proposed Cash Credit	Long Term	29.12	ACUITE BBB   Stable (Upgraded from ACUITE BB+)
19 Jul 2023	Letter of Credit	Short Term	4.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Cash Credit	Long Term	16.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Proposed Cash Credit	Long Term	2.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Term Loan	Long Term	4.38	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Proposed Cash Credit	Long Term	3.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Proposed Cash Credit	Long Term	14.08	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Proposed Cash Credit	Long Term	0.54	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
	Proposed Cash Credit	Long Term	0.12	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB   Stable)
05 May 2022	Letter of Credit	Short Term	4.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Cash Credit	Long Term	0.54	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	14.08	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	3.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	4.38	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	2.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	16.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	0.12	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.12	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )

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

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Abhishek Singh Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@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.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.