

Ravindra Energy Limited

Instrument	Amount	Rating Action
Long Term, fund based limits – Cash credit	Rs 12.07 crore	[ICRA]B- Assigned
Short Term, non-fund based	Rs 17.23 crore	[ICRA]A4 Assigned

ICRA has assigned the long term rating of [ICRA]B- (pronounced ICRA B minus) to the Rs 12.07 crore¹ cash credit facility of Ravindra Energy Limited ("REL"/ 'The Company')². ICRA has also assigned the short rating of [ICRA]A4 (pronounced as ICRA A four) to the non-fund based limit of Rs 17.23 crore of REL.

The ratings assigned takes into account the company's diversified business profile with having presence in mining (through subsidiary in Indonesia), coal and sugar trading and recent foray into executing solar power projects which primarily includes installation of solar irrigation pumps. The company has recently been awarded a project to install 1530 irrigation pumps by Karnataka Renewable Energy Development Limited (KREDL) provides healthy revenue visibility in near term. The company's capital structure is characterised by nearly debt free status at standalone level.

The ratings, however, are constrained by the company's limited track record and experience of the promoters in executing solar power projects. The flagship company of the group, Shree Renuka Sugars Limited (SRSL) is rated [ICRA] D in Mar'16 on account of the delays in debt servicing by the company owing to stretched liquidity position. The solar business of the company is at very nascent stage with concentration to a single project in hand worth Rs 57.20 crore. Further, given the aggressive bidding by the company, ability to procure at a competitive price remains critical. ICRA also takes note of execution risks associated with project nature of business and timeliness of payments received from KREDL remains critical. High foreign exchange losses and write-offs in recent past owing to closing down of operations in Brazil and Columbia, has strained the net margins of the company.

Going forward, timeliness of payments from KREDL and project completion along with company's ability to win new projects remains key rating sensitivities.

Firm Profile

Ravindra Energy Limited (REL, erstwhile Ravindra Trading & Agencies Limited) was setup in 1980 and is promoted by Murkumbi family of Shree Renuka Group. REL, through its subsidiaries, is engaged in coal mining (in Indonesia), coal trading and sugar trading activities. The company recently has ventured into the solar power generation space and has an installed base of 248 solar IPs till date.

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¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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