

December 05, 2017

Ravindra Energy Limited

Ravindra Energy Limited (REL) has announced the scheme of amalgamation of Vantamuri Trading and Investments Limited and Nandur Sugars Limited into Ravindra Energy Limited on November 27, 2017.

The scheme envisages the amalgamation of wholly-owned subsidiary of REL, Vantamuri Trading and Investments Limited (VTIL) and wholly-owned subsidiary of REL (VTIL), Nandur Sugars Limited (NSL) into REL effective from April 1, 2017, resulting in consolidation of the business in to one entity and strengthening the position of the merged entity by enabling it to harness and optimize the synergies of the transferor and transferee companies.

ICRA currently has outstanding ratings of [ICRA]B- (Stable)/A4. The rating derives comfort from 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 ratings, however, are constrained by the company's limited track record and experience of the promoters in executing solar power projects. The company has been awarded a project to install 1530 irrigation pumps by Karnataka Renewable Energy Development Limited (KREDL) which provides healthy revenue visibility in near term. However, execution risks associated with project nature of business and timeliness of payments to be received from KREDL remains critical. The flagship company of the group, Shree Renuka Sugars Limited (SRSL) is rated [ICRA]D in August, 2017 on account of the delays in debt servicing by the company owing to stretched liquidity position.

The previous rating rationale is available on the following link: [Click here](#)

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