

## Vento Power Infra Private Limited

May 03, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	196.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>196.00</b> <b>(Rs. One Hundred Ninety-Six Crore Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Vento Power Infra Private Limited to monitor the rating(s) vide e-mail communications dated March 01, 2021; April 05, 2021; April 14, 2021. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating of Vento Power Infra Private Limited's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The rating takes into account non-receipt of information including No Default Statement (NDS) since August 2019.

### Detailed description of the key rating drivers

*At the time of last rating on February 24, 2020, the following were the rating strengths and weaknesses (updated for the available information).*

#### Key Rating Weaknesses

##### **Delays in servicing of debt obligations**

As on date, there are ongoing delays in the servicing of debt obligations by the company due to the poor liquidity position.

##### **Subdued operational performance**

The 40 MW grid connected solar photovoltaic (PV) power plant under VPIPL in District Balangir, Odisha has reported unsatisfactory operating performance since completion. Since completion till July, 2019, the plant generated average PLF of 3.20% as against P-90 level of 22.50%. Low PLF is on account of stabilization period needed by solar plant in its first year of operations.

##### **Weak financial risk profile of promoters**

Essel Green Energy Private Limited (EGEPL, rated CARE D; Issuer Not Cooperating) is the promoter company of Vento Power Infra Private Limited (VPIPL) operating solar PV project of capacity 40 MW in Balangir District of Odisha through VPIPL. EGEPL, promoted by Essel Infraprojects Limited (EIL, rated CARE D; Issuer Not Cooperating), is the holding company for the solar portfolio of the Essel Group, and also provides O&M services to the projects owned by the Essel Group. EIL had losses to the tune of Rs. 198 crore in the year FY19. The company has also monetized its solar portfolio to reduce debt at the holding company level.

**Analytical approach:** Standalone

#### **Applicable Criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook & Credit Watch to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology: Solar Power Projects](#)

[Financial ratios: Non-Financial Sector](#)

#### **About the Company**

Vento Power Infra Private Limited is a Special purpose vehicle (SPV) of Essel Green Energy Private Limited (EGEPL, rated CARE D; Issuer Not Cooperating) and has developed solar PV project with total capacity of 40 MW in Balangir District of Odisha. The Power Purchase Agreement (PPA) has been executed between VPIPL and Solar Energy Corporation of India Limited (SECI)

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

for the purchase of solar power for a period of 25 years at a tariff of Rs.4.43 per unit which has been revised to Rs. 3.05 per Kwh due to delay in commissioning.

Brief Financials (Rs. crore)	FY19 (A)
Total operating income	0.10
PBILDT	-0.28
PAT	-13.59
Overall gearing (times)	3.15
Interest coverage (times)	-0.05

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating History for last three years: Please refer Annexure-2

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	196.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information.

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	196.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Feb-20) 2)CARE D (26-Sep-19) 3)CARE BB+ (CWD) (01-Apr-19)	1)CARE BBB-(CWD) (07-Dec-18) 2)CARE BBB-; Stable (05-Oct-18)

\*Issuer did not cooperate; Based on best available information.

#### Annexure-3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**