

Viaton Energy Private Limited

May 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	52.48	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated February 23, 2024, placed the rating(s) of Viaton Energy Private Limited (VEPL) under the 'issuer non-cooperating' category as VEPL had failed to provide information for monitoring of the rating. VEPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated January 08, 2025, January 18, 2025, and January 28, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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 ratings factors in the decline in financial performance of company in FY24 (A) [FY refer to period between April 01 and March 31]

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook on the ratings of VEPL reflects CARE Rating's expectation to maintain sufficient cash balances which shall aid the liquidity profile of VEPL.

Detailed description of key rating drivers:

Key weaknesses

Stable scale of operations and with decreased profitability in FY24: The operational performance of VEPL remained moderate with slight increase in TOI as on March 31, 2024 to Rs.51.98 crore. In line with stable TOI, VEPL reported operating profit of Rs. 4.21 crore but with increase finance cost, VEPL reported a net loss of Rs. 28.21 crore. The PBILDT margin stood at 8.10% in FY24.

Weak financial risk profile and moderate debt coverage indicators: The standalone financial risk profile of VEPL is weak due to its high debt of Rs. 144.06 Cr. The interest coverage ratio of the company has deteriorated below unity at -0.43x in FY24 from -1.13x in FY23. The capital structure of the company is leveraged marked by the overall gearing ratio remaining leveraged at -5.52x as on March 31, 2024. The overall gearing ratio continues to remain leveraged due to higher debt levels. The total Debt/PBILDT ratio stood at 34.23x as on March 31, 2024, as against -26.25x as on March 31, 2023.

Raw material sourcing and price volatility risk: The pricing and availability of biomass are determined by the supply and demand factors. On the supply side, the availability of agro wastes is critically dependent on the production of the underlying crop, which can often be volatile and determined by agroclimatic conditions and cropping patterns. This exposes biomass-based plants to seasonal volatility in fuel prices. On the demand side, biomass-based power plants face competition from not only other biomass power plants but also from several alternative users like brick manufacturers. Increased use of biomass by various users has resulted in an increase in biomass prices in most regions of the country exposing the company to price volatility risk

Key strengths

Experienced and resourceful promoters: VEPL is a joint venture between 3F Industries Ltd (51% shareholding) and Creative group (49% shareholding). 3FIL is established integrated manufacturing and it refines crude oil into value-added products like vanaspati, speciality fats for confectionaries and bakeries and by-products like fatty acids, shea fats, oleins, glycerine etc. The

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

day-to-day operations of the company are taken care of by Mr. S. B. Goenka. 3FIL has provided needly support to VEPL as and when required by infusing funds either in form of capital or unsecured loans.

Favourable policy framework: The central government is providing various incentives to encourage investment in the field of biomass power projects. Some of the incentives are custom duty concessions for machinery and components for the initial setting up of projects, sales tax exemption in certain states etc. Moreover, the State Electricity Regulatory Commissions (SERCs) are announcing preferential tariffs and directing state distribution utilities to compulsorily source a certain fixed percentage of power from renewable sources under Renewable Purchase Obligations (RPO).

Liquidity: Not applicable

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power Generation

Viaton Energy Private Limited (VEPL) is a joint venture between 3F Industries Ltd. (51% shareholding) and Creative Group (49% shareholding). VEPL was promoted in 2009 to set up a 10 MW biomass fuel-based thermal power project in Mansa District, Punjab. The company achieved the COD of a biomass power plant (10MW) on January 17, 2014.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	56.34	47.83	51.98
PBILDT	2.69	-5.13	4.21
PAT	-4.98	-14.30	-28.21
Overall gearing (times)	6.91	63.05	-5.52
Interest coverage (times)	0.50	-1.13	0.43

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	10-09-2025	37.48	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	37.48	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (23-Feb-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (25-Jan-23)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (25-Jan-23)
3	Fund-based - LT-Cash Credit	LT	15.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (23-Feb-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (25-Jan-23)

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

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

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662-5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in	Y Tejeshwar Reddy Assistant Director CARE Ratings Limited Phone: +91-40-4010-2030 E-mail: Tejeshwar.Reddy@careedge.in Sachin Rathi Rating Analyst CARE Ratings Limited E-mail: Sachin.rathi@careedge.in

About us:

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