# Vena Energy Fatanpur Power Private Limited

June 20, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 494.78<br>(Reduced from 528.64) | CARE A; Stable | Upgraded from CARE A-; Stable |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

The upgrade in the rating assigned on bank facilities of Vena Energy Fatanpur Power Private Limited (VEFPPL) which is operating a 108 MW wind project in Madhya Pradesh factors in significant improvement in the company's realisation profile with outstanding debtors moderating from ₹86.14 crore as on March 2023 end to ₹30.53 crore as on March 2025 end. The outstanding debtors as on FY25 end also includes longstanding dues of ₹19.8 crore which are expected to be cleared through eight monthly instalments between April to -November 2025. CARE Ratings Limited (CareEdge Ratings) expects the debtors to remain range bound between 70-90 days' sales. CareEdge Ratings also takes comfort from the strong liquidity position comprising two quarters debt servicing reserve account (DSRA), one quarter additional reserve and free cash balances of ₹46.14 crore as on May 31, 2025. The company has sanctioned working capital limits of ₹50 crore which remain unutilised.

The rating continues to derive strength from the presence of a 25-year power purchase agreement (PPA) with M.P. Power Management Company Limited (MPPMCL, rated CARE BB+; Stable/CARE A4+) at fixed tariff of ₹5.92 per unit which provides long term revenue visibility. The company is also eligible for generation based incentive (GBI) of ₹0.5 per unit subject to ₹1 crore per MW which supports the cash flows. The rating favourably factors in the long operational track record of over nine years with satisfactory generation levels at average PLF of 20.6% since COD, though this was low at 17.8% in FY25 due to lower wind speeds. Assuming generation to be average of last three year's generation, the asset's coverage metrics are expected to remain strong as reflected by average debt service coverage ratio (DSCR) of above 1.25x. The credit profile is also strengthened considering the company being a part of Vena group which has a long track record in the renewable energy sector.

These rating strengths are constrained considering leveraged capital structure as evident from term debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) of 5.7x as on March 31, 2025 (provisional), which is expected to remain above 4.5x in the next three years. The rating is also partially offset by relatively weak credit profile of the off-taker which exposes the company to counterparty credit risk. The rating is further constrained considering interest rate fluctuation risk owing to floating interest rate and tariff being fixed for PPA tenor, dependence on climatic conditions and wind patterns.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Sustained improvement in the generation profile, resulting in the average DSCR remaining above 1.35x, and continued maintenance of collections at levels below 90 days.
- Faster than expected deleveraging of the asset.

### Negative factors

- Significant underperformance in generation and/or increase in debt levels of the combined entity weakening the cumulative DSCR on project debt to less than 1.15x on a sustained basis.
- Elongation in receivable cycle beyond 200 days on a sustained basis.

**Analytical approach:** Standalone plus factoring in presence of Vena Group which is backed by Global Infrastructure Partners (GIP).

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

**Outlook:** Stable
The stable outlook on ratings of VEFPPL reflects CareEdge Ratings' opinion that the company would benefit from its long-term PPA with MPPMCL, generation aligned with past trends since COD and timely collections from off-taker, MPPMCL.

## Detailed description of key rating drivers:

### Key strengths

**Revenue visibility considering long-term PPA for entire capacity**
VEFPPL has entered a long-term PPA with MPPMCL for 25 years from the commercial operation date (COD) of March 2016, for a fixed price of ₹5.92 per KWh, providing long term revenue visibility. The project is entitled to generation-based incentive (GBI) at the rate of ₹0.5/unit subject to ₹1 crore per MW. The company has received ~₹87 crore as GBI income till FY25.

**Operational track record of over nine years, lower generation in FY25 against FY24**
The project achieved its COD in March 2016 and has an operational track record of over nine years. VEFPPL's generation levels declined in FY25 as evident from PLF of 17.8% against 20.1% in FY24 due to lower wind speeds across region (unseasonable and sharp reduction in wind speeds across all windy states in India). The machine availability and grid availability continued to be healthy at 97% and 100%, respectively, in FY25.

**Moderate debt coverage indicators**
As on March 31, 2025, VEFPPL had outstanding term debt of ₹494.78 crore, resulting in a debt/MW of ₹4.58 crore. The term loan is repayable till March 2037 against PPA tenor till March 2041, resulting in a tail period of four years. The coverage indicators are moderate as reflected by average DSCR above 1.25x. Structural features such as presence of cash sweep, one quarter additional reserve apart from two quarter DSRA provides comfort.

**Experienced promoters, part of Vena Energy group with proven track record in implementation and running projects in renewable energy sector**
VEFPPL is part of the Vena Energy group. The group has over 300 solar, wind and hydro projects including 7.3 GW of wind and solar projects in operation, under construction and contracted and 39 GW of development pipeline with presence around Asia Pacific region in seven countries - Australia, India, Indonesia, Japan, Taiwan, Thailand and Philippines. Vena Energy India has a portfolio of wind and solar energy generation assets of 875 MWAC. Vena Energy was initially promoted by Equis Fund (USD 2.7 bn infrastructure focused fund) as Energon. In January 2018, Equis Pte Ltd. sold 100% stake in Equis Energy to Global Infrastructure Partners (GIP) and its co-investors China Investment Corporation (CIC) and Public Sector Pension Investment Board (PSP). GIP owns 76% in Vena Energy and 24% is held by CIC and PSP combined. In FY25, Blackrock acquired 100% stake in GIP. As this transaction occurred at the parent company level, it does not impact the special purpose vehicles (SPVs) within the Vena Energy Group.

### Key weaknesses

**Weak credit profile of the sole counterparty leading to high receivables days**
VEFPPL has sole power off-take arrangement for entire capacity with MPPMCL which has relatively weak financial risk profile. In the past, VEFPPL had witnessed delays in payment from the off-taker leading to build up of receivables.
However, the off-taker has opted to clear VEFPPL's outstanding dues in 40 equal EMIs in FY2022 post implementation of LPSC scheme. Till May 2025 end, VEFPPL received 34 such instalments. Sustenance of timely payments from the off-taker will be a key credit monitorable.

**Dependence on favourable climatic conditions and wind patterns**
Wind projects are exposed to the inherent risk of weather fluctuations, leading to variations in the wind patterns, which affects the PLF. The wind farms enjoy higher PLF in from May to September, while October to April witness low PLFs. The PLF for the wind power generators may fluctuate depending on the climatic conditions. The revenue is linked to actual generation and decline in generation may adversely impact the company's cash flows.

**Interest rate fluctuation risk**
The term loan for the project has floating interest rate, exposing VEFPPL to the risk of change in cost factors since the tariff is fixed for tenor of PPA. The interest cost being the primary cost component on a cash-basis, adverse movement in interest rates would impact the SPV's overall debt-servicing ability.

**Liquidity**: Strong

The company had free cash and bank balance of ₹46 crore as on May 31, 2025, and DSRA which is equivalent to two quarters' debt servicing and an additional reserve equivalent to one quarter's debt servicing amounting to ₹62 crore. VEFPPL also has fund-based working capital limit of ₹50 crore which remained completely unutilised as on May 31, 2025.

## Applicable criteria

Policy on Default Recognition
Notching by Factoring Linkages in Ratings
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Infrastructure Sector Ratings
Wind Power Projects

## About the company and industry

## Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Utilities | Power | Power | Power generation |

VEFPPL is an SPV incorporated by Vena Energy Wind (India) Renewables Private Limited (formerly known as Energon Renewables Private Limited), which is held by Vena Energy (India) Infrastructure Private Limited. VEFPPL has set up a 108 MW wind power project at Fatanpur in Dewas, Madhya Pradesh at a total project cost of ₹864 crore. The project achieved COD in March 2016, and thus, is operational for over nine years. The company has entered a 25-year PPA with MPPMCL at a tariff rate of ₹5.92 per unit.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (Prov.) |
|---|---|---|
| Total operating income | 122.3 | 108.4 |
| PBILDT | 102.6 | 87.4 |
| PAT | -11.6 | -19.1 |
| Overall gearing (times)* | NM | NM |
| Interest coverage (times) | 1.0 | 0.9 |

A: Audited; Prov.: Provisional; NM: Not meaningful; Note: these are latest available financial results || *Financials reclassified per CARE ratings' internal standards, total debt includes sponsor contribution infused in form of debt which is subordinate to term loan

**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 | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Fund-based - LT-Term Loan | | - | - | March 2037 | 494.78 | CARE A; Stable |

**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 | 494.78 | CARE A; Stable | - | 1)CARE A-; Stable (18-Jun-24) | 1)CARE A-; Stable (14-Jun-23) | 1)CARE A-; Stable (10-May-22) |

LT: Long term; ST: Short term; LT/ST: Long term/Short 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-Term Loan | Simple |

**Annexure-5: Lender details**

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| To view lender-wise details of bank facilities please click here |

**Note on complexity levels of rated instruments:** CareEdge 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** | **Analytical Contacts** |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in | Jatin Arya<br>Director<br>**CARE Ratings Limited**<br>Phone: 91-120-4452021<br>E-mail: Jatin.Arya@careedge.in |
| **Relationship Contact**<br><br>Saikat Roy<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: 912267543404<br>E-mail: saikat.roy@careedge.in | Shailendra Singh Baghel<br>Associate Director<br>**CARE Ratings Limited**<br>Phone: 91-120-4452020<br>E-mail: Shailendra.baghel@careedge.in<br><br>Prajjawal Tyagi<br>Lead Analyst<br>**CARE Ratings Limited**<br>E-mail: Prajjawal.Tyagi@careedge.in |

**About us:**

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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