April 04, 2025

Mytrah Agriya Power Private Limited: Provisional rating withdrawn and [ICRA]A+ (Stable) simultaneously assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	397.52	397.52	Provisional [ICRA]A+ (Stable) withdrawn and [ICRA]A+ (Stable) simultaneously assigned
Long-term – Working capital demand loan	1.00	1.00	Provisional [ICRA]A+ (Stable) withdrawn and [ICRA]A+ (Stable) simultaneously assigned
Total	**398.52**	**398.52**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the ratings, ICRA had earlier done a consolidated assessment for the pool of 15 special purpose vehicles (SPVs)[1] with implicit support from the ultimate parent company - JSW Energy Limited (JSWEL) - based on the co-obligor agreement with a cash pooling structure having a well-defined mechanism for the sharing of surplus cash flow prior to the due date of debt servicing among the SPVs. Mytrah Agriya Power Private Limited (MAGRPPL) was expected to be a part of the co-obligor agreement, but the required documentation was pending. Hence, a provisional rating was assigned to the company. As the co-obligor agreement by MAGRPPL with the other special purpose vehicles (SPV) of the Group has still not been executed within timelines, as per the ICRA Policy, ICRA has withdrawn the provisional rating of [ICRA]A+ (Stable) assigned to the bank facilities of MAGRPPL. Further, ICRA has changed the rating approach for MAGRPPL and assigned a rating of [ICRA]A+ (Stable) to its bank facilities based on a standalone credit profile assessment of the entity with rating upliftment based on implicit support from JSWEL.

The assigned rating factors in the managerial and financial support from a strong ultimate parent – JSWEL (rated [ICRA]AA (Stable)/ [ICRA]A1+). JSWEL's credit profile is supported by its large scale of operations and a diversified business profile with presence across thermal, hydro and renewable power generation, power transmission and power trading. It enjoys strong financial flexibility from being a part of an experienced and resourceful promoter Group.

The rating for MAGRPPL also considers the limited demand and tariff risks for its solar power projects of 100 MW (AC) in Telangana by virtue of 25-year long-term PPAs with The Southern Power Distribution Company of Telangana Limited (TSSPDCL) and Northern Power Distribution Company of Telangana Limited (TSNPDCL) for the entire project capacity at fixed tariffs of Rs. 5.56 per unit (50-MW) and 5.59 per unit (50-MW), respectively. Moreover, comfort is drawn from the satisfactory generation performance demonstrated by this project since commissioning in November 2018.

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[1] The 15 SPVs comprise Mytrah Aadhya Power Private Limited, Mytrah Aakash Power Private Limited, Mytrah Abhinav Power Private Limited, JSW Adarsh Power Private Limited, JSW Advaith Power Private Limited, JSW Akshaya Energy Private Limited, JSW Vayu (Godavari) Private Limited, Mytrah Vayu (Krishna) Private Limited, Mytrah Vayu (Sabarmati) Private Limited, Mytrah Vayu (Manjira) Private Limited, JSW Vayu (Pennar) Private Limited, Mytrah Vayu Urja Private Limited, Bindu Vayu Urja Private Limited, Mytrah Agriya Power Private Limited (MAGRPPL) and JSW Vayu (Som) Private Limited (JVSPL). MAGRPPL and JSVPL were assigned provisional ratings as the execution of the co-obligor agreement was pending.

Post takeover, the new management is undertaking rectification measures, including DC upsizing, to improve the generation performance and optimise the cost structure. Also, the favourable refinancing undertaken by the new management has brought down the interest cost. While the project leverage remains high, the company's debt coverage metrics expected to be strong with the cumulative debt service coverage ratio (DSCR) on the external debt estimated to stay at over 1.5x over the debt tenure.

The rating is, however, constrained by the fact that the company's cash flows and debt protection metrics remain sensitive to its generation performance. Any adverse variation in weather conditions and equipment performance may impact the PLF levels and consequently affect the cash flows as the PPA tariff is single part and fixed in nature. This constraint is amplified by the geographic concentration of the assets, with the capacity spread across two locations in Telangana. The rating is also constrained by the exposure to the state discoms of Telangana, TSSPDCL and TSNPDCL, which have modest credit profiles, evident from the large delays witnessed in the past in receiving the payments. Nonetheless, the payment profile has significantly improved following the implementation of the late payment surcharge (LPS) rules notified by the Ministry of Power, Government of India, in June 2022. The present collection period for the company is 75-80 days; however, the sustainability of the same remains to be seen. Further, the weak cost competitiveness of the PPA tariff in relation to the average power purchase cost (APPC) of the utility exposes the project to the risk of grid curtailment in future.

ICRA notes that MAGRPPL's debt coverage metrics remain exposed to the interest rate movement, given the annual interest rate reset. Further, the company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of solar power projects. However, the risk of variation is relatively low for solar power projects compared to wind power projects.

The Stable outlook on the long-term rating for MAGRPPL reflects the presence of long-term PPAs, an improved generation performance following the rectification measures undertaken by the new sponsor and comfortable debt coverage metrics.

Key rating drivers and their description

Credit strengths

Presence of a strong sponsor in the form of JSW Energy Limited - MAGRPPL is supported by the strong credit profile of the sponsor, underpinned by its large scale of operations and a diversified business profile. JSWEL is in the business of power generation and transmission with presence across multiple states. As on March 31, 2025, JSWEL had an operating generation capacity of 10.90 GW [thermal (52%), hydro (13%), renewable energy (35%)] and an under-construction capacity of ~9.2 GW[2] (excluding storage and inorganic projects). Further, it is focused on transforming itself into a major renewable player with an overall capacity of over 20 GW by FY2030. It enjoys strong financial flexibility from being a part of an experienced and resourceful promoter group.

Revenue visibility from long-term PPAs at fixed tariffs – The company has signed long-term PPAs with TSSPDCL and TSNPDCL for the entire solar project capacity of 100 MW (AC) at fixed tariffs of Rs. 5.56/unit and Rs. 5.59/unit, respectively, for a tenure of 25 years, limiting the demand and tariff risks.

Satisfactory generation performance and improved payment discipline of offtakers – The generation performance of the solar power projects has been satisfactory over the last five years with the average PLF remaining above the P-90 PLF estimate. ICRA takes note that the new management is undertaking rectification measures, including DC upsizing, which are expected to improve the generation performance, going forward. The company's PLF level improved to 22.37% in FY2024 from 21.20% in FY2023. In 4M FY2025, the PLF stood at 21.88% compared to 22.63% in 4M FY2024. In addition, the recent improvement in the payment discipline of the state discoms following the LPS rules is viewed positively. However, the sustainability of the same remains to be seen.

[2] *Includes partly commissioned capacity for a few projects*

Comfortable debt coverage metrics - The debt coverage metrics of the company are expected to be strong with the cumulative DSCR on the external debt estimated at over 1.5x over the debt tenure, supported by the long-term PPAs at reasonable tariffs, the long tenure of the project debt and competitive interest rates.

Credit challenges

Sensitivity of debt metrics to energy generation; asset concentration with both assets in Telangana - The debt metrics for the solar power projects remain sensitive to the PLF level, given the one-part tariff structure under the PPAs. Hence, any adverse variation in weather conditions and/or equipment performance may impact the PLF and consequently the cash flows. The geographic concentration of the assets in Telangana amplifies the generation risk. Nonetheless, comfort is drawn from the satisfactory generation performance demonstrated by this project over the last five years.

Counterparty credit risk due to exposure to Telangana discoms having modest financial profiles - The company remains exposed to counterparty credit risks due to the exposure to the state discoms of Telangana, TSSPDCL and TSNPDCL, which have modest credit profiles, reflected in the large delays witnessed in the past in receiving payments. Nonetheless, the payment profile has significantly improved following the implementation of the LPS rules, with the present collection period at 75-80 days for the company. However, the sustainability of the same remains to be seen.

Weak tariff competitiveness – The project tariff of Rs. 5.56-5.59 per unit is higher than the APPC for the Telangana discoms. Further, it is higher than the tariffs discovered recently in the sector of about Rs. 2.5-3.0 per unit and does not offer any discount on the net grid tariff (grid tariff adjusted for open access charges) prevailing in the state. This makes the tariff offered by the project less competitive, leading to the risk of grid curtailment in future.

Exposure to interest rate movement - The company's debt coverage metrics remain exposed to the variation in interest rates because of a leveraged capital structure, the single-part nature of the fixed tariff in the PPAs and floating interest rates.

Regulatory challenges associated with scheduling and forecasting framework - The regulatory challenges of implementing the scheduling and forecasting framework for solar power projects pose a risk, given the variable nature of solar energy generation. However, the risk is less prominent for solar power projects compared to wind power projects.

Liquidity position: Adequate

The company's liquidity position is adequate, supported by positive cash flow from operations and one quarter's debt service reserve account (DSRA) balance. Also, the recovery of past dues under the instalment scheme and satisfactory generation performance will support the cash flow from operations. This, along with the available cash balances, is expected to be adequate to meet the annual debt repayment obligation of Rs. 34.57 crore in FY2025 and FY2026. The company had free cash and bank balances of Rs. 40.23 crore as of December 2024.

Rating sensitivities

Positive factors - ICRA could upgrade the company's rating if the generation performance of the solar assets improves, along with the continuation of timely payments from the offtakers, while maintaining healthy debt coverage metrics. Also, the rating could improve if the credit profile of the company's ultimate parent, JSWEL, improves.

Negative factors - The rating could be downgraded if the generation performance of the assets deteriorates, thereby adversely impacting the company's debt coverage metrics. Further, any significant delays in receiving payments from the offtakers, adversely impacting the company's liquidity profile, would be a negative factor. Also, a weakening of the credit profile of JSWEL, or any change in linkages/support philosophy between the parent and the company would be the negative factors.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Power – Solar Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent/Group Company: JSWEL; ICRA expects JSWEL to be willing to extend financial support to the company, if required, given the business linkages, strategic importance and the willingness shown by the parent to support the companies in the Group
Consolidation/Standalone	The rating is based on the standalone financials of the company

About the company

MAGRPPL was incorporated by the Mytrah Group in January 2016. The company owns and operates 100-MW (AC capacity) solar power projects in the Wanaparthy (50 MW) and Kamareddy (50 MW) districts of Telangana. The projects commissioned operations in November 2018. The Wanaparthy (50 MW) project has a 25-year PPA signed with TSSPDCL and the Kamareddy (50 MW) project has a 25-year PPA signed with TSNPDCL. In March 2023, the project was acquired by JSWEL from the Mytrah Group in a 100% stake sale. The company is now fully held by JSW Neo Energy Limited, a 100% subsidiary of JSWEL.

Key financial indicators (audited)

Standalone	FY2023	FY2024
Operating income	102.38	108.51
PAT	-10.31	31.41
OPBDIT/OI	81.16%	92.09%
PAT/OI	-10.07%	28.95%
Total outside liabilities/Tangible net worth (times)	10.16	3.17
Total debt/OPBDIT (times)	7.66	4.61
Interest coverage (times)	1.39	2.54

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

<table>
<tr><th rowspan="3">Instrument</th><th colspan="4">Current (FY2026)</th><th colspan="6">Chronology of rating history for the past 3 years</th></tr>
<tr><th rowspan="2">Type</th><th rowspan="2">Amount rated (Rs. crore)</th><th colspan="2">FY2026</th><th colspan="2">FY2025</th><th colspan="2">FY2024</th><th colspan="2">FY2023</th></tr>
<tr><th>Date</th><th>Rating</th><th>Date</th><th>Rating</th><th>Date</th><th>Rating</th><th>Date</th><th>Rating</th></tr>
<tr><td>Fund based – Term loan</td><td>Long term</td><td>397.52</td><td>Apr 04, 2025</td><td>Provisional [ICRA]A+ (Stable); withdrawn and simultaneously [ICRA]A+ (Stable) assigned</td><td>Oct 09, 2024</td><td>Provisional [ICRA]A+ (Stable)</td><td>Sept 27, 2023</td><td>Provisional [ICRA]A+ (Stable)</td><td>-</td><td>-</td></tr>
<tr><td>Working capital demand loan</td><td>Long term</td><td>1.00</td><td>Apr 04, 2025</td><td>Provisional [ICRA]A+ (Stable); withdrawn and simultaneously [ICRA]A+ (Stable) assigned</td><td>Oct 09, 2024</td><td>Provisional [ICRA]A+ (Stable)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
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Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund-based – Term loan	Simple
Long term – Working capital demand loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	FY2016	NA	June 2037	397.52	[ICRA]A+ (Stable)
NA	**Working capital demand loan**	NA	NA	NA	1.00	[ICRA]A+ (Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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