

April 08, 2025

Mytrah Vayu (Indravati) Private Limited: Rating reaffirmed

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Long term – Fund-based – Term loan | 819.12 | 776.42 | [ICRA]A- (Stable); reaffirmed |
| Long term – Fund-based – Cash credit | 77.82 | 77.82 | [ICRA]A- (Stable); reaffirmed |
| Total | 896.94 | 854.24 | |

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Mytrah Vayu (Indravati) Private Limited (MVIPL) factors in the managerial and financial support from a strong ultimate parent – JSW Energy Limited (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 considers the limited demand and tariff risks for MVIPL's wind power capacity of 155.4 MW by virtue of the 25-year long-term power purchase agreements (PPAs) with Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) for 105 MW and with Jaipur Vidyut Vitran Nigam Limited (JVVNL) for 50.4 MW at a fixed tariff. Also, the debt restructuring approved by the lenders at the time of takeover by JSW Neo Energy Limited (JSWNEEL), a 100% subsidiary of JSWEL, at a reduced interest rate and an elongated repayment tenure, has resulted in adequate debt coverage metrics for the company, with the cumulative debt service coverage ratio (DSCR) on the external debt estimated at ~1.2x over the debt tenure. Moreover, the availability of one quarter's debt service reserve account (DSRA) that shall be increased to two quarters and undrawn working capital lines in case of any build-up in receivable position would support the company's liquidity profile.

The company recovered the past dues from APSPDCL through 12 monthly instalments till July 2023 under the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, (LPS) notified by the Ministry of Power, Government of India, in June 2022. Also, the company is currently receiving payments for the bills raised in a regular manner, i.e., within 75 days from the date of billing, for most of the months. However, APSPDCL is capping the payments for the electricity generated and supplied to the normative plant load factor (PLF) of 23.5% approved under the tariff regulations, with the additional units to be billed at Rs. 0.50 per unit instead of the PPA tariff. This is being contested by the wind IPPs in Andhra Pradesh as there is no such provision under the PPA. Nonetheless, the debt sizing for MVIPL under the restructuring was arrived at based on a PLF lower than 23.5%, thereby mitigating any downside risk. Moreover, the generation-based incentive (GBI) of 50 paise per unit provided by the Government of India is being retained by APSPDCL, which has also been challenged by the wind IPPs in the state. A favourable resolution of these issues would improve the financial profile of MVIPL.

The rating is, however, constrained by the exposure to weak counterparties, APSPDCL and JVVNL, which have modest financial profiles. While the receivable position has significantly reduced with the implementation of the LPS scheme, the timely receipt of the ongoing bills from APSPDCL and JVVNL on a sustained basis remains a key monitorable.

The rating is also constrained by the vulnerability of the revenues and cash flows to the seasonality and variation in wind power density across the years owing to the single-part nature tariff under the PPAs. Post takeover by JSWNEEL, MVIPL's generation

performance improved in FY2024 with the PLF being higher than P-90 estimate assessed by the JSW Group at the time of acquisition, mainly led by the improved performance of the 105-MW project in Andhra Pradesh. However, the generation in FY2025 was slightly lower than the P-90 estimate owing to wind availability issues for the 50.4-MW asset in Rajasthan. It remains to be seen whether the generation performance is sustained at higher than the P-90 estimate, going forward.

Further, the weak cost competitiveness of the PPA tariffs in relation to the average power purchase cost (APPC) of the state discoms exposes the projects to the risk of grid curtailment in the future. Also, a leveraged capital structure and the fixed tariff of the projects expose the company to variations in interest rates on the project debt. Further, the company's operations remain exposed to regulatory risks pertaining to the scheduling and forecasting requirements of wind power projects.

The Stable outlook on the rating for the bank loan facilities of MVIPL factors in the revenue visibility from the long-term PPAs, an improved payment discipline by the customers and adequate debt coverage metrics, along with the support available from the group.

Key rating drivers and their description

Credit strengths

Presence of a strong sponsor in the form of JSW Energy Limited – MVIPL 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 GW¹ (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 part of an experienced and resourceful promoter group. As part of the restructuring, JSWEL had infused Rs. 31 crore as optionally convertible debentures (OCDs) into MVIPL, which was inter-alia used for the creation of a one-quarter DSRA.

Revenue visibility from long-term PPAs at fixed tariffs – The company has signed long-term PPAs with APSPDCL and JVVNL for the entire project capacity of 155.4 MW at a fixed tariff of Rs. 4.83 per unit for 105 MW and Rs. 5.74 per unit for 50.4 MW, for a tenure of 25 years, limiting the demand and tariff risks.

Improved generation performance and debt restructuring at the time of acquisition have resulted in adequate debt coverage metrics – Post takeover by JSWEL, MVIPL's generation performance improved in FY2024 with a PLF of 22.8% in FY2024 from 20.5% in FY2023, mainly led by an improvement in generation for the 105-MW asset in Andhra Pradesh. On the other hand, the performance of the 50.4-MW asset declined to some extent in FY2024 over FY2023 owing to grid availability issues. Additionally, the generation performance in FY2025 was slightly lower than the P-90 estimate owing to wind availability issues for the 50.4-MW asset in Rajasthan. It remains to be seen whether the PLF stays higher than the P-90 level, going forward. Notwithstanding this, the favourable debt restructuring at a reduced interest rate and an elongated repayment tenure has resulted in adequate debt coverage metrics for the company.

Adequate liquidity profile – The liquidity profile of the company is supported by the improved payment discipline of the discoms following the notification of the LPS rules in June 2022, a one-quarter debt service reserve (DSRA) which shall be increased to two quarters and undrawn working capital lines in case of any build-up in the receivable position. The company recovered the past dues from APSPDCL through 12 monthly instalments till July 2023, thereby significantly lowering the company's receivable position.

¹ Includes partly commissioned capacity for a few projects

Credit challenges

Sensitivity of debt metrics to energy generation – The debt metrics of the wind 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.

Counterparty credit risk due to exposure to discoms having modest financial profiles – The company remains exposed to counterparty credit risks due to the exposure to APSPDCL and JVVNL, which have modest financial profiles, and this is reflected in the large payment delays witnessed in the past. Nonetheless, after the implementation of the LPS rules, the payment cycle has improved significantly with the current collection period at ~75 days for most of the months. However, the sustainability of the collection trend remains to be seen.

Weak tariff competitiveness – The competitiveness of the tariff of Rs. 4.83 per unit for the Andhra Pradesh project and Rs. 5.74 per unit for the Rajasthan project remains relatively weak in relation to the APPC of the discoms. Further, they are higher than the tariffs discovered recently in the sector of about Rs. 3.5-4.0 per unit. This exposes the company to the risk of grid curtailment by the discoms.

Exposure to interest rate movement – The company's debt coverage metrics remain exposed to the variation in interest rates because of the leveraged capital structure and the single-part fixed tariff in the PPAs. However, this is partly mitigated for the near term as the interest rate is fixed for a period of three years from the date of debt restructuring (March 2023).

Regulatory challenges associated with scheduling and forecasting framework – The company's operations remain exposed to regulatory risks pertaining to scheduling and forecasting requirements applicable for wind energy projects, given the variable nature of wind energy generation.

Liquidity position: Adequate

MVIPL's liquidity position is expected to remain adequate, supported by the satisfactory generation performance and regular realisation of dues from the customers. The company is expected to generate annual cash flow from operations of Rs. 53-56.0 crore against a debt repayment obligation of Rs. 41.69-48.78 crore over FY2026-FY2027. Moreover, a DSRA balance of one quarter along with free cash balances and the availability of an undrawn working capital facility in case of an increase in receivables is expected to support the liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade MVIPL's rating in case of a sustained improvement in the generation performance of its wind assets, along with timely payments from the offtakers, thereby resulting in comfortable debt coverage metrics. Also, the rating could improve if the credit profile of its ultimate parent, JSWEL, improves.

Negative factors – The rating could be downgraded if the generation performance of MVIPL deteriorates, thereby adversely impacting its debt coverage metrics. A specific credit metric for downgrade includes the cumulative DSCR on the external debt falling below 1.15 times. 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 MVIPL would be the negative factors.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Power - Wind Corporate Credit Rating Methodology |
| Parent/Group support | The rating assigned to MVIPL factors in the implicit support from JSW Energy Limited |
| Consolidation/Standalone | Standalone |

About the company

MVIPL was incorporated by the Mytrah Group in June 2012. The company owns and operates 155-MW wind power capacity, comprising 105 MW at Vajrakarur in Andhra Pradesh and 50.4 MW at Bhesada in Rajasthan. The project in Andhra Pradesh was fully commissioned in March 2016, while the project in Rajasthan was fully commissioned in December 2015. In April 2023, the company was acquired by JSW Neo Energy Limited from the Mytrah Group in an 100% stake sale. The company is now fully held by JSW Neo Energy Limited, a 100% subsidiary of JSW Energy Limited.

Key financial indicators (audited)

| MVIPL (Standalone) | FY2023 | FY2024 | 9M FY2025* |
|--|---------|--------|------------|
| Operating income | 143.9 | 154.9 | 112.0 |
| PAT | -116.2 | 18.2 | 11.9 |
| OPBDIT/OI | 0.2% | 77.9% | 80.7% |
| PAT/OI | -80.8% | 11.8% | 10.6% |
| Total outside liabilities/Tangible net worth (times) | -9.34 | 21.05 | 15.33 |
| Total debt/OPBDIT (times) | 4112.13 | 7.26 | 6.92 |
| Interest coverage (times) | - | 1.58 | 1.65 |

Source: Company, ICRA Research; * Provisional numbers; 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

| Current (FY2026) | | | | | Chronology of rating history for the past 3 years | | | | | |
|------------------|-----------|--------------------------|----------------|------------------|---|------------------|--------------|---------------------------------|--------------|---------------------------------|
| FY2026 | | | | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| Term loan | Long term | 776.42 | April 08, 2025 | [ICRA]A-(Stable) | April 03, 2024 | [ICRA]A-(Stable) | Jul 27, 2023 | [ICRA]D; ISSUER NOT-COOPERATIVE | May 31, 2022 | [ICRA]D; ISSUER NOT-COOPERATIVE |
| Cash credit | Long term | 77.82 | April 08, 2025 | [ICRA]A-(Stable) | April 03, 2024 | [ICRA]A-(Stable) | Jul 27, 2023 | [ICRA]D; ISSUER NOT-COOPERATIVE | May 31, 2022 | [ICRA]D; ISSUER NOT-COOPERATIVE |

| | | | | | | | | | | |
|---------------------------|-----------|---|---|---|---|---|--------------|---------------------------------|--------------|---------------------------------|
| Unallocated limits | Long term | - | - | - | - | - | Jul 27, 2023 | [ICRA]D; ISSUER NOT-COOPERATIVE | May 31, 2022 | [ICRA]D; ISSUER NOT-COOPERATIVE |
|---------------------------|-----------|---|---|---|---|---|--------------|---------------------------------|--------------|---------------------------------|

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|--------------------------------------|----------------------|
| Long term – Fund-based – Term loan | Simple |
| Long term – Fund-based – Cash credit | 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 | Long term – Fund-based – Term loan | March 2023 | - | October 2040 | 776.42 | [ICRA]A- (Stable) |
| NA | Long term – Fund-based – Cash credit | NA | NA | NA | 77.82 | [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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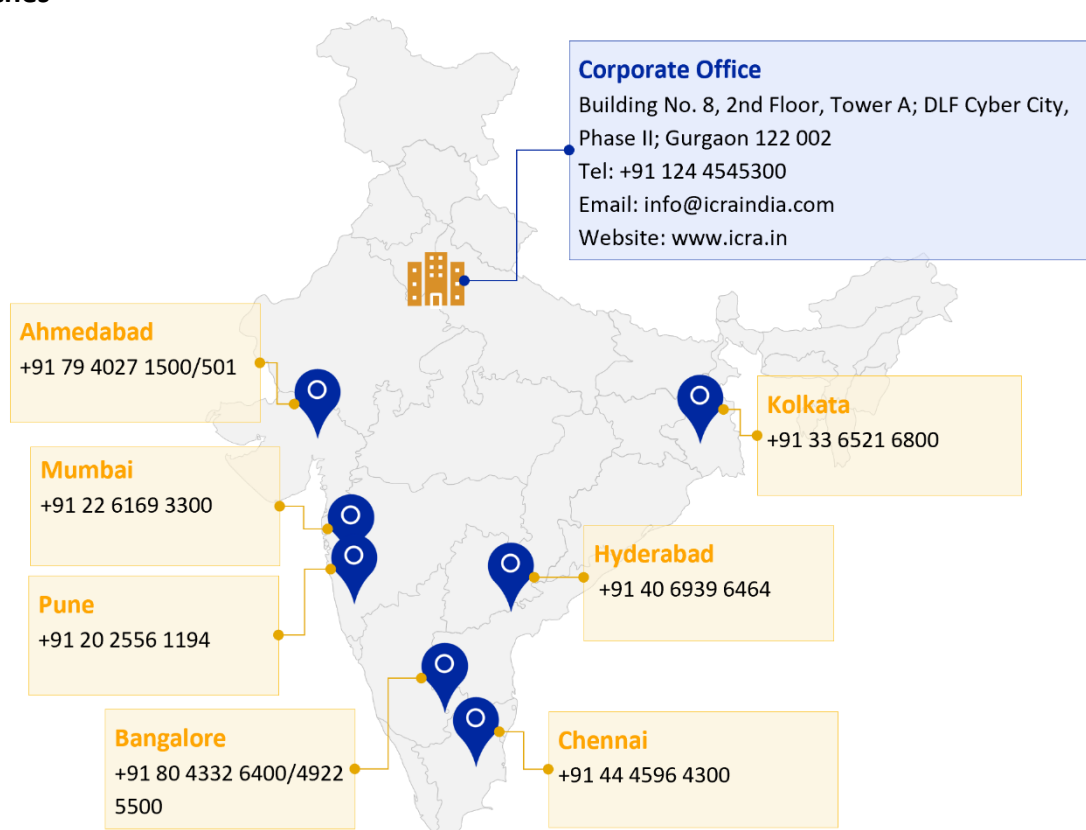
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