

Mytrah Vayu (Indravati) Private Limited

Instrument	Amount	Rating Action
	In Rs crores	May 2016
Term loans	852.58	Assigned [ICRA]BBB (Stable)
Fund based	26.70	Assigned [ICRA]BBB (Stable)
Unallocated	0.72	Assigned [ICRA]BBB (Stable)

ICRA has assigned a long term rating of [ICRA]BBB (pronounced ICRA triple B)¹ for the Rs. 880 crore² bank loan limits of Mytrah Vayu (Indravati) Private Limited (MVIPL). The outlook on the long term rating is Stable.

ICRA's assigned rating draws comfort from the commencement of commercial operations of the 155.4 MW wind power capacity under MVIPL since March 2016, comprising of 105 MW in Andhra Pradesh and 50.4 MW in Rajasthan. The rating positively factors in the limited demand risks for MVIPL with presence of long term power purchase agreements (PPAs) with the respective state electricity distribution companies (discoms) at the approved feed-in tariff rates of Rs. 4.83³ per unit in Andhra Pradesh and Rs. 5.74 per unit in Rajasthan. Also, the eligibility of the projects to avail GBI benefit of Rs. 0.5 per unit of electricity injected into the grid (with a cap of Rs. 1 crore per MW) is expected to augment the project cash flows. ICRA also factors in the geographic diversification of the assets, providing comfort against vulnerability to variation in wind availability as well as counter-party credit risk. The rating also takes note of the 20 year⁴ O&M contract in place with Suzlon Global Services Limited, with pricing fixed for the first 10 years. Further, ICRA takes note of the long tenure (13 years) and structured repayment obligations of the project debt with first repayment due on April 15, 2017. The proposed two quarter debt service reserve account ((DSRA) - to be built-up from project cash flows) once in place, would provide additional comfort for debt servicing. ICRA further draws comfort from the track record of the group in developing and operating wind power assets aggregating to 869 MW across eight states.

However, the comfort drawn from these factors is moderated by the limited operational track of the wind power capacity under MVIPL, with both the projects yet to complete one full year of operations. The rating is also constrained by the susceptibility of cash flows to counter-party credit risks arising from exposure to discoms in Andhra Pradesh and Rajasthan. The risk is more prominent for the project in Rajasthan, given the weak financial profile of the discoms in the state and also as reflected from the large collection period for wind IPPs in Rajasthan. The assigned rating is also tempered by risks, which are typical to all wind energy projects such as vulnerability to high seasonality and possible variance in wind-power density across years given that revenues are linked to actual units generated and exported. Given the capital intensive nature of operations, which is largely funded through project debt, the ability of the wind assets to achieve the design generation level remains crucial from a debt servicing perspective.

Company Profile

Mytrah Vayu (Indravati) Private Limited (MVIPL) incorporated in June 2012 is a special purpose vehicle (SPV) promoted by Mytrah Energy (India) Private Limited (MEIPL) through its step down subsidiary Mytrah Vayu (Bhima) Private Limited (MVBPL). MVIPL is operating 155.4 MW wind power capacity comprising of 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. The project cost of Rs. 1136.78 crore was funded through contribution from promoter funds and project debt in the ratio of 25:75.

MEIPL incorporated in November 2009 is a leading wind power IPP in India with operational wind power capacity of 869 MW spread across eight states. MEIPL is a subsidiary of Bindu Vayu (Mauritius) limited which is fully owned by Mytrah Energy Limited (MEL), listed on Alternative Investment Market (AIM) – a sub-market of the London Stock Exchange.

May, 2016

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

² Rs 1 Crore = Rs 100 Lakh = Rs 10 Million

³ Plus tax pass through

⁴ Including 2 year warranty period



For further details please contact:

Analyst Contacts:

Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)
sabyasachi@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)
shivakumar@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500