

Mytrah Energy Ltd

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Capacity surge boosts revenues for India-based renewable energy group Mytrah

Indian wind power group Mytrah Energy PLC (LON:MYT) is installing electricity generating facilities at a rapid rate.

From 1,180Mw in June, capacity is scheduled to rise to 1,743Mw by the middle of this year as the roll-out of new turbines carries on apace.

Mytrah's operations are spread over 30 locations and now include a first solar plant as well.

Revenues rise as capacity comes onstream

Reflecting this, first half revenues to June rose by 53% even with a transformer failure at a government substation in Rajasthan that knocked revenue by 6%.

The start of solar operations was also a significant milestone for the company, said executive chairman Ravi Kailas, while the Indian government's adoption of auctions as the principal source of new capacity was an exciting development.

Mytrah won a 250Mw wind power project through the first competitive bid in the sector and 57Mw in a rooftop solar auction.

Interim revenues were US\$229m, while underlying profits [EBITDA] were US\$82.3m, up 85% or 45% on a directly comparable basis

In September, Mytrah refinanced US\$277m of its US\$1.1bn debt through an issue of non-convertible debentures to Piramal Group.

This was used to clear the last part of its early-stage mezzanine funding.

Share price rally

The share price rally follows on from a review into some of the company's boardroom practices after the revelation that Kailas borrowed US\$2.55m from the company without getting it authorised.

The company brought in an outside legal firm to carry out a review even though the money was repaid almost immediately.

Certain weaknesses in the company's payment processes were identified, Mytrah said, which added it would act on all of the review's recommendations.

These included improvements to and better documentation of payment processes, while the responsibilities of board members and senior management will be more clearly defined in future.

"The company is also considering adding the CEO and CFO to the board in light of the review," it said.

Ideally placed

Looking longer term, Mytrah believes it is "ideally placed" in "fast-growing and rapidly developing" India, which has a

Share Information

Code: MYT

Listing: AIM

Sector: Energy

Website: www.mytrah.com

Company Synopsis:

Mytrah is a market disruptor in the clean energy sector. It is driven to make wind energy the most accessible source of power for India.

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population of 1.2bn people.

"India is expected to grow at over 7% per year, according to the IMF, and there is clear evidence that electricity consumption is correlated to GDP growth," Mytrah said.

"Both wind and solar power are faster to market and cost-competitive to alternative sources of power, which in India is primarily coal."

At 31.9p, Mytrah is valued at £47mln.

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