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MYTRAH ENERGY: DIVERSIFYING INTO SOLAR

The early morning sun cast a mellow glow over the sprawling Hyderabad skyline and the hills beyond. Ravi Kailas, Chairman of Mytrah Energy Limited, stood on the terrace of his home, coffee mug in hand, basking in the warming glow of the sun as he considered the future. A future, he believed, in which the sun would play a very, very important role.

It was August 2016, and the Mytrah Group over the past year had made an entry into the solar energy business in India. As a renewable energy company, Mytrah had initially focussed on wind energy as its core business¹, and solar had been a recent addition to its portfolio. Ravi believed that this was an essential move that would help establish Mytrah at the forefront of the renewables movement in India.

Sipping his coffee, he reflected on the past year during which Mytrah had bid for and won its first set of solar projects. They had taken many crucial decisions that would have a long term bearing on the future of the company. But they had a lot more to do in order to define the way the company and its solar business in particular would develop over the next decade. As he pondered over the challenges ahead, Ravi raised an almost imperceptible and silent toast to the sun.

¹Mytrah's entry into the renewables business and Ravi Kailas' entrepreneurial journey are detailed in "Mytrah Energy: Growth Beyond Wind?" (<https://www.iimcal.ac.in/mytrah-energy-growth-beyond-wind>)

Indranil Bose, Saikat Lahiri and Adrija Majumdar of the Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

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“We are approaching the solar movement not as a utility business or as a race to build capacity. We see it as the start of a very long evolutionary game. The question is - how do we position ourselves to keep adapting as this evolution happens. And happen it will”.

ABOUT MYTRAH²

The London based Mytrah Group was engaged in “delivering sustainable energy in a world without subsidies”. **Exhibit 1** provides a brief company profile, history and future plans of Mytrah Energy. In 2010, Mytrah listed its subsidiary Mytrah Energy Limited (MEL) on the AIM segment³ of the London Stock Exchange, and raised US\$ 80 million from several institutional investors. Since 2010, the company had raised over US\$ 1 billion in debt.

Today, Mytrah was one of the largest Independent Power Producers (IPPs) in renewable energy in India, with a capacity of around 1,000 MW of wind power across 15 installations in 8 states. As of October 2016, the company had the largest wind data bank in India, and was the only IPP with more than 200 wind masts.

Mytrah used its in-house end-to-end capabilities along with some 'turn-key' contractors for executing projects, while sourcing wind turbines from leading international suppliers. The company primarily sold power to state grids through 13- to 25-year Power Purchase Agreements (PPAs), and also had a 100 MW project in Tamil Nadu to directly sell power to industrial consumers on long-term contracts.

Mytrah employed more than 400 people globally across their wind resource assessment, land acquisition, Engineering Procurement and Construction (EPC), grid and commercial analysis, vendor management, operations and maintenance, and project financing. The company had an international management team with global operational and financial skills. Ravi Kailas was the founder of the Mytrah Group and the Chairman of Mytrah Energy Limited.

²Source: <http://www.mytrah.com>

³AIM was a sub-market of the London Stock Exchange that permitted smaller companies to participate with greater regulatory flexibility than applied to the main market, including no set requirements for capitalization or the number of shares issued.