



Press Release
MAGPIE HYDEL CONSTRUCTION OPERATION INDUSTRIES PRIVATE LIMITED
July 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	120.00	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple Bo**)n Rs.120.00 Cr. bank facilities of Magpie Hydel Construction Operation Industries Private Limited (MHCOIPL). The outlook is ‘**Stable**’.

Rationale for rating reaffirmation

The rating reaffirmation reflects MHCOIPL established operational track record and the extensive domain expertise of its promoters within the hydropower generation segment. The rating also factors in moderation in average Plant Load Factor (PLF) across all three operational units in FY2025 (Prov.), primarily attributable to reduced output at the Poonch facility due to scheduled maintenance during peak generation season.

The rating derives additional comfort from MHCOIPL’s moderate financial risk profile, supported by a healthy net worth, low gearing levels, and satisfactory debt coverage indicators. Liquidity remains adequate, supported by healthy cash accruals, a well-managed working capital cycle, and healthy cash and bank balances.

However, these strengths are partly offset by moderation recorded in operating revenue to Rs. 67.35 Cr. in FY2025 (Prov.) from Rs. 85.82 Cr. in FY2024, the absence of a long-term power purchase arrangement, which adds to the uncertainty of revenue generation, the risk of under recovery of fixed costs in the event of any decline in power demand, and the susceptibility of power generation to hydrological risk.

About the Company

Incorporated in 2003, Magpie Hydel Construction Operation Industries Private Limited (MHCOIPL) is engaged in generation of hydroelectric power. The company is an independent power producer in the union territory of Jammu and Kashmir. The company has three hydro power plants in Kashmir with of with total generation capacity of 35 MW. Sale of power is made through bilateral agreements or through exchange. MHCOIPL is promoted by Mr. Nazir Mir, Mr. Mudasir Mir and Mrs. Masooda Mir who have over two decades of experience in constructing and operating hydel power projects.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken a standalone approach to arrive at the rating of Magpie Hydel Construction Operation Industries Private Limited (MHCOIPL).

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Incorporated in 2003, Magpie Hydel Construction Operation Industries Private Limited (MHCOIPL) is a part of M & Co Group which is engaged in various segments like construction of hydel power plant and generation of power. The company is promoted by Mr. Nazir Mir, Mr. Mudasir Mir and Mrs. Masooda Mir who have over two decades

of experience in constructing and operating hydel power projects. The company sells the power generated to open market customers through exchanges or through bilateral agreements.

Acuité believes that the experienced management and its relationships with customers are expected to support the regular addition of new clientele under its bilateral tie-ups and a healthy off-take of generated power.

Steady power generation and healthy tariff realisations

The company operates three power plants at Poonch, Bandipora, and Tangmarg, with a total generation capacity of 35 MW. The average PFL of Bandipore and Tangmarg plant has remained steady, however the average PLF of Poonch plant has recorded a moderation on the account of maintenance during the peak season resulting in loss of 4 million units in FY2025 (Prov.) The Poonch plant recorded an average PLF of 55.22% in FY2025 (Prov.), and 58.09% in FY2024. The Bandipore plant recorded an average PLF of 39.86% in FY2025 (Prov.) and 39.68% in FY2024. The average PLF for the Tangmarg plant stood at 21.96% in FY2025 (Prov.) and 24.17% in FY2024. Further, the per unit realisation stood healthy in FY2025 (Prov.). The average realisation price stood in the range of Rs. 6.33- 7.17 per unit. However, MHCOIPL recorded overall de-growth in the revenue to Rs. 67.35 Cr. in FY2025 (Prov.) as against Rs. 85.82 Cr. in FY2024 which can be attributed to low sale price on Indian Energy Exchange (IEX) and increased units banked with the state government. Further, the company recorded revenue of Rs. 18.22 Cr. in 2MFY25. Acuite believes that the operations of the company will remain susceptible to the volatility of the PLF due to hydrological risks and price realizations being susceptible to market dynamics based on demand-supply situations.

Moderate financial risk profile

MHCOIPL's financial risk profile is assessed as moderate, supported by a healthy net worth, low gearing, and above-average debt protection metrics. The company's tangible net worth declined to Rs. 104.53 Cr. as on March 31, 2025 (Prov.), compared to Rs. 109.36 Cr. as on March 31, 2024, primarily due to the buyback of shares. Historically, MHCOIPL pursued a moderately aggressive financial policy, evident from peak gearing levels of approximately 8.55 times as on March 31, 2020, which is typical for hydropower projects during their early operational phase. However, current gearing levels have improved significantly, standing at 1.02 times as on March 31, 2025 (Prov.), vis-à-vis 0.89 times as on March 31, 2024.

The company availed a fresh term loan of Rs. 148 Cr. in October 2024 for upcoming hydroelectric, renewable energy, and infrastructure initiatives. A drawdown of Rs. 34.22 Cr. was completed in December 2024 to fund land acquisition in Gulmarg and associated preliminary expenditures. The full drawdown of the term loan is expected by December 2027.

The debt protection metrics of the company stood comfortable with DSCR of 1.43 times in FY2025(Prov.) as against 1.39 times in FY2024. The interest coverage ratio stood at 4.51 times in FY2025(Prov.) as against 5.60 times in FY2024.

Acuite believes that the financial risk profile of MHCOIPL would improve over the medium term on account of expected healthy accrual generation and gradual repayment of term loans.

Weaknesses

Susceptibility to fluctuation in power prices and uncertainty of offtake

The company sells power to open market customers where the power prices are market determined. The operating income and profitability of the company is susceptible to the volatility in the power prices in open market. Further, the company also sells power through bilateral agreements which are short term in nature, usually for 1-3 months. The ability of the company to acquire such bilateral agreements on a recurring basis will remain a key rating sensitivity.

Susceptibility of power generation to hydrological risks

The hydro power plants of MHCOIPL are located in the union territory of Jammu and Kashmir and are not able to generate to their full capacity on account of low hydrology during the month of September to March. The peak PLF at all the three plants combined remained during the months of March to September and the lowest PLF during October to February. The generation is highly dependent on adequate flow of water from melting of ice and rainfall. Any adverse natural calamity in the location of the power plant may adversely impact the generation levels, thereby leading to stretched liquidity and financial flexibility.

Rating Sensitivities

Any significant deterioration in generation levels

Any significant decline in power tariff due to lower power demand resulting in deterioration of the financial risk profile, particularly the liquidity position.

Liquidity Position

Adequate

The liquidity of the company is adequate marked by healthy net cash accruals generation to meet its debt service obligations and efficient working capital operations. The net cash accruals of the company stood at Rs. 29.88 Cr. in FY2025(Prov.) as against maturing debt obligation of Rs. 17.22 Cr. during the same period.

MHCOIPL maintained cash and cash equivalent of Rs. 19.21 Cr. which includes around Rs. 12-15 Cr. of Cr. unutilised term loan receipts and fixed deposits of Rs. 18.22 Cr. as on 31st March 2025(Prov.) further supporting the liquidity position of the company.

Acuite believes that the liquidity of the company is likely to remain adequate over the medium term on account of healthy cash accruals against its debt service obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	67.35	85.82
PAT	Rs. Cr.	19.39	28.56
PAT Margin	(%)	28.79	33.28
Total Debt/Tangible Net Worth	Times	1.02	0.89
PBDIT/Interest	Times	4.51	5.60

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
17 Apr 2024	Term Loan	Long Term	69.21	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	5.45	ACUITE BBB	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	32.36	ACUITE BBB	Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	12.98	ACUITE BBB	Stable (Reaffirmed)
18 Jan 2023	Term Loan	Long Term	5.24	ACUITE BBB	Stable (Assigned)
	Term Loan	Long Term	77.31	ACUITE BBB	Stable (Assigned)
	Term Loan	Long Term	14.20	ACUITE BBB	Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	3.86	ACUITE BBB	Stable (Assigned)
	Covid Emergency Line.	Long Term	19.39	ACUITE BBB	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
J&K Bank	Not avl. / Not appl.	Covid Emergency Line.	25 Mar 2021	Not avl. / Not appl.	31 Mar 2026	5.54	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.17	Simple	ACUITE BBB Stable Reaffirmed
J&K Bank	Not avl. / Not appl.	Term Loan	18 Mar 2016	Not avl. / Not appl.	30 Sep 2030	56.07	Simple	ACUITE BBB Stable Reaffirmed
J&K Bank	Not avl. / Not appl.	Term Loan	09 Oct 2024	Not avl. / Not appl.	09 Oct 2039	34.22	Simple	ACUITE BBB Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Sayali Parab Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.