Jindal Urban Waste Management (Ahmedabad) Limited

May 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	220.76	CARE BBB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to Jindal Urban Waste (Ahmedabad) Limited (JUWMAL) factors in strong revenue visibility from the 15 Mega Watt (MW) Waste to Energy (WtE) generation plant in Ahmedabad, Gujarat through a long-term power purchase agreement (PPAs) with Gujarat Urja Vikas Nigam Limited (GUVNL; rated CARE AA+; Stable/ CARE A1+) and Torrent Power Limited (TPL) covering the entire plant capacity. The 30 years fuel/raw material supply agreement with Ahmedabad Municipal Corporation (AMC) effective from the commercial operations date, October 2024, provides operational stability in medium term. The rating also considers favourable policy environment for the renewable energy sector where the company is operating project in waste management and waste to energy segment which has assumed priority and thrust considering government initiatives, such as clean India drive and Swach Bharat, among others. The rating also derives strength from the resourceful and experienced parentage of the PR Jindal Group, which has an established track record in the Waste to energy (WtE) segment.

However, these strengths are partially offset by the limited track record of operations post-commissioning (7 months from COD) with an average plant load factor (PLF) of ~78.79% (October 2024–April 2025), a leveraged capital structure (despite comfortable debt coverage indicators), and challenges arising from the heterogeneity of waste, which complicates processing.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustainable improvement with total debt/profit before interest, lease rentals, depreciation, and taxation (TD/PBILDT) below 3.0x.
- Improvement in PLF on a sustained basis above 90% leading to substantial improvement in the operating income and consequently its cash flows.

Negative factors

- Deterioration in the operational parameter with PLF below 80% on a sustained basis.
- Major delay or variance in the amount of debt service reserve account (DSRA) from the level proposed.
- Elongation in the collection period beyond 30 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CARE Ratings) expectation of sustained PLF levels supported by adequate municipal solid waste (MSW) supply at the project site and the presence of long-term PPAs for the full capacity.

Detailed description of key rating drivers:

Key strengths

Experienced promoter group with long track record of operations

JUWMAL is a wholly owned subsidiary of JITF Urban Infrastructure Limited (JUIL; rated CARE BBB-; Stable/CARE A3), which is part of the P.R. Jindal Group. The group has a strong presence in steel pipe manufacturing through its flagship company, Jindal Saw Limited, and is actively engaged in water supply systems, distribution networks, and wastewater treatment plants. JUIL serves as the holding company for the group's eight WtE projects, of which six are operational: Tehkhand Waste to Electricity Project Limited (TWEPL, CARE A-; Stable), Jindal Urban Waste Management (Guntur) Limited (JUWMGL, CARE A-; Stable),

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Timarpur-Okhla Waste Management Company Limited (TOWMCL, CARE A; Stable/CARE A2+), Jindal Urban Waste Management (Vishakhapatnam) Limited (JUWMVL, CARE A-; Stable), JUWMAL, and Jindal Urban Waste Management (Jaipur) Limited. The remaining projects are under implementation, indicating the group's strategic focus on expanding its WtE presence.

Long-term revenue visibility backed by off-take arrangement in form of PPA with Gujarat Urja Vikas Nigam Limited and Torrent Power Limited

JUWMAL has entered a long term PPA with Gujarat Urja Vikas Nigam Limited (GUVNL) and Torrent Power Limited (TPL) for supply of power generated at a tariff of ₹7.07/KwH for 20 years as approved by Gujarat Electricity Regulatory Commission (GERC). The total tariff consists of three components with defined terms of each power procurer, also the company is receiving timely collection from DISCOM's which usually pays within 30 days of billing, aligned with best company practices. Since achieving its commercial operations date (COD) in October 2024, the company has billed a total amount of ₹31.37 crore, with collections amounting to ₹26.82 crore till April 2025. The average collection period is 8–9 days for the initial seven months of operations. The total operating income (TOI) was at ₹26.74 crore in FY25. Profitability margins have been strong at 58.62%. As the PLF ramps up to the expected 85%–90% range, revenue is likely to increase, improving return metrics and cash flow resilience.

Long-term fuel supply arrangement in the form of concession agreement with Ahmedabad Municipal Corporation

JUWMAL has signed a 30-year concession agreement with AMC to ensure uninterrupted MSW supply. The AMC is obligated to provide 1000 tonnes unsegregated waste per day directly to the site at no cost to the company, ensuring zero fuel procurement expense and high operational efficiency. The long-tenure agreement significantly reduces fuel supply risk—a major concern in WtE operations—by creating a dependable and cost-effective feedstock base. The waste is processed in Refuse-Derived Fuel (RDF) and used in the boiler, enabling consistent energy generation. The location advantage, with AMC's collection system feeding directly in the plant, enhances logistical efficiency.

Favourable policy environment for the renewable energy sector

The company is operating project in waste management and waste to energy segment which has assumed priority and thrust considering government initiatives, such as clean India drive and Swach Bharat, among others. Indian government has identified waste to energy as a renewable (clean energy) technology and is supporting it with different subsidies and incentives. The Ministry of New and Renewable Energy (MNRE) is actively promoting all viable technologies for energy recovery from municipal and industrial wastes. In India, the conventional waste disposal methods include waste collection by unorganised waste pickers, waste burning (industrial waste, food waste, and other hazardous waste), and landfilling, all of which release carbon dioxide. The Waste to Energy Plant initiatives can help minimise carbon emission. With government incentives for constructing waste to energy facilities, the number of incineration plants and WTE facilities has increased in India.

Key weaknesses

Limited operational track record, since the project achieving commissioning

The project was initially scheduled for commissioning in March 2023, however, it achieved COD on October 13, 2024, due to delays in importing boiler components and addressing technical issues. These delays were formally approved by the project lender. The plant has been operational for only seven months, which limits visibility on long-term performance trends. The plant reported an average PLF of 78.79% between October 2024 and April 2025. This was affected by a 15–20-day outage in December 2024 for boiler cleaning and turbine repair. However, management expects PLF to stabilise between 85% and 90% in the medium term as operations mature. Achieving this target is critical for optimal fixed cost absorption and will remain a key rating monitorable.

Leveraged capital structure despite comfortable debt coverage metrics

The company's capital structure is leveraged due to the debt-funded nature of the project. The total project cost was revised to ₹357.15 crore from the initial estimate of ₹315 crore, primarily due to increased equipment costs, civil work escalations, and design changes, including boiler upgrades. The funding was structured with a debt-to-equity ratio of 60:40, comprising ₹220.76 crore in term loans and ₹136.39 crore from promoter contribution through equity and unsecured loans. The entire term debt was fully disbursed in FY25, with repayments scheduled to commence from November 2025. Despite the high leverage, debt coverage indicators remain moderately comfortable, with a projected average debt service coverage ratio (DSCR) of ~1.30x over the repayment period. The cost escalation was entirely funded by the promoters without increasing external debt, reflecting their financial commitment to the project. Going forward, the company's ability to maintain stable operations, achieve the targeted PLF, and ensure timely collections will be critical to sustaining its credit profile. The initial years of debt servicing will be particularly crucial and will remain a key rating monitorable.

Heterogeneity of waste which makes processing waste difficult
The quality and composition of MSW vary based on source-level segregation, geographic factors, and seasonal trends. In the monsoon season, increased moisture content adversely affects the gross calorific value (GCV) of the waste and complicates transportation. Variability in waste characteristics poses challenges to maintaining a stable RDF quality, potentially impacting combustion efficiency and PLF. While long-term supply is assured, maintaining feedstock consistency remains a key operational risk that must be mitigated through pre-processing and robust material handling systems.

Liquidity: Adequate

The liquidity profile of the company is adequate marked by unencumbered cash and bank balance of ₹3.95 crore as on March ending 2025, apart from that there is DSRA of ₹10.76 crore in form of FD which is equivalent to one quarter interest and principal. Total outstanding term loan as of March 2025 is ₹220.76 crore which has been fully disbursed in FY25. Total repayment is ₹6.13 crore and ₹14.71 crore for FY26 and FY27, respectively, against which the company is expected to generate sufficient accruals to service its debt repayments. Expected healthy operating margin, low working capital intensity, and long-term revenue visibility collectively support the company's liquidity profile, even in the early years of operations.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Urban Infrastructure Projects

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power generation

Jindal Urban Waste (Ahmedabad) Limited (JUWMAL) is a special purpose vehicle incorporated to develop and operate a 15 MW waste to energy plant in Shahwadi, Ahmedabad, awarded through competitive bidding by the Government of Gujarat. JUWMAL is a wholly owned subsidiary of JITF Urban Infrastructure Limited (JUIL; CARE BBB-; Stable/CARE A3), which is part of the P.R. Jindal Group. JUIL is fully held by JITF Urban Infrastructure Services Limited (JUISL). The company has secured long-term agreements for input (30-year MSW supply from AMC) and output (20-year PPAs with GUVNL and TPL), ensuring operational and financial stability. The plant achieved commercial operations on October 13, 2024, and is part of the group's broader strategy to expand sustainable infrastructure solutions across India.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	0.11	0.13	9.81
PBILDT	-0.47	-0.62	4.18
PAT	-0.48	0.20	-3.11
Overall gearing (times)	0.00	2.07	2.04
Interest coverage (times)	0.00	0.00	0.85

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	30/03/2030	220.76	CARE BBB; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	220.76	CARE BBB; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact Us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ravleen Sethi Director **CARE Ratings Limited** Phone: 91-120-4452016 E-mail: ravleen.sethi@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Anant Agarwal Associate Director **CARE Ratings Limited** Phone: 91-120-4452000 E-mail: Anant.Agarwal@careedge.in Utkarsh Sogani Analyst **CARE Ratings Limited** E-mail: Utkarsh.sogani@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careedge.in

For detailed Rationale Report and subscription information,
please visit www.careedge.in