



Press Release
JINDAL URBAN WASTE MANAGEMENT (GUNTUR) LIMITED
May 09, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	143.50	ACUITE A- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	143.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs.143.50 Cr. bank facilities of Jindal Urban Waste Management (Guntur) Limited. The outlook is '**Stable**'.

Rationale for rating

The assigned rating takes into account the presence the reputed Jindal Group and its sound track record of operations in the Waste-to-Energy (WtE) sector. Further, the rating derives support from healthy plant load factor (PLF) generations on 15 MW capacity and its long-term power supply capacity tied up with Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) providing sound revenue visibility in near to medium term. The rating also factors the increase in capacity by 5 MW from FY26 onwards and its tie up with the same offtaker, which shall further improve the operating performance. Additionally, the rating considers presence of raw material supply agreement with the Urban Local Body (ULBs) thereby prohibiting procurement challenges and healthy financial risk profile of the company. However, the rating is constrained by the revenue concentration and high receivable period from DISCOMs which is expected to improve over the medium term due to the government initiative of Payment Ratification and Analysis in Power Procurement for bringing Transparency in Invoicing (PRAPTI). Further, the PLF generation remain susceptible to the quality of waste processed.

About the Company

Incorporated in December, 2015; Jindal Urban Waste Management (Guntur) Limited (hereinafter referred as 'JUWM-Guntur') is a SPV formed by JITF Urban Infrastructure Limited (JUIL); a wholly owned subsidiary of JITF Urban Infrastructure Services Limited (JUISL). JUWM-Guntur operates a 20 MW Waste to Energy (WtE) power plant in Guntur district of Andhra Pradesh. The total project cost was Rs.361.56 Cr and it achieved its commercial operation date (COD) in October, 2021. The company has signed a 25-year Power Purchase Agreement (PPA) with Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) for the sale of 15 MW power generated from the project. However, Guntur and Vijayawada region have been routed into Andhra Pradesh Central Power Distribution Company Limited (APCPDCL), therefore; the PPA got rolled over to APCPDCL at the same terms. The company is currently managed by Mr. Pranay Kumar and Mr. Manoj Kumar Agarwal.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of JUWM-Guntur to arrive at the rating.

Key Rating Drivers

Strengths

Presence of reputed group and its sound track record of operations in WtE sector

JUWM-Guntur is a SPV formed by JITF Urban Infrastructure Limited (JUIL); a wholly owned subsidiary of JITF Urban Infrastructure Services Limited (JUISL). These companies are housed under the infrastructure vertical of the P R Jindal Group under JITF Infralogistics Limited (JIL) which operates in the sectors such as municipal solid waste processing and power generation, water infrastructure, rail manufacturing, ship building, coastal and inland water transportation business.

JUIL currently has 6 operational WtE projects across Delhi, Ahmedabad, Jaipur, Andhra Pradesh etc at a total capacity of 113MW and is also coming up with 2 new WtE projects in Jodhpur and Delhi with a cumulative capacity of 40MW. Further, the debt availed by the company is also secured by a corporate guarantee from the

promoter i.e. JITF Urban Infrastructure Limited (JUIL) and sponsors - Glebe Trading Private Limited and Danta Enterprises Private Limited.

Long-term revenue visibility

The company has a sound revenue visibility on account of 25 year off-take agreement with the Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) for 15 MW capacity. Additionally, it also has long-term concession agreement for 25 years with the ULBs for the supply of ~1600 tons per day of municipal solid waste (MSW). JUWM-Guntur recorded a top line of Rs.77.29 Cr. in FY25(Prov.) against Rs.77.03 Cr. in FY24 (Rs.71.04 Cr. in FY23). The increase in the top line in FY24 is on account of healthy PLF which stood at average of 101.03% in FY24 as against 95.91% in FY23. Additionally, PLF of 99.02% of PLF has been achieved till February, 2025.

Further, the operating margin stood at 60.71% in FY25(Prov.) against 71.17% in FY24 (74.29% in FY23). The moderation of margin during FY25(Prov.) is on account of slightly higher input costs due to stocking up of mandatory spares which are required for repairs, boiler maintenance and plant maintenance, etc. Going ahead, the margins are expected to be in the range of ~72-75% in the near to medium term. Additionally, the company is expected to sign the PPA for additional 5 MW power supply with APCPDCL in the near term which will further improve the revenue and profitability.

Healthy financial risk profile

JUWM-Guntur's financial risk profile is healthy marked by net worth of Rs.159.30 Cr. as on 31st March, 2025 (Prov.) against Rs.146.09 Cr. as on 31st March, 2024 (Rs.128.64 Cr. as on 31st March, 2023). The total debt of the company stood at Rs.137.87 Cr. in FY25(Prov.) against Rs.156.75 Cr. in FY24 (Rs.198.75 Cr. in FY23). In FY24, the company refinanced its debt and proceeds were utilised to repay the entire unsecured loan of Rs.26.87 Cr. Further, on account of reducing debt due to debt pre-payment of Rs.6.56 Cr, scheduled repayments and improving net worth; the gearing lowered to 0.87 times as on 31st March, 2025(Prov.) against 1.07 times as on 31st March, 2024 (1.55 times as on 31st March, 2023). The TOL/TNW also improved to 1.25 times in FY25(Prov.) against 1.46 times in FY24 (2.05 times in FY23). The debt protection metrics also stood comfortable with interest coverage ratio (ICR) at 2.81 times in FY25(Prov.) against 2.98 times in FY24 (2.44 times in FY23) and debt service coverage ratio (DSCR) of 1.35 times in FY25(Prov.) against 1.48 times in FY24 (1.61 times in FY23). The coverage indicators are expected to improve going forward on account of the expected improvement in profitability.

Weaknesses

Revenue concentration and high receivable period

The revenues of company remain concentrated with supply agreement with one offtaker only. Further, JUWM Guntur's working capital operations remain intensive marked by Gross Current Asset (GCA) of 130 days in FY25(Prov.) against 160 days in FY24 (277 days in FY23). These mainly include debtor recovery which stood at 89 days in FY25(Prov.) against 118 days in FY24 (190 days in FY23). Moreover, this receivable period has come down effectively with the company's registration on the PRAAPTI Portal which has enabled faster collection, thereby, ensuring that there are no delays made for the payments to the WtE sector. Currently, the company is receiving payments within 75-80 days, which is further expected to improve. Therefore, the fund based bank limit was utilized at an average of 14.28% for the last 12 month's ended January, 2025.

Susceptibility of PLF to waste quality

Degradation in waste quality occurs when the waste received holds moisture and consist of dust especially in monsoon and winter season which creates issues in absorption of the heat present. This affects the PLF generations and thereby hampers the operating performance.

Rating Sensitivities

Reduction in PLF below 85%

Significant improvement in the financial risk profile on account of any debt pre-payment or increase in cash accruals

Significant delay in receipts from the power distribution company

Liquidity Position

Adequate

Liquidity position of the company is adequate as reflected from sufficient net cash accruals of Rs.27.18 Cr. in FY25(Prov.) as against maturing debt obligations of Rs.15.54 Cr. Besides, the company also has unencumbered cash and bank balances of Rs.0.98 Cr. as on 31st March, 2025(Prov.). Additionally, company is expected to generate cash accruals in the range of Rs.35-40 Cr. over the medium term against repayment obligations of Rs.12-15 Cr. Further, the company distributes its surplus cash flows to its group companies in the form of inter-corporate deposits which are repayable on demand (Rs.17.67 Cr. outstanding as on 31st March, 2025(Prov.)).

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	77.29	77.03
PAT	Rs. Cr.	13.23	17.48
PAT Margin	(%)	17.11	22.69
Total Debt/Tangible Net Worth	Times	0.87	1.07
PBDIT/Interest	Times	2.81	2.98

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

None

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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

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Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Covid Emergency Line.	01 Oct 2020	Not avl. / Not appl.	31 Dec 2032	5.88	Simple	ACUTE A- Stable Assigned
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	12 Jun 2018	Not avl. / Not appl.	31 Dec 2032	60.58	Simple	ACUTE A- Stable Assigned
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	13 Sep 2021	Not avl. / Not appl.	30 Sep 2037	11.16	Simple	ACUTE A- Stable Assigned
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	27 Feb 2023	Not avl. / Not appl.	31 Mar 2037	34.64	Simple	ACUTE A- Stable Assigned
Indian Renewable Energy Development Agency Ltd. (IREDA)	Not avl. / Not appl.	Term Loan	05 Jun 2024	Not avl. / Not appl.	30 Sep 2037	31.24	Simple	ACUTE A- Stable Assigned

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