February 05, 2026

Jammu Smart Metering Private Limited: [ICRA]AA- (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan**	220.00	[ICRA]AA- (Stable); assigned
Long term Non-fund based – Bank guarantee**	30.00	[ICRA]AA- (Stable); assigned
Total	**250.00**	

**Instrument details are provided in Annexure I; **Proposed limit*

Rationale

ICRA's proposed rating for Jammu Smart Metering Private Limited (JSMPL) factors in the long-term contract for the installation of advanced metering infrastructure (AMI) with REC Power Development and Consultancy Limited (RECPDCL) acting as project implementation agency (PIA), and Jammu Power Distribution Corporation Limited (JPDCL) acting as utility. The company is responsible for installing 7,62,872 smart meters in the pre-paid mode along with the associated infrastructure within 27 months of signing the contract. As per the contract, the company will receive fixed monthly service charges for the operational meters through the operating period of 93 months, subject to meeting the stipulated operating parameters, thereby providing long-term revenue visibility. The company would also receive a lumpsum grant, after achieving operational go-live for the smart meters.

ICRA notes there has been steady progress in the installation of meters with around 33% of the meters installed as of December 2025. The installation activity is anticipated to accelerate in the coming months. The rating also factors in the availability of a fixed engineering, procurement, and construction (EPC) and operations and maintenance (O&M) contract with Genus Power Infrastructures Limited (GPIL), thereby mitigating the cost variation risk for the project. The company is yet to avail a long-term fund-based term loan facility to fund the capex for the smart meters. However, as per the proposed debt terms, ICRA expects the company to maintain adequate debt coverage metrics with a cumulative DSCR of around 1.2x times on the term loan facility.

Further, the rating factors in the presence of an experienced management team and strong sponsors. Gem View Investments Pte Ltd (Gem View), which is a wholly-owned subsidiary (WOS) of GIC Infra Holdings Pte Ltd (GIH), and GPIL set up Gemstar Infra Pte Ltd (GIPL), a platform that has been created to undertake smart metering projects in various states in India. Gem View holds a 74% stake and Genus a 26% stake in Gemstar Infra Pte Ltd (Gemstar). JSMPL is a subsidiary of Genus Power Solutions Private Limited (GPSPL), which in turn is a WOS of GPIL. However, GIPL remains the ultimate sponsor of the project with the responsibility of arranging the funding requirements. Gem View will control all the management rights with majority board representation in the platform. Further, the rating factors in the presence of strong sponsors which are expected to provide the necessary funding support to JSMPL, on need basis.

The rating is constrained by project execution risk as around 67% of the meters are yet to be installed as of December 2025. As per the contract terms, all meter installations need to be completed by September 2026. However, the company has demonstrated a satisfactory progress in installations till date. As per the contract, there are milestones identified under which liquidated damages (LDs) are applicable and any delays pursuant to those milestones for reasons attributable to the company would attract LDs from RECPDCL. Nevertheless, the company is contractually protected against any LDs imposed by RECPDCL through a back-to-back arrangement with the EPC contractor, GPIL. Further, meters not installed at the end of the execution period due to non-availability of access to the site or other issues attributable to RECPDCL/JPDCL would be descoped and the debt would not be drawn for these meters.

The ratings are further constrained by presence of a single counterparty (RECPDCL acting on behalf of JPDCL), which exposes JSMPL to credit risk. ICRA notes that the project has two direct debit facility (DDF), first between JPDCL and RECPDCL ("First DDF) and second between RECPDCL and JMSPL ("Second DDF"). The online payments made by the consumers will be deposited into the First DDF and shall be first used to clear the payments to RECPDCL by way of transfer to Second DDF which will flow to JSMPL. However, there is no track record of payments from the utility as the operational go-live is yet to be acheived and a timely realisation of the payment will remain a key monitorable, going forward. This apart, the company's ability to demonstrate compliance with the service level thresholds (SLA), as per the contract, related to meter availability, data collection and delivery of recharge, among others, remains a key monitorable, as there are provisions for penalty in case of underperformance against these SLAs.

The Stable outlook on the rating derives comfort from the satisfactory progress in project execution so far and ICRA's opinion that the company will benefit from its long-term advanced metering infrastructure service provider (AMISP) contract with RECPDCL.

Key rating drivers and their description

Credit strengths

Comfort drawn from strong sponsor profile and experienced management team – JSMPL is a subsidiary of GPSPL, which in turn is a WOS of GPIL. However, Gemstar Infra Pte. Ltd. remains the ultimate sponsor to the project with the responsibility to arrange the funds. GIPL is a platform set up by Gem View and GPIL to implement smart meter projects in various states in India. Gem View, which is a wholly-owned subsidiary of GIH, holds a 74% stake in GIPL, while GPIL has a 26% stake. GPIL has a long track record in the electricity metering business and is among the top players in India's smart metering solutions industry. It has successfully executed multiple projects under the AMISP model. Hence, the rating factors in the superior financial flexibility offered by its strong sponsors and the experienced management team of the platform. ICRA expects the sponsors to provide the necessary funding support to JSMPL, if required

Long-term AMISP contract provides revenue visibility – JSMPL has signed a long-term contract with RECPDCL for installing and operating 7,62,872 meters along with the associated infrastructure. The contract tenure includes an installation period of 27 months for all the meters and an operating period of 93 months for each meter. As of December 2025, the company has installed ~33% of the meters. The presence of a fixed service charge provides long-term revenue visibility.

Credit challenges

Project execution risk – The company is exposed to project execution risk as ~67% of the meters are yet to be installed as of December 2025. The execution risk can mainly arise due to the inability to access the identified sites for meter installation. Nevertheless, the company has demonstrated satisfactory progress in installations to date. Moreover, the meters not installed by the end of the execution period due to non-availability of site access or other issues attributable to JSMPL would be descoped, and the related debt would not be drawn for such meters.

Track record of DDF arrangement remains to be seen – The project has a DDF facility, wherein online payments made by the consumers will be deposited into the First DDF and will be first utilised to clear the payments to Second DDF which will then flow to JSMPL. The utility is required to maintain at least five times cover of the monthly service charges payable to JSMPL in the First DDF account. Billing will commence once the go-live is achieved and there is no track record of timely payments from the utility currently. A timely realisation of payments against the invoices will remain a key monitorable, going forward. Further, ICRA expects the sponsors to provide the necessary funding support to JSMPL, if required.

Compliance with service level agreement (SLA) – As per the contract, the company is required to meet the stipulated SLAs related to meter availability, data collection, and other operational parameters for the installed meters. In the event of non-compliance with the SLAs, penalties would be imposed on the company. At present, no penalties have been levied. Moreover, the company is contractually protected against any SLA-related penalties imposed by RECPDCL through a back-to-back arrangement with the EPC contractor, GPIL. Any sustained underperformance against the operating parameters could adversely impact the profitability and will remain a key rating sensitivity.

Liquidity position: Adequate

The liquidity of the company is expected to remain adequate with the available debt financing and equity funding from the sponsor sufficient to fund the capital investments for completing the smart metering installation. Further, the company is expected to receive monthly service charges for the operational meters. The one-time lumpsum payments for the operationalised meters shall be used towards the capital expenditure requirements of the project. The liquidity is expected to be healthy post COD with the creation of a DSRA from sponsor funds and internal accruals covering 3 months' debt servicing requirements prior to the first repayment date. Also, the liquidity is supported by funding support available from the strong sponsors, on need basis.

Rating sensitivities

Positive factors – A timely progress in smart meter installation and commissioning of the project and meeting the stipulated operating parameters under the AMISP contract after the go-live will be the key monitorables for an upgrade. Also, a sustained track record of timely recovery of grant payments and monthly service charges, in line with DDF arrangement, will favour an upgrade.

Negative factors – Lower-than-estimated debt coverage metrics owing to significant delays in the installation of meters, underperformance on the SLA parameters and/or delays in the receivable cycle weakening the liquidity position could result in a downgrade. Any adverse change in its linkages with sponsors can also weigh on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone financials of the company

About the company

JSMPL is an SPV incorporated under GPSPL, which in turn is wholly owned by GPIL. JSMPL shall undertake the project to install 7,62,872 smart meters in Jammu on design, build, finance, own, operate and transfer (DBFOOT) basis, as per the provisions of the RFP.

Key financial indicators (audited): Not applicable as the operations did not start in FY2025

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 05, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan*	Long term	220.00	[ICRA]AA- (Stable)	-	-	-	-	-	-
Non-fund based – Bank guarantee*	Long term	30.00	[ICRA]AA- (Stable)	-	-	-	-	-	-

**Proposed limit*

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple
Long term non-fund based – Bank guarantee	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long term fund based – Term loan***	NA	NA	NA	220.00	[ICRA]AA- (Stable)
NA	**Long term non-fund based – Bank guarantee***	NA	NA	NA	30.00	[ICRA]AA- (Stable)

*Source: Company; *Proposed limit*

[*Please click here to view details of lender-wise facilities rated by ICRA*]

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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