June 08, 2026

Mathura Wastewater Management Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Term loan – Fund based	74.48	74.48	[ICRA]AA(CE) (Stable); reaffirmed
Total	**74.48**	**74.48**	

Rating without explicit credit enhancement	**[ICRA]A+**

** Instrument details are provided in Annexure II*

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The rating is based on the strength of the corporate guarantee provided by Triveni Engineering & Industries Limited (TEIL), the parent company of Mathura Wastewater Management Private Limited (MWMPL), for the rated bank lines.

The rating reaffirmation factors in the track record of timely receipt of annuities (along with interest payments) during the operations & maintenance (O&M) phase without any major delays or deductions. It also considers the stable revenue stream, with 60% of the engineering, procurement, and construction (EPC) cost scheduled to be paid out as quarterly annuity (along with interest on the residual annuity payable) and an inflation-adjusted O&M cost bid, also at a quarterly frequency, over the term of the concession by the implementation agency – National Mission for Clean Ganga (NMCG) – and the project owner – UP Jal Nigam (UPJN). Nonetheless, the timely receipt of annuity and O&M costs will be a key credit monitorable and any significant delays or deductions in payments could impact the credit profile.

The Stable outlook on the rating reflects ICRA's expectation that the project will continue to receive payments from NMCG/UPJN without any major delays or deductions. Also, ICRA expects operational and financial support from TEIL on a continuous basis, as and when required.

Adequacy of credit enhancement

The rating of the instrument is based on the explicit credit enhancement approach. The guarantee is legally enforceable, irrevocable, unconditional and covers the entire amount and tenor of the rated instrument. Nevertheless, it is devoid of any defined invocation and payment mechanism. Given these attributes, the guarantee provided by TEIL is adequately strong to result in an enhancement of the rating of the said instrument to [ICRA]AA(CE) against the rating of [ICRA]A+ without explicit credit enhancement. In case the rating of the guarantor changes in the future, it would reflect on the rating of the aforesaid instrument as well. The rating of this facility may also change if, in ICRA's assessment, there is a change in the strength of the business linkages between the guarantor and the rated entity or in the reputation sensitivity of the guarantor to a default by the rated entity or in the strategic importance of the rated entity for the guarantor.

Salient covenants of the rated facility

» The rated bank facility is backed by an unconditional and irrevocable guarantee from TEIL.

» The promoter has to retain a minimum shareholding of 76% in the borrower till the final settlement date.

» The borrower shall not declare or pay dividends, investments (other than permitted), loans to promoters, prepay the quasi equity and interest on the debt subordinated to this facility unless a debt service coverage ratio (DSCR) of a minimum of 1.15 times is satisfied along with no event of default or potential event of default.

Key rating drivers and their description

Credit strengths

Strong profile of sponsor with established track record in water and wastewater treatment projects – The sponsor's (i.e. TEIL) business profile is characterised by its strong presence in the sugar industry. It also offers EPC and O&M services for water and wastewater treatment and pollution control to various municipal corporations and industrial projects. The special purpose vehicle (SPV) was awarded inflation-linked EPC and O&M orders. These were both contracted back-to-back with TEIL, which has a decade-long experience in the water and wastewater treatment business. As per the terms of the EPC and O&M contracts, any associated risks, costs, damages, and recoveries within the scope of the EPC and O&M contracts would be with TEIL.

Track record of financial support from TEIL and presence of corporate guarantee – As part of the funding mix, TEIL infused Rs. 33.5 crore in the form of equity (Rs. 13.5 crore) and provided a subordinated unsecured loan (Rs. 20 crore) during the construction phase. Moreover, the rated facility availed by MWMPL is backed by an irrevocable and unconditional corporate guarantee provided by its 100% holding company, TEIL, for the entire tenure of the loan. Further, the company has comfortable financial flexibility with a project period of 15 years and a loan tenure of 12 years in addition to the sponsorship of TEIL.

Annuity nature of project with strong counterparty – As per the concession agreement, MWMPL will be receiving 60 equal quarterly annuities, totalling 60% of the EPC cost, along with interest on the residual annuities payable (at bank rate + 3%), and an inflation-adjusted O&M cost bid over a 15-year operational period from NMCG/UPJN. This is to meet its objectives of abatement of pollution and rejuvenation of the Yamuna, a tributary of the Ganga. MWMPL has a track record of receipt of annuities, including O&M payments, without any major delays or deductions/penalties in the recent past. The high certainty of cash flows (except for the bank rate and inflation) from a strong counterparty is a key strength for the company.

Comfortable debt coverage metrics – The DSCR is expected to remain healthy for the full tenure of the project. This provides the SPV with adequate cushion to withstand adverse movements in the bank rate and inflation to a major extent. A debt service reserve account (DSRA) of Rs. 5 crore has also been created (funded as part of the project cost), which covers 4.5 months of debt servicing (interest and principal repayment), as approved by the lender.

Credit challenges

High operational risk related to maintenance of plant and power consumption – It is important for the project to achieve key performance parameters during the operational period; non-compliance shall lead to the levy of liquidated damages by UPJN/NMCG. Also, sewage treatment operations are power-intensive and shall be reimbursed based on the actual consumption. Any usage of power above the guaranteed energy consumption, as quoted in the bid, may result in certain deductions. A major portion of the revenue is to be received during the O&M period in the form of annuities along with interest and O&M and power charges. This exposes the company to cash flow mismatches. Therefore, restricting the O&M and power costs within the budgeted levels remains critical and would be a key rating monitorable. Nevertheless, MWMPL has entered into back-to-back contracts with TEIL, with similar commercial terms for key performance parameters, power cost, penalties, etc., for the O&M period.

Project returns exposed to changes in bank rate and interest rate risks – Any adverse movement in the bank rate can impact the projected coverage metrics and the internal rate of return (IRR) of hybrid annuity model (HAM) projects. This is because around 30% of the total inflow (including capital expenditure (capex) annuity, interest, O&M payments and power charges reimbursement) during the operational period of a HAM project is from interest on annuities, which is linked to State Bank of India's (SBI) one-year Marginal Cost of Funds-based Lending Rate (MCLR) + 300 basis points (bps).

Liquidity position: Adequate

TEIL

TEIL's liquidity position remains adequate, driven by the healthy cash flow from operations against the debt obligation. Also, the company had an average cushion of around Rs. 400 crore in drawing power (DP) for the 11 months ended March 2026, indicating a comfortable liquidity position. ICRA expects the comfortable cushion to be available over the near term as well, though higher inventory holding had increased the working capital requirements in the recent past. ICRA expects TEIL to comfortably meet its annual consolidated debt repayment obligations of ~Rs. 123 crore in FY2027 through cash accruals.

MWMPL

Cash flow from operations is expected to be sufficient to meet the debt servicing obligations with a healthy cumulative DSCR during the tenure of the rated instrument. The company's liquidity position is supported by the funded DSRA of Rs. 5 crore and the surplus cash and bank balance of Rs. 8.28 crore as on March 31, 2026.

Rating sensitivities

Positive factors – Any improvement in the credit profile of the guarantor while maintaining a satisfactory track record of receipt of annuities may result in an upgrade.

Negative factors – An unfavourable rating action can be taken if there is a significant deduction or delay in the annuity payments. Any deterioration in the credit profile of the guarantor or any weakening of linkages with the parent company, TEIL, can result in a downgrade. The rating could also come under pressure on non-adherence to the debt structure.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Explicit support from the parent, TEIL, in the form of a corporate guarantee for the rated bank lines
Consolidation/Standalone	The rating is based on the standalone financials of MWMPL

About the company

Mathura Wastewater Management Private Limited (MWMPL), a special purpose vehicle (SPV), is a wholly-owned subsidiary of Triveni Engineering & Industries Limited (TEIL/sponsor). It was formed to develop sewage treatment plants (STPs) and the associated infrastructure under the hybrid annuity public private partnership (PPP) model in Mathura (Uttar Pradesh) in two zones — Masani and Trans-Yamuna. This project is part of the National Mission for Clean Ganga (NMCG). The scope of work includes the development of a 30-million litre per day (MLD) sewage treatment plant (STP) at the Masani zone, rehabilitation of three STPs (16 MLD and 14.5 MLD at Trans-Yamuna and 6.5 MLD at Masani) and development of a 20-MLD Trans Yamuna Tertiary Treatment RO plant for the supply of water to Indian Oil Corporation Limited's (IOCL) Mathura refinery. MWMPL achieved commercial operation date (COD) for the Masani and Trans-Yamuna zones in March 2022 and October 2022, respectively.

Key financial indicators (audited)

MWMPL (standalone)	FY2024	FY2025	FY2026*
Operating income	26.7	26.5	25.1
PAT	2.9	2.9	12.7
OPBDIT/OI	53.3%	50.2%	63.2%
PAT/OI	11.0%	10.8%	50.8%
Total outside liabilities/Tangible net worth (times)	4.3	3.6	2.2
Total debt/OPBDIT (times)	7.1	6.9	5.0
Interest coverage (times)	1.4	1.4	2.1

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)				Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	74.48	Jun 08, 2026	[ICRA]AA (CE) (Stable)	May 16, 2025	[ICRA]AA (CE) (Stable)	Apr 03, 2024	[ICRA]AA (CE) (Stable)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI

16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loan**	Sep 2020	-	FY2034	74.48	[ICRA]AA(CE) (Stable)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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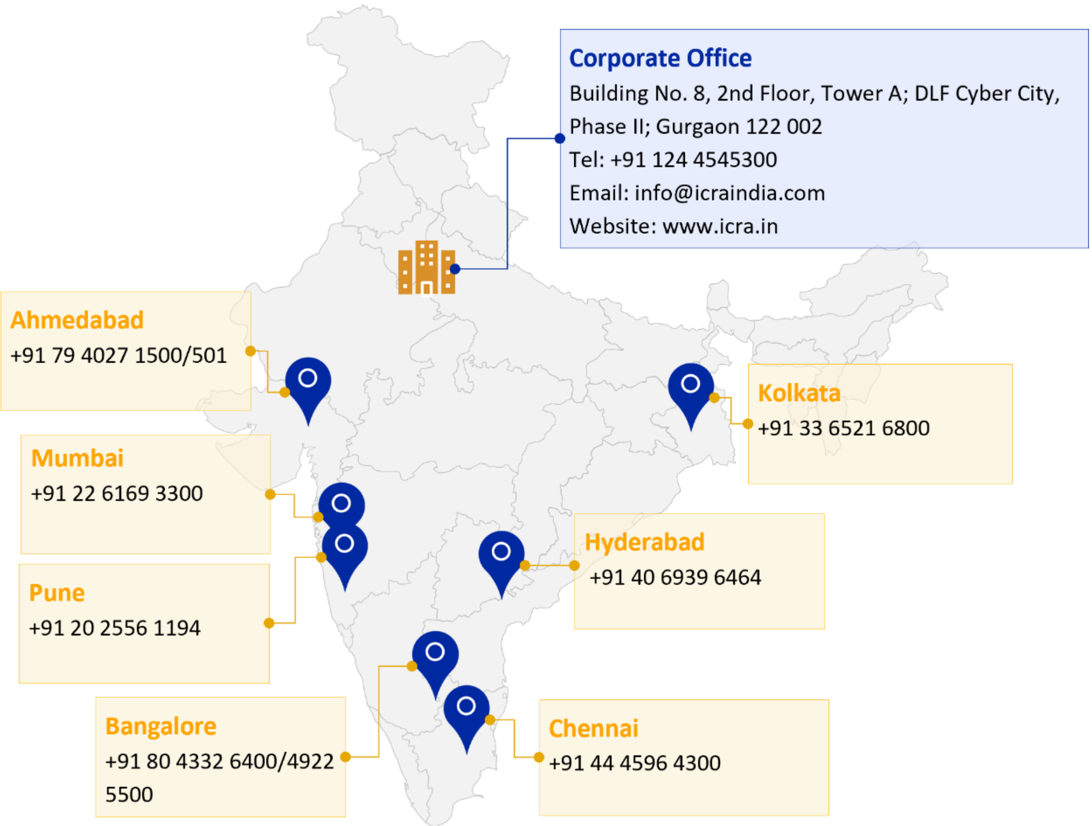

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