'CareEdge BBB-/Stable' rating assigned to Jindal Energy Botswana Proprietary Limited

USD 975 million term loan	**CareEdge BBB-/Stable**

CareEdge Global Ratings has assigned '**CareEdge BBB-/Stable**' long-term foreign currency rating to the debt facility of Jindal Energy Botswana Proprietary Limited (JEBPL /the company). JEBPL is a step-down subsidiary of India-based Jindal Power Limited (JPL), which is a key entity of the Naveen Jindal Group.

Rating rationale

The rating derives strength from company's strong parentage vis. Jindal Power Limited with strong operational, financial and management linkages between the two entities. JPL has articulated its unconditional and continuous support to JEBPL, including a corporate guarantee extended for JEBPL's project debt for entire tenor of debt facility, covering completion and cost overruns. Considering JPL's close involvement in the project and the corporate guarantees extended towards the rated debt facilities, the rating incorporates a significant uplift to JEBPL's project-based credit profile.

JEBPL is strategically important to the Naveen Jindal Group's growing mining and power presence in Africa and forms an important part of the group's broader expansion strategy in the region. The project also benefits from close operational linkages with other group entities which has entered into strategic long term supply agreement which strengthen availability of basic resources for operation to be precisely named coal and water. These interlinkages, together with the group's wider investments and strategic interests in Africa, create a strong economic and strategic incentive for JPL to ensure timely completion and continued support to JEBPL.

JPL's ability to extend such support is validated by its healthy business and strong financial risk profile, supported by competitive generation costs, low leverage and strong liquidity profile.

JEBPL's project-based credit profile is constrained by the under-construction stage of the project, exposing it to risks related to execution, completion, and commissioning of the project with the required cost and timelines. Any material delay could defer revenue flow and increase project costs and funding requirements.

Once the project is operational, JEBPL will be exposed to single-asset concentration and dependence on Botswana Power Corporation (BPC) as the sole offtaker. However, the operational stage risks are partly mitigated by the 30-year PPAs covering the entire 600 MW net contracted capacity and the availability-linked fixed revenue structure. Counterparty risk is further mitigated by the Government of Botswana's (GoB) letter of support, which provides a backstop to BPC's payment obligations. In addition, BPC is required under the PPAs to provide a letter of credit equivalent to three months of payments and maintain a separate escrow fund equivalent to six months of payments, providing additional protection against delays in payment obligations.

Outlook: Stable

The stable outlook for JEBPL reflects CareEdge Global's expectation that JPL's credit profile will remain stable and that it will continue to support JEBPL. Any material weakening in JPL's credit profile or support commitment could result in a revision in JEBPL's outlook.

Rating sensitivities

Upward factors

- Improvement in JPL's credit risk profile
- Material improvement in JEBPL's credit profile following successful commissioning and healthy financial performance during the operating phase

Downward factors

- Deterioration in JPL's credit risk profile
- Material dilution in JPL's ownership or support stance towards JEBPL

Analytical approach

CareEdge Global has assessed JEBPL's standalone business and financial risk profile under its Project Finance Rating Methodology. The assessment also factors in the strong strategic, financial and managerial ties with JPL and the expectation of continued parental support, in accordance with CareEdge Global's Group Rating Methodology.

Key rating drivers

Strengths

Strong parentage and support commitment from JPL

JPL has a strong business and financial profile, supported by healthy operating performance, competitive generation costs, and increasing integration with captive coal mines. Captive coal production and long-term coal linkages provide fuel security and reduce dependence on higher-cost market purchases. JPL has maintained healthy plant operating levels, with plant load factor (PLF) of around 83% in FY26. It has also demonstrated its ability to acquire and improve the performance of stressed thermal power assets, which supports its operating track record and execution capabilities. These strengths are partly offset by exposure to merchant power prices on untied capacity, PPA renewal risk, and counterparty exposure to state distribution utilities.

JPL's financial profile is strong, characterised by low leverage, a net cash position, strong debt coverage, and substantial liquidity. This provides significant financial flexibility to fund its ongoing investments and extend support to JEBPL, if required. However, JPL also has sizeable capex plans in Botswana, captive mines, group businesses and evaluating power project in Zimbabwe. The pace of spending and its impact on JPL's financial flexibility are key monitorable.

JPL has explicitly articulated its support for JEBPL through commitments to fund the entire equity requirement of approximately USD 417 million, provide completion and cost-overrun support, and maintain majority ownership in the project. The parent has also extended an unconditional and irrevocable guarantee covering the entire debt facility, demonstrating its willingness to support JEBPL's financial obligations on a timely basis. Further, JPL is actively supporting in project execution, management and oversight, highlighting the strategic importance of JEBPL within the group's long-term growth plans and indicating a very strong likelihood of continued parental support through the construction and operational phases.

Long-term contracted revenue profile and integrated fuel supply arrangements support cash flow visibility

JEBPL benefits from strong revenue visibility under separate 30-year PPAs with BPC, covering the entire 600 MW net contracted capacity. The tariff structure comprises a fixed dependable capacity amount (DCA), indexed to the USD/BWP exchange rate and linked to plant availability, thereby limiting dispatch risk and supporting servicing of USD-denominated debt obligations. The variable electrical output amount (EOA), payable on actual electricity supplied and indexed to Botswana inflation, provides partial protection against fuel and operating cost escalations. While BPC's standalone financial profile is weak, the off-taker risk is mitigated through a three-month letter of credit by the GoB to JEBPL along with a six-month escrow arrangement and a support letter from the GoB to BPC, strengthening payment security and enhancing revenue predictability.

The project's credit profile is further supported by long-term coal supply arrangements with Jindal Resources Botswana (Pty) Ltd., a group entity, from the nearby Mmamabula/Mookane coal resource located about 6 km from the project site. The mine-mouth configuration materially reduces transportation and logistics risks, while ensuring access to sizeable coal reserves over the operating life of the project. Additionally, the selected Circulating Fluidised Bed Combustion System (CFBC) technology is well suited to the characteristics of local coal, while coal pricing indexation is broadly aligned with the PPA tariff indexation mechanism, reducing exposure to fuel cost volatility. The combination of contracted revenues, robust payment security features, and fuel supply visibility is expected to support stable cash flows and adequate debt servicing capability over the project tenure.

Weaknesses

Under-construction project with execution and commissioning risks

JEBPL's credit profile is constrained by the construction-stage nature of the project. The project is exposed to execution, completion, and commissioning risks until stable commercial operations are established. Given that this project is JPL's first project in Africa, JPL is yet to demonstrate an operating track record.

The multi-package execution structure also requires close coordination across contractors and workstreams. Any material delay could postpone commencement of revenues, increase project costs and funding requirements, and raise reliance on sponsor support. Timely completion of construction, successful commissioning of all units, achievement of contracted performance and availability levels, and stabilisation of operations are key monitorable.

The project is being implemented through multiple packages, creating interface and coordination risks across the boiler, turbine-generator, civil works, coal-handling, water and evacuation systems. These risks are partly mitigated by JPL's project management and wrap-around role, involvement of established equipment suppliers, lender monitoring, sponsor completion, and cost-overrun support.

Exposure to asset and offtaker concentration risks

JEBPL's credit profile is constrained by its highly concentrated operating profile, as the company is developing a single thermal power project comprising two phases and lacks diversification across assets, technologies, counterparties, and geographies. The project's entire revenue stream is dependent on a sole offtaker, BPC, under a long-term power purchase agreement, resulting in elevated counterparty concentration risk despite the presence of payment security mechanisms and sovereign support.

Operational performance will be particularly important as fixed revenue under the PPAs is linked to plant availability. The project envisages average plant availability factor (PAF) of around 90%, with a gradual ramp-up during the initial operating years. JEBPL's ability, with operating and technical support and equipment suppliers, to achieve and sustain the required PAF will, therefore, bear watching. Any sustained shortfall in availability could reduce fixed revenues and weaken debt-servicing headroom. However, the long-term contracted revenues, supportive tariff structure, and strong parental support from JPL partly mitigate these risks.

Liquidity

During the construction phase, JEBPL's liquidity depends on timely availability of committed debt facilities and sponsor equity contributions. Post commissioning liquidity is expected to be supported by contracted project cash flows. Additionally, JEBPL is required to maintain a DSRA equal to three months of debt service Given that JPL has provided a guarantee to JEBPL to cover the cost overruns and service its debt in a timely manner, JPL's financial flexibility provides an additional support in case of exigencies. As of May 2026, JPL had Rs 67.2 bn in free cash.

Environmental, social, and governance (ESG) considerations

JEBPL has incorporated applicable environmental requirements in the project design and has obtained the requisite Environmental Impact Assessment (EIA) approvals for the project. Additionally, it is required to comply with IFC and World Bank environmental standards, including prescribed limits for SOx, Nox, and particulate emissions. The selected CFBC technology also supports improved combustion efficiency and in-furnace emission control.

The project is expected to generate significant economic benefits through employment creation, local infrastructure development, and skills enhancement. During construction and operations, the project is expected to create substantial direct and indirect employment opportunities, and support local participation requirements through phased ownership transfer to Botswana citizens. The sponsors have also highlighted initiatives relating to education, healthcare, women empowerment, and community development in the project area.

Governance considerations are supported by the sponsorship of JPL, an experienced power sector operator with established execution and operating capabilities. The project benefits from a clear contractual framework, including a long-term PPA, coal supply agreement, lender protections, and extensive regulatory oversight. In addition, the project is subject to compliance with environmental, operational, and reporting obligations under Botswana's regulatory framework, supporting transparency, and accountability.

About the company

JEBPL is a Botswana-based special purpose vehicle, developing the 700 MW gross (600 MW net contracted) Jindal Mmamabula Energy Project near Mmaphashalala village in Botswana’s Central District. The project comprises two phases of 350 MW gross capacity each, with two 175 MW gross units in each phase. JEBPL is promoted by JPL through a wholly owned Mauritius-based holding company, with the Jindal group currently holding a 90% stake and the balance held by a local participant. JEBPL has signed long-term PPAs with BPC for the sale of its entire contracted capacity. The project is strategically positioned to enhance Botswana’s energy security and reduce dependence on imported electricity.

About Jindal Power Limited

JPL is a private thermal power producer in India with an operating portfolio of about 5.9 GW and captive coal mining operations that support fuel security and cost competitiveness. Its portfolio includes the flagship Tamnar plant and acquired assets across India. JPL is the principal sponsor and project-management support provider for JEBPL and extends support for key funding and support commitments relating to the project.

Botswana’s operating environment

Botswana is a landlocked country in Southern Africa, known for its political stability, strong institutional framework and abundant natural resources, particularly diamonds. The country has one of Africa's highest income levels and has historically leveraged its mineral wealth to support economic development. While mining remains a key economic driver, Botswana is also pursuing diversification through investments in sectors such as energy, tourism, agriculture and manufacturing to support sustainable long-term growth.

Botswana benefits from strong institutional quality, political stability, and a track record of prudent macroeconomic management, supported by sound governance and responsible natural resource administration. While the country's economy is largely dependent on the diamond sector, making it vulnerable to commodity price cycles and external shocks recent attempt has been taken by Government machinery to diversify their economy where power and tourism is one such part of their agenda. Fiscal and external pressures have increased amid weakness in the global diamond market. Botswana continues to have strong institutional frameworks and is pursuing economic diversification initiatives to enhance long-term resilience.

Key summary financial metrics (JEBPL) – **Not meaningful since the project is under construction**

Key summary financial metrics (JPL – consolidated)

Particulars	Unit	March 31, 2023	March 31, 2024	March 31, 2025
Revenue	Rs bn	106.4	152.9	153.9
EBITDA	Rs bn	43.2	68.8	80.1
PAT	Rs bn	12.4	48.9	70.3
Total debt[1]	Rs bn	65.8	54.2	36.0
FFO-to-debt	%	58%	88%	195%
Interest cover	Times	1.6	6.8	17.0

Solicitation status

The rating is solicited. The management has provided information to and held meetings with the CareEdge Global analytical team for the rating.

[1] Total debt includes preference shares

Details of instruments

Instrument	ISIN	Date of issuance	Maturity date	Issue size	Rating
Term Loan	NA	NA	NA	USD 975 mn	CareEdge BBB-/Stable

Rating history

Instrument	Type	Rating	Date
Term Loan	Long-Term Foreign Currency	CareEdge BBB-/Stable	September 15, 2026

Criteria applied
CareEdge Global's criteria on Consolidation
CareEdge Global's criteria on Group Rating Methodology
CareEdge Global's criteria on Project Finance Rating Methodology
CareEdge Global's criteria on Corporate Sector Rating Methodology
CareEdge Global's criteria on Transfer and Convertibility Methodology

Analytical contacts
Ankit Kedia
ankit.kedia@careedgeglobal.com

Sanchit Arora
sanchit.Arora@careedgeglobal.com

Smit Doshi
smit.doshi@careedgeglobal.com

Relationship contact
Aakash Jain
aakash.jain@careedgeglobal.com

Media contact
Mradul Mishra
mradul.mishra@careedge.in

About Us
CareEdge Global IFSC Limited (CareEdge Global) is a full-service Credit Rating Agency (CRA) with a mission of **Empowering Global Capital Market Participants Through Unrivalled Insights and Expertise.** As the first CRA registered and authorized by the International Financial Services Centres Authority (India), CareEdge Global is uniquely positioned to provide comprehensive ratings on a global scale. A part of the CareEdge Group, which is a knowledge-based analytical organisation offering a wide range of services in Credit Ratings, Analytics, Consulting, and Sustainability. Established in 1993, our parent company, **CARE Ratings Limited (CareEdge Ratings)**, stands as India's second-largest rating agency.

Disclaimer
This disclaimer applies to each credit rating report and/ or credit rating rationale ('report') that is provided by CareEdge Global IFSC Limited ('CareEdge Global').

Ratings from CareEdge Global are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/ instruments or to make any investment decisions. The report is not a solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CareEdge Global assumes no obligation to update its opinions following publication in any form or format although CareEdge Global may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the investor, user, its management, employees, advisors and/ or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. Therefore, the report is not intended to and does not constitute an investment advice. The report should not be the sole or primary basis for any investment decision. CareEdge Global is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge Global. CareEdge Global does not act as a fiduciary by providing the rating.

Any unsolicited ratings assigned by CareEdge Global are based on publicly available information as CareEdge Global may or may not have access to documents / information or participation from management of such issuers. While CareEdge Global has obtained information from sources it believes to be reliable, CareEdge Global does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/ or relies on in its reports. CareEdge Global ratings are subject to a periodic review, which may lead to revision in ratings. CareEdge Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CareEdge Global has in place a ratings code of conduct and policies for managing conflict of interest.

Neither CareEdge Global nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CareEdge Global DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CareEdge Global or its associated entities or persons be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

This report does not constitute an offer of services. This report is solely for use in the jurisdiction of IFSCA, GIFT City in Gandhinagar. Without limiting the generality of the foregoing, nothing in the report is to be construed as CareEdge Global providing or intending to provide any services in jurisdictions where CareEdge Global does not have the necessary licenses and/ or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CareEdge Global and the user.

For latest rating information on any instrument of any company rated by CareEdge Global, you may visit our website www.careedgeglobal.com.

CareEdge Global IFSC Limited
501, FlexOne, GIFT SEZ, Block 15, Gandhinagar, Gujarat – 382050, India. Phone: +91-79-6519 0701 l www.careedgeglobal.com
CIN-U66190GJ2024PLC151103