



**JSW INFRASTRUCTURE LTD.**

**Regd. Office:** JSW Centre,  
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Phone : 022-42861000  
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CIN: U45200MH2006PLC161268  
Website: [www.jsw.in](http://www.jsw.in)  
Email id: [infra.mumbai@jsw.in](mailto:infra.mumbai@jsw.in)

December 16, 2023

To,

<b>BSE Limited</b> Phiroze Jeejebhoy Towers Dalal Street Mumbai - 400 001 <b>Scrip Code (BSE): 543994</b>	<b>National Stock Exchange of India Limited</b> "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai - 400051 <b>Symbol: JSWINFRA</b>
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**Sub.: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Revision in Credit Rating**

**Ref.: Letter dated December 15, 2023 issued by CARE Ratings Limited**

Dear Sir/Madam,

We wish to inform you that CARE Ratings Limited vide their letter dated December 15, 2023, has assigned/revised the credit ratings of the subsidiaries of JSW Infrastructure Limited ('Company') in the following manner:

Sr. no.	Name of Company	Amount (Rs. in crore)	Facilities/ Instruments	Revised Rating	Existing Rating	Specification
1	South West Port Limited	40.00	Long Term / Short Term Bank Facilities	CARE A; Stable / CARE A1	CARE A1	Upgrade from CARE A1 to CARE A; Stable / CARE A1
2.	JSW Mangalore Container Terminal Private limited	25.00	Long-term / Short-term bank facilities	CARE A; Stable / CARE A1	CARE A; Stable	Upgrade from CARE A; Stable to CARE A; Stable / CARE A1
		75.00	Short-term bank facilities	CARE A1	-	Assigned
		1.00	Short-term bank facilities	CARE A1	CARE A; Stable	Upgrade from CARE A; Stable to CARE A1

A copy of the said letter is enclosed herewith and same is available on the weblink given below:



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1. South West Port Limited - <https://www.careratings.com/search?Id=ngiE3qZLDEEx5mRXUmCj2A==>
2. JSW Mangalore Container Terminal Private Limited  
- <https://www.careratings.com/search?Id=tQdXGuc/G3qqIS4UTJ2YOA==>

The above is for your information and record.

Thanking you,

Yours sincerely,

For **JSW Infrastructure Limited**

**Gazal Qureshi**

**Company Secretary and Compliance Officer**

**Cc:**

**India International Exchange (IFSC) Limited**

Unit No. 101, 1st Floor, Signature Building No. 13B, Road 1C

Zone 1, Gift SEZ, Gift City

Gandhinagar- 382355

**Scrip code (India INX): 1100026**

## South West Port Limited (SW Ports)

December 15, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities <sup>^</sup>	40.00	CARE A; Stable / CARE A1	Revised from CARE A1
Short-term bank facilities	1.00	CARE A1	Reaffirmed
Long-term bank facilities <sup>@</sup>	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

<sup>^</sup>Facilities are reclassified from short term bank facilities to long-term / short-term bank facilities.

<sup>@</sup>The rating assigned to the bank facilities of ₹25 crore earlier are now withdrawn as the said facilities have been surrendered and there is no outstanding amount towards such facilities.

<b>Unsupported Rating<sup>2</sup></b>	<b>Withdrawn [Withdrawn]</b>
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Note: Unsupported Rating does not factor in the explicit credit enhancement.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of South West Port Limited (SWPL) continue to remain underpinned by its strategic importance to the JSW group in order to cater their cargo requirements providing cargo visibility, long operational track record of the terminal of 19 years, and experienced management and promoter group.

The ratings continue to derive strength from stable cargo volumes leading to stable scale of operations and profitability, comfortable capital structure marked by absence of any external debt, healthy debt coverage indicators and adequate liquidity position.

The above rating strengths are tempered by concentrated cargo and revenue risk with almost entire cargo handled being the cargo of JSW Group, and regulatory risk in the form of restrictions on the operations of South west Port from state pollution control board. The ratings are also constrained by the limited tariff flexibility being a TAMP-regulated port.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Expansion in Profit before interest, lease, depreciation and taxes (PBILDT) due to significant scale up of operations.

#### Negative factors

- Any new significant debt-funded project expansion impacting the capital structure and debt protection indicators.
- Any restrictions by National Green Tribunal (NGT)/Goa State Pollution Control Board (GSPCB) leading to significant reduction in the amount of cargo that can be handled by SWPL.

### Analytical approach

Standalone factoring the linkages with parent, i.e., JSW Infrastructure Limited (JSWIL: rated 'CARE AA+; Stable / CARE A1+').

### Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CARE Ratings') expectations of SWPL being able to maintain its stable operational performance marked by its strategic importance to the JSW group coupled with absence of external fund-based debt.

### Detailed description of the key rating drivers

#### Key strengths

##### Strategic importance for JSW group companies providing cargo visibility

SWPL operates two berths in Mormugao Port, Goa which is a major port and is suitably located on the western coast, at a distance of around 360 km from Mangalore port and 600 km from Mumbai port. The port is well connected to the hinterland districts of Belgaum, Dharwad, Bellary and Uttarkannad in Karnataka State through rail network. These regions are major producers of iron ore and consumers of coal and coke. The South west port is strategically important for JSW Steel Limited (JSWSL; rated 'CARE AA+; Stable / CARE A1'), as it serves as a captive port for import of coal/coke and export of steel products of JSW Steel plant at Vijaynagar, Bellary, Karnataka. The port is located around 370 km from Bellary and has better infrastructure as compared to other minor ports in south-west Maharashtra and north-west Karnataka.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

<sup>2</sup>As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019. As per this circular, the suffix 'CE' (Credit Enhancement) is assigned to the ratings with explicit external credit enhancement, against the earlier used suffix 'SO' (Structured Obligation).

While there is no take or pay agreement, JSW Steel has been sourcing majority of its cargo through SWPL since 2004, mainly on account of competitive berth charges. The presence of dedicated infrastructure to transport bulk cargo (in terms of rakes) also aids SWPL. Furthermore, JSW Steel also uses the port for export of finished steel products.

### **Stable scale of operations and profitability**

SWPL reported stable scale of operations marked by total operating income (TOI) of ₹284 crore during FY23 (FY22: ₹263 crore) (refers to the period April 1 to March 31) with healthy PBILDT margin of 32.60% (FY22: 35.86%) and gross cash accrual (GCA) of ₹110 crore (FY22: ₹93 crore). The cargo handled during FY23 grew moderately to 7.07 million metric tonnes (MMT) as compared with 6.92 MMT during FY22. During H1FY24 (refers to the period April 1 to September 30), SWPL has handled cargo volumes of 3.40 MMT with TOI of ₹140 crore.

### **Comfortable debt coverage indicators**

The leverage position of SWPL improved during FY23 marked by net debt / PBILDT improving to 0.08x as on March 31, 2023 as against 4.68x as on March 31, 2021. During FY22, JSWIL has raised USD 400 million bonds and extended the same via ICDs to its operating subsidiaries including SWPL to prepay the term debt. Accordingly, SWPL has received ICDs from JSWIL during FY22 and repaid entire term loan and currently has no outstanding external debt.

### **Experienced management and JSW group's ability to execute large projects in diversified sectors**

Major stake in SWPL is held by JSWIL, which is a part of the Sajjan Jindal group and is led by an experienced and resourceful management. JSWIL is committed to the development of infrastructure and operations for ports for the JSW group. It has successfully executed large infrastructure projects such as commissioning of the port terminals at Mormugao Port, setting up a green-field port at Jaigarh, Ratnagiri, construction of an Iron Ore and Coal terminal at Paradip along with development of Mangalore Container Terminal. CARE Ratings notes that the ratings derive comfort from the group's demonstrated ability to execute large infrastructure projects and financial resourcefulness of the promoters.

### **Key weaknesses**

#### **High cargo concentration risk and restrictions on cargo impacting group requirement**

JSWIL received an interim order from Goa State Pollution Control Board (GSPCB) in January 2018 revoking the consent to operate granted to SWPL, for allegedly handling excess coal/coke than permitted limits and purporting air pollution issues in Vasco. In April 2018, the company received the interim stay order from Goa high court against the order of GSPCB and was eventually granted a consent with revised quantities by GSPCB for continuing the handling of coke/coal cargo at port from FY19. In July 2018, the port received approval from GSPCB to handle up to 0.4 million tonne (around 4.8 million tonne per annum [MMTPA]) of coal and coke throughput per month at the port till March 2019, and the same was extended till March 2020. During August 2020, approval was received to handle total cargo of 8.5 MMTPA (5.5 MMTPA of coal, 1 MMTPA of limestone and 2 MMTPA of steel slab) till December 2023.

The management also anticipates higher cargo volumes on account of likely approval from the authorities raising the cargo handling capacities to around 14 - 15 MMTPA with a condition of constructing a shed to limit the pollution from additional coal handling. CARE Ratings notes that timely receipt of approval for extension along with fructification raising cargo handling capacity will be crucial from credit perspective. Furthermore, SWPL derives 100% cargo from JSW group, leading to a high concentration risk.

#### **Regulatory risk leading to limited pricing flexibility**

SWPL is covered by TAMP regulations, restricting its flexibility to revise tariff rates. This has led to a regulatory risk of unwarranted downward revisions in tariff rate that would reduce the revenues of these ports, and consequently, of JSWIL. However, being strategically located, the management believes that the cargo of JSW Steel will continue to be handled at SWPL. Furthermore, as per the TAMP regulations, port operators are allowed to operate at a return on capital employed (ROCE) of 16%, by adjusting the tariff rates.

#### **Liquidity: Adequate**

The liquidity of SWPL is adequate, marked by sufficient cushion in accruals vis-à-vis no external debt obligations. SWPL had cash and bank balance of ₹396 crore as on March 31, 2023, and ₹460 crore as on September 30, 2023, besides unutilised bank limits, providing additional liquidity cover.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Policy on default recognition](#)  
[Factoring Linkages Parent Sub JV Group](#)  
[Financial Ratios – Non financial Sector](#)  
[Liquidity Analysis of Non-financial sector entities](#)  
[Rating Outlook and Credit Watch](#)  
[Short Term Instruments](#)  
[Ports Project](#)  
[Policy on Withdrawal of Ratings](#)

### About the company and industry

#### Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport infrastructure	Port & port services

SWPL is a maritime infrastructure set up by the JSW group, facilitating import and export through two dedicated bulk cargo berths (Berth 5A & 6A) at Mormugao Port, Goa (a Major Port). SWPL is used as a captive facility to handle import/export of cargo for JSW Steel Ltd.

SWPL was initially set up as a special purpose vehicle (SPV) by ABG Heavy Industries Ltd (renamed ABG Infralogistics Limited) as ABG Port Pvt. Ltd. (ABGPPL). ABGPPL divested 74% of equity stake in favour of the JSW group, which showed interest in the project as it was the largest importer of coal/coke at the Mormugao port for JSW Steel's steelmaking facilities in Bellary-Hospet region.

The aggregate cargo handling capacity of the berths was 15 MTPA as on March 31, 2023. However, as per the latest letter dated August 11, 2020, issued by Goa State Pollution Control Board, SWPL can handle total cargo of 8.5 MMTPA (5.5 MMTPA of coal, 1 MMTPA of limestone and 2 MMTPA of steel slab) until December 2023.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	263	284	140
PBILDT	94	93	37
PAT	43	59	26
Overall gearing (times)	0.54	0.48	0.47
Interest coverage (times)	1.60	2.38	1.91

A: Audited; UA: Unaudited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various 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 along with Rating Outlook
Fund-based - LT-Working capital demand loan		-	-	-	0.00	Withdrawn
Fund-based - ST-Bank overdraft		-	-	-	1.00	CARE A1
Fund-based/Non-fund-based-LT/ST		-	-	-	10.00	CARE A; Stable / CARE A1
Non-fund-based - LT/ ST-BG/LC		-	-	-	30.00	CARE A; Stable / CARE A1
Unsupported rating-Unsupported rating (Long term)		-	-	-	0.00	Withdrawn

**Annexure-2: Rating history for the 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 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Non-fund-based - LT/ ST-BG/LC	LT/ST*	30.00	CARE A; Stable / CARE A1	-	1)CARE A1 (20-Sep-22)	1)CARE A1 (25-Aug-21)	1)CARE A1 (06-Jan-21) 2)CARE A1+ (CW with Developing Implications) (11-Nov-20)
2	Fund-based/Non-fund-based-LT/ST	LT/ST*	10.00	CARE A; Stable / CARE A1	-	1)CARE A1 (20-Sep-22)	1)CARE A1 (25-Aug-21)	1)CARE A1 (06-Jan-21) 2)CARE A1+ (CW with Developing Implications) (11-Nov-20)
3	Fund-based - LT-Working capital demand loan	LT	-	-	-	1)CARE AA (CE); Stable (20-Sep-22)	1)CARE AA- (CE); Stable (25-Aug-21)	1)CARE A+ (CE); Stable (06-Jan-21) 2)CARE A+ (CW with Developing Implications) (11-Nov-20)
4	Unsupported rating-Unsupported rating (Long term)	LT	-	-	-	1)CARE A (20-Sep-22)	1)CARE A (25-Aug-21)	1)CARE A (06-Jan-21)
5	Fund-based - ST-Bank overdraft	ST	1.00	CARE A1	-	1)CARE A1 (20-Sep-22)	1)CARE A1 (25-Aug-21)	-

						(20-Sep-22)	(25-Aug-21)	
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\*Long term/Short term.

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

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working capital demand loan	Simple
2	Fund-based - ST-Bank overdraft	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Unsupported rating-Unsupported rating (Long term)	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

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

**Contact us**

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**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 RBI. 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.

**Disclaimer:**

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**



## JSW Mangalore Container Terminal Private Limited

December 15, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	66.01 (Reduced from 107.00)	CARE A; Stable	Reaffirmed
Long-term / Short-term bank facilities@	25.00	CARE A; Stable / CARE A1	Revised from CARE A; Stable
Short-term bank facilities	75.00	CARE A1	Assigned
Short-term bank facilities^	1.00	CARE A1	Revised from CARE A; Stable

Details of instruments/facilities in Annexure-1.

@Facilities are reclassified from short term bank facilities to long term / short term bank facilities

^ Facilities are reclassified from long term bank facilities to short term bank facilities

### Rationale and key rating drivers

The ratings assigned to the bank facilities of JSW Mangalore Container Terminal Private Limited (JSW MCTPL) continues to remain underpinned by locational advantage in the form of adequate rail and road connectivity with favourable hinterland serving the cargo of Karnataka and Kerala on the eastern coast being under the purview of major ports. Furthermore, the rating derives strength from ramping up of cargo volumes during FY23 (refers to the period April 1 to March 31) and H1FY24 (refers to the period April 1 to September 30) post commencement of operations of the terminal leading to healthy total operating income and profit before interest, lease rentals, depreciation and tax (PBILDT) margins. The rating continues to factor, comfortable debt coverage indicators along with long tail period for JSW MCTPL debt imparting financial flexibility in the operational phase.

The aforementioned rating strengths are partially offset by the inherent project execution risk w.r.t to planned phase-2 capital expense (capex) elevated by moderate revenue-sharing arrangement with the New Mangalore Port Trust (NMPT), lack of JSW Infrastructure Limited (JSWIL; rated CARE AA+; Stable / CARE A1+) experience in container business segment and regulatory risk associated with determining tariffs and high competition. Nevertheless, with the successful completion of the first phase of capex and JSWIL's demonstrated capability of executing and operating port projects in past mitigates the post-implementation risk to a substantial extent.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Substantial increase in terminal utilisation on sustained basis

#### Negative factors

- Lower than envisaged ramp up of operations post completion of entire capex
- Higher-than-envisaged debt-funded capex without commensurate improvement in operational performance.

#### Analytical approach:

Standalone factoring the linkages with parent i.e. JSWIL

#### Outlook: Stable

The stable outlook is based on expectations of ramping up of cargo alongwith improvement in financial performance coupled with timely completion of the phase-2 capex plans supported by the strong and experienced parent entity i.e. JSWIL

### Detailed description of the key rating drivers:

#### Key strengths

**Favourable hinterland prospects of the eastern coast serving cargo in the state of Karnataka and Kerala:** The port has an entrance channel of 7.5 Kms in length and 245-meter-wide and the channel is dredged to a depth of 15.4 meters. The port serves hinterland of the Karnataka state, and the Kerala state to some extent. The major commodities exported through the port are iron ore concentrates and pellets, iron ore fines, manganese, granite stones, coffee, cashew, and containerized cargo.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

The major imports of the port are crude and petroleum products, LPG, wood pulp, timber logs, finished fertilizers, liquid ammonia, sand, phosphoric acid, other liquid chemicals, and containerized cargo.

**Benefit of existing infrastructure of major port of Mangalore along with good connectivity:** The port is situated at Mangalore which is in close proximity to Goa, Mumbai, Bangalore and Kochi as well as major international sea routes. The terminal is well connected with three National Highways (NH-66, NH-75 and NH-169). The national highways link the port to important cities and towns such as Mumbai, Kochi, Bangalore, and Solapur. In addition to the above, four-laning of NH from Bantwal to Surathkal is nearing completion, post which the improvement in logistics is expected to aid the connectivity. Furthermore, the port is connected via railway links spread into the neighbouring states of Maharashtra, Kerala, and Tamil Nadu besides the hinterland. The rail network extends to major industrial cities like Chennai, Bangalore, Coimbatore, and Mumbai in addition to numerous other commercially-important cities. The port is also connected to the Mangalore International Airport. The port also has sufficient covered and open storage area available in and outside the wharf area.

**Ramping up of operations during FY23 and H1FY24:** JSW MCTPL achieved commercial operations date (COD) of Phase I of the project during March 2022. The terminal has handled container volumes equal to 2.17 MMT (million metric tonnes) during FY23, reflecting 52% capacity utilization in the first full year of operation. JSW MCTPL has reported total operating income of ₹74 crore with an PBILDT margin of 34% during FY23. During H1FY24, the terminal handled 1.3 MMT of volumes marked by total operating income of ₹48 crore with an PBILDT margin of 40%.

**Longer tail period and comfortable capital structure imparting financial flexibility:** The total debt consists of door-to-door tenor not exceeding nine years, and the concession period is of 30 years, resulting in a tail period of approximately 20 years. A longer tail period imparts significant financial flexibility to the borrower. Furthermore, project leverage marked by net debt/PBILDT remained at 7.11x as on March 31, 2023. The same is expected to be comfortable on account of stable cargo visibility and relatively low external term debt levels.

**Experienced management and JSWIL's ability to execute large projects in diversified sectors:** JSW MCTPL is subsidiary of JSWIL which is a part of the Sajjan Jindal group and is led by an experienced and resourceful management. JSWIL is committed to the development of infrastructure and operations for ports for the JSW group. It has successfully executed large infrastructure projects such as commissioning of the port terminals at the Mormugao Port, setting up a green-field port at Jaigarh, Ratnagiri, construction of an iron ore and coal terminal at Paradip along with development of Mangalore Container Terminal. Furthermore, JSWIL has also completed its initial public offering (IPO) of ₹2,800 crore in October 2023 thereby strengthening the financial flexibility. The ratings derive comfort from the group's demonstrated ability to execute large infrastructure projects and financial resourcefulness of the promoters.

### Key weaknesses

#### Inherent project execution risk

JSW MCTPL is currently undertaking planned phase-2 expansion of container terminal to increase the capacity by 1.8 MMTPA (million metric tonne per annum) at a total cost of approximately ₹157 crore to be incurred over the next three years. This elevates the inherent project execution risk. However, comfort is derived from completion of IPO of JSWIL wherein one of the objects was to fund this expansion capex. Further to that, the risk is partially mitigated by successful completion of first phase of capex alongwith ramping up of cargo as envisaged and JSWIL's demonstrated capability of executing and operating port projects in past. Going forward, any significant cost or time overrun in the project will be a key credit monitorable.

**Inherent market risk and high competition from nearby terminals:** As per the concession agreement, JSW MCTPL is liable to pay a royalty of ₹951 per twenty-foot equivalent foot (TEU) of container handled on monthly basis and license fee to NMPT. Furthermore, in case of under achievement in the cargo, the company is required to pay royalty as per minimum guaranteed cargo, exposing it to market risk. Furthermore, JSW MCTPL does not have any tie-up with shipping line, and it is the first venture of JSWIL in container operations. The container terminal is also expected to face some competition from other container terminals on the eastern coast. Nevertheless, track record of the major port to handle container volumes and corporate guarantee of JSWIL till the stabilization of cargo volume mitigate the project risk to a large extent.

**Regulatory risk on account of limited flexibility in ascertaining tariffs:** The tariff of JSW MCTPL is determined by the Tariffs Authority of Major Ports (TAMP) of India. Any change in tariff due to regulatory actions may have adverse impact on the revenue thereby lending limited flexibility in revising tariff rates. However, with the Major Ports Authority Bill, 2020, been passed on February 10, 2021, every port will now be governed by a Port Authority (board) providing quicker decision making.

**Liquidity:** Adequate

Liquidity is marked by strong accruals coupled with free cash and bank balance to the tune of ₹22 crore as on March 31, 2023 and ₹16 crore as on September 30, 2023 besides the company's ability to drawdown the unutilized sanctioned loans. Additionally, the liquidity position of JSW MCTPL also derives comfort from unconditional and irrevocable corporate guarantee provided by JSWIL for a specified period till stabilization of container volumes.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

**Applicable criteria**

[Policy on default recognition](#)  
[Factoring Linkages Parent Sub JV Group](#)  
[Financial Ratios – Non financial Sector](#)  
[Liquidity Analysis of Non-financial sector entities](#)  
[Rating Outlook and Credit Watch](#)  
[Short Term Instruments](#)  
[Ports Project](#)  
[Policy on Withdrawal of Ratings](#)

**About the company and industry****Industry classification**

Macro-economic Indicator	Sector	Industry	Basic Industry
Services	Services	Transport infrastructure	Port & Port services

Incorporated by JSWIL, JSW MCTPL has entered into a concession agreement (CA) with NMPT on January 27, 2020, for modernization and operations of the existing container berth on public private partnership basis for 30 years. The container berth is a multipurpose berth having length of 350 meters, width of 35 meters, draft of 14 meters and depth of 15.1 meters. The project has achieved its COD in March 2022 with a capacity of 4.2 MMTPA.

Currently, JSW MCTPL is undertaking brownfield expansion to increase the capacity by 1.8 MMTPA taking total capacity to 6 MMTPA.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	NA	74	48
PBILDT	NA	25	19
PAT	NA	3	4
Overall gearing (times)	NM	6.01	NA
Interest coverage (times)	NM	3.10	2.34

A: Audited; UA: Unaudited; NA: Not available; NM: Not meaningful; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various 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 along with Rating Outlook
Fund-based - LT-Term loan		-	-	NA	66.01	CARE A; Stable
Fund-based - ST-Bank overdraft		-	-	-	1.00	CARE A1
Fund-based/Non-fund-based-Short term		-	-	-	75.00	CARE A1
Non-fund-based - LT/ST-BG/LC		-	-	-	25.00	CARE A; Stable / CARE A1

**Annexure-2: Rating history for the 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 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term loan	LT	66.01	CARE A; Stable	-	1)CARE A; Stable (20-Sep-22)	1)CARE A (CE); Stable (02-Dec-21) 2)CARE A (CE); Stable (02-Aug-21)	-
2	Fund-based - ST-Bank overdraft	ST	1.00	CARE A1	-	1)CARE A; Stable (20-Sep-22)	1)CARE A (CE); Stable (02-Dec-21) 2)CARE A (CE); Stable (02-Aug-21)	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST*	25.00	CARE A; Stable / CARE A1	-	1)CARE A; Stable (20-Sep-22)	1)CARE A (CE); Stable (02-Dec-21) 2)CARE A (CE); Stable	-

							(02-Aug-21)	
4	Un Supported rating-Un Supported rating (Long term)	LT	-	-	-	1)Withdrawn (20-Sep-22)	1)CARE BBB+ (02-Dec-21) 2)CARE BBB+ (02-Aug-21)	-
5	Fund-based/Non-fund-based-Short term	ST	75.00	CARE A1				

\*Long term/Short term.

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

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term loan	Simple
2	Fund-based - ST-Bank overdraft	Simple
3	Fund-based/Non-fund-based-Short term	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Un Supported rating-Un Supported rating (Long term)	Simple

**Annexure-5: Lender details**

To view the lender-wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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