

September 02, 2024

## J M Baxi Ports & Logistics Limited: Ratings placed on rating watch with developing implications

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	447.23	447.23	[ICRA]A+; placed on Rating watch with developing implications
Short term – Fund-based – Working capital facilities	56.00	56.00	[ICRA]A1; placed on Rating watch with developing implications
Short term – Non-fund based limits – Working capital facilities	120.00	120.00	[ICRA]A1; placed on Rating watch with developing implications
Long term/Short term – Unallocated limits	16.48	16.48	[ICRA]A+; placed on Rating watch with developing implications / [ICRA]A1; placed on Rating watch with developing implications
<b>Total</b>	<b>639.71</b>	<b>639.71</b>	

\*Instrument details are provided in Annexure-1

### Rationale

### Material Event

J M Baxi Ports & Logistics Private Limited (“JMBPL” or the “Company”) had initially executed certain transaction documents in January 2023, with Hapag Lloyd Terminal Holding B.V. (“HLTH”) (part of Hapag Lloyd Group (HLAG group)) for consummating a series of steps pursuant to which HLTH becomes a shareholder of JMBPL. In furtherance thereof, on August 22, 2024, JMBPL has filed a Scheme of Arrangement (the “Scheme”) for reorganisation of the Company's consolidated operations (i.e. including its subsidiaries and JVs) with the National Company Law Tribunal (“NCLT”). The Scheme entails a corporate reorganisation of JMBPL to separate its container and non-container business whereby JMBPL (standalone) and its subsidiaries/JVs engaged in certain container businesses shall be demerged into a separate entity - J M Baxi Container Holdings Private Limited (“JMBCHPL”) and certain corporate services e.g. treasury operations, human resources, legal, etc shall be demerged into a separate entity - J M Baxi Ports Services Private Limited (“JMBPSPL”). JMBPL shall retain all other businesses including the non-container business. Pursuant to the Scheme and the transaction documents executed amongst JMBPL and HLTH, it is intended that (a) the Kotak Family (collectively, the “Promoters”) and HLTH will hold 51 percent and 49 percent shareholding in JMBPL, (b) Promoters and HLTH will hold 50 percent shareholding, each in JMBPSPL, and (c) Promoters and HLTH will hold 49 percent and 51 percent shareholding in JMBCHPL. The Scheme also provides for grandfathering of existing support structure by the Company for the current lending arrangements for its subsidiaries and JVs for a period of three years from the date of effectiveness of the Scheme.

### Impact of material event

Currently, the Scheme has been submitted for approval to NCLT and will require approval from shareholders and unsecured creditors. Following the announcement, ICRA has placed the ratings of JMBPL and its subsidiaries on watch with developing implications. ICRA will continue to monitor the developments related to the approval and any other developments pertaining to the reorganisation Scheme going forward and will take appropriate rating action as and when the scheme is approved, and the final contours of the Scheme approved.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has taken a consolidated financials of JMBPL and its subsidiaries on account of the management, business and financial linkages among these entities. Please refer to Annexure II for the entities consolidated.

## About the company

JMBPL is engaged in providing (directly and through its affiliates/associates) inland and maritime logistics services in India. JMBPL executed binding agreements with HLTH for HLTH to become a shareholder in JMBPL and for the proposed re-organization of the container and non-container business, as identified above.

JMBPL owns 100% stake in its wholly owned subsidiaries, i.e., DICT, KICT, PICT, VCTPL, HICT, JMB Heavy, NSDT, TICT, JMBPSPL, JMBCHPL and BPPL (all defined in Annexure II). The Company has a joint venture with CMA Terminals (wholly owned subsidiary of CMA CGM Group), called NSFT (defined in Annexure II). JMBPL also has a joint venture with Indian Potash Limited called VMT (defined in Annexure II) for the development of the EQ-7 berth at the Vishakapatnam Port as a multi-purpose cargo berth.

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

**Any other information: None**

## Rating history for past three years

Current (FY2025)				Chronology of rating history for the past 3 years							
				FY2025		FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	September 2, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long Term	447.23	[ICRA]A+; Rating Watch with Developing Implications	31-May-24	[ICRA]A+ (Stable)	30-May-23	[ICRA]A+ (Stable)	20-Apr-22	[ICRA]A- (Positive)	-	-
				-	-	-	-	22-Dec-22	[ICRA]A- (Positive)	-	-
				-	-	-	-	28-Feb-23	[ICRA]A- (Positive)	-	-
Fund-based – Working capital facilities	Short Term	56.00	[ICRA]A1; Rating Watch with Developing Implications	31-May-24	[ICRA]A1	30-May-23	[ICRA]A1	20-Apr-22	[ICRA]A2+	-	-
				-	-	-	-	22-Dec-22	[ICRA]A2+	-	-
				-	-	-	-	28-Feb-23	[ICRA]A2+	-	-
Non-fund based limits – Working capital facilities	Short Term	120.00	[ICRA]A1; Rating Watch with Developing Implications	31-May-24	[ICRA]A1	30-May-23	[ICRA]A1	22-Dec-22	[ICRA]A2+	-	-
				-	-	-	-	28-Feb-23	[ICRA]A2+	-	-
Unallocated limit	Long Term/Short-term	16.48	[ICRA]A+; Rating Watch with Developing Implications/ [ICRA]A1; Rating Watch with Developing Implications	31-May-24	[ICRA]A+ (Stable)/ [ICRA]A1	30-May-23	[ICRA]A+ (Stable)/ [ICRA]A1	22-Dec-22	[ICRA]A- (Positive)/ [ICRA]A2+	-	-
								28-Feb-23	[ICRA]A- (Positive)/ [ICRA]A2+	-	-
NCDs	Short term	-	-	31-May-24	[ICRA]A1; reaffirmed and withdrawn	30-May-23	[ICRA]A1				

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Term loan	Simple

<b>Short term – Fund-based – Working capital facilities</b>	Simple
<b>Short term – Non-fund based limits – Working capital facilities</b>	Very Simple
<b>Long term/Short term –Unallocated limits</b>	Not Applicable

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 analyzing 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, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund-based – Term loan	FY2018 to FY2022	1-year MCLR+ 0.6-1.65%	FY2035	447.23	[ICRA]A+; Rating Watch with Developing Implications
NA	Fund-based – Working capital facilities	NA	NA	NA	56.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Non-fund based limits – Working capital facilities	NA	NA	NA	120.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Unallocated limits	NA	NA	NA	16.48	[ICRA]A+; rating watch with developing implications / [ICRA]A1; Rating Watch with Developing Implications

Source: Company

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

#### Annexure-II: List of entities considered for consolidated analysis

Company Name	JMBPL Ownership	Consolidation Approach
Delhi International Cargo Terminal Private Limited (DICT)	100.00%	Full Consolidation
Visakha Container Terminal Private Limited (VCT)	100.00%	Full Consolidation
Haldia International Container Terminal Private Limited (HICT)	100.00%	Full Consolidation
Kandla International Container Terminal Private Limited (KICT)	100.00%	Full Consolidation
Paradip International Cargo Terminal Private Limited (PICT)	100.00%	Full Consolidation
JM Baxi Heavy Private Limited (JMB Heavy)	100.00%	Full Consolidation
Ballard Pier Private Limited (BPPL)	100.00%	Full Consolidation
Tuticorin International Container Terminal Private Limited (TICT)	100.00%	Full Consolidation
Nhava Sheva Distribution Terminal Private Limited (NSDT)	100.00%	Full Consolidation
J M Baxi Ports Services Private Limited (JMBPSPL)	100.00%	Full Consolidation
J M Baxi Container Holdings Private Limited (JMBCHPL)	100.00%	Full Consolidation
Nhava Sheva Freeport Terminal Private Limited (NSFT)	50.00%	Equity Method
Vizag Multipurpose Terminal Private Limited (VMTP)	50.00%	Equity Method

Source: Company

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