September 16, 2025

JSW Infrastructure Limited: [ICRA]AA+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Fund based term loan	2,250.0	[ICRA]AA+ (Stable); assigned
Non-fund based limits - Letter of credit**	(400)	[ICRA]AA+ (Stable); assigned
Total	**2,250.0**	

**Instrument details are provided in Annexure I, **Sublimit of term loan*

Rationale

The rating assigned to the bank lines of JSW Infrastructure Limited (JSWIL/the company) factors in the position of the company as the second-largest port operator in the country with a cargo handling capacity of 177 MMTPA as on June 30, 2025. The cargo volumes handled by the company rose at a compounded annual growth rate (CAGR) of 28% during FY2020 to FY2025, while the revenue and operating profit before interest taxes and depreciation (OPBDITA) recorded a CAGR of 31% and 29%, respectively, during the same period. The company is also diversifying its presence across the eastern and western coasts as it undertakes sizeable capacity expansion, going forward.

The rating also factors in the strategic importance of JSWIL to the JSW Group as it handles a sizeable cargo for the Group, particularly for JSW Steel Limited {JSWSL, rated [ICRA]AA (Stable)/[ICRA]A1+}, JSW Energy Limited {JSWEL, rated [ICRA]AA (Stable)/[ICRA]A1+} and JSW Cement Limited (JSWCL). JSWIL handled ~60 MMT of cargo for the Group, including coal and iron ore, in FY2025. While JSWIL has take-or-pay agreements with several group entities, the actual volumes handled are much larger vis-à-vis the minimum guaranteed cargo. Hence, JSWIL is highly integrated into the Group's logistics strategy, which provides revenue visibility for the company.

The rating also factors in JSWIL's strong financial flexibility owing to its moderate leverage and given that it is a part of the JSW Group. Going forward, its cargo growth is expected to be driven by healthy volumes at the Indian ports, in line with the GDP growth rate. The capacity expansion underway in the JSW Group will also spur JSWIL's cargo volumes. The company is also expanding its logistics footprint in the country to become an integrated logistics player, which will further boost the cargo volumes due to the synergies between the port and the logistics businesses.

The rating, however, is constrained by the sizeable capex plan being undertaken by the company. JSWIL is setting up three greenfield ports - Keni (Karnataka), Jatadhar (Odisha) and Murbe (Maharashtra) - and expanding the capacity of the Jaigarh and Dharamtar ports. Additionally, the company is setting up a liquid handling terminal at Jawaharlal Nehru Port Authority (JNPA) and a multi-purpose cargo handling terminal at the Tuticorin port. It is also planning to make significant investments in the logistics vertical to expand its infrastructure base. The cumulative capex to be incurred will be Rs. 25,000-30,000 crore over the next 5-6 years. Given the sizeable capex, the company will remain exposed to project execution and volume ramp-up risks, though comfort can be derived from the fact that a major part of this upcoming capacity will have the JSW Group entities as the anchor customers.

The rating is also constrained by the company's significant dependence on coal and iron ore cargo (~83% in FY2025) used by the coal-based power producers and steel manufacturers. The company's cargo volumes also remain exposed to the cyclicality in the steel sector. Additionally, majority of the terminals handling third-party cargo in JSWIL's portfolio remain exposed to competition from the nearby ports, which can impact cargo handling at a particular terminal.

The Stable outlook on JSWIL's rating reflects ICRA's expectation that the company will continue to benefit from being a part of the JSW Group wherein the group entities will provide anchor volumes for the upcoming projects. The overall cargo volumes should continue to grow at a healthy pace, given the company's expanding logistics footprint, supporting its cash generation and credit profile.

Key rating drivers and their description

Credit strengths

Second-largest port operator with growing presence across eastern and western coasts; healthy volume growth in last few years - JSWIL's cargo handling capacity has risen to 177 MMTPA as on June 30, 2025, making it the second-largest port operator after Adani Ports & Special Economic Zone Limited {APSEZ, rated [ICRA]AAA (Stable)/[ICRA]A1+}, which had a cargo handling capacity of 633 MMT as on March 31, 2025. The company has witnessed a healthy growth in the cargo handled over the course of FY2020 to FY2025, rising at a compounded annual growth rate (CAGR) of 28% during the period. The revenue and operating profit before interest taxes and depreciation (OPBDITA) recorded a CAGR of 31% and 29%, respectively, during the same period. The company's presence in the eastern and western coasts is set to increase as it undertakes sizeable capacity expansion plans, going forward.

Healthy revenue visibility, backed by cargo handled for JSW Group through take-or-pay arrangements – JSWIL handled ~117 MMT of cargo in FY2025 and nearly 51% of the cargo was from group companies like JSWSL, JSWEL and JSWCL. JSWIL has entered into take-or-pay agreements for handling group entity cargo, which provides revenue visibility for the company. While the take-or-pay agreements include a certain level of cargo quantity, the actual quantity handled by JSWIL for the Group is much higher. A large part of the capex lined up factors in the JSW Group entities as the anchor customers, ensuring a quick ramp-up of cargo and cash flows, once the projects achieve completion. While the share of group cargo in the overall cargo mix handled by JSWIL moderated in FY2025 and is expected to decline further in FY2026, it is set to rise sharply from FY2027 with the commissioning of the slurry pipeline project and the Jatadhar port along with the completion of the capacity expansion at the Jaigarh and Dharamtar ports. The capex plans will also coincide with the commissioning of the 8-MMTPA pellet plant being set up by JSW Steel Utkal Limited and the capacity expansion at JSW Steel's Dolvi unit to 15 MMTPA from 10 MMTPA.

Strong financial flexibility – JSWIL is a part of the Sajjan Jindal Group, also known as the JSW Group. After the completion of the IPO in October 2023, the company has maintained low leverage levels. It has witnessed strong cash generation, benefitting from being a part of an established group and an integral part of its logistics value chain.

Healthy outlook for cargo growth at Indian ports – Cargo growth at the Indian ports is expected to remain healthy over the longer term amid a growing economy with rising global trade. While near-term headwinds may result in a modest growth in volumes, cargo growth is expected to remain in mid-single digits over the longer term which should benefit port operators like JSWIL.

Credit challenges

Project execution risk, given the sizeable capex being undertaken by the company – JSWIL is undertaking sizeable capex plans, including setting up greenfield ports, brownfield expansion at existing ports and setting up of cargo terminals across various ports in the country. The company also plans to make substantial investments in the logistics sector as it looks to become an end-to-end logistics player. The greenfield ports are coming up at Jatadhar (Odisha), Keni (Karnataka) and Murbe (Maharashtra), while the capacity of the Jaigarh and Dharamtar ports is being expanded. The company is also setting up a liquid cargo terminal at Jawahar Lal Nehru Port Authority (JNPA) port and a multi-cargo terminal at the Tuticorin port. The planned capex is in the range of Rs. 25,000 crore to Rs. 30,000 crore, spread over the next 5-6 years, exposing the company to risks related to project execution and ramp-up, post commissioning. The sizeable capex plan will also moderate its credit profile from the current levels.

Competition from nearby ports – Majority of the terminals handling third-party cargo in JSWIL's portfolio remain exposed to competition from the terminals at the same port or nearby ports. The profitability will be under check as the tariffs have to remain competitive. Additionally, some of the acquired terminals carry high revenue share vis-à-vis the other terminals, restricting the profitability.

Significant dependence on coal and iron ore cargo - JSWIL has significant dependence on coal and iron ore cargo (~83% in FY2025) used by the coal-based power producers and steel manufacturers in the Group and third-party consumers. Hence, the cargo volumes remain exposed to the cyclicality in the steel and power sectors.

Environmental and Social Risks

Environmental considerations - JSWIL faces environmental risk as coal comprises a major part of the cargo handled by the company. The company may face additional costs or restrictions on the handling of coal and other environmentally-sensitive commodities. While the share of such cargo has come down to ~83% in FY2025, the company is actively pursuing opportunities to diversify cargo towards container, liquid cargo etc.

Social considerations - In terms of social risks, the company will have to acquire several tracts of land to execute its capex plans. This will expose it to social risks as there can be protests while acquiring the land parcels. Additionally, the company needs to maintain harmonious relations with the labour for smooth operations. JSWIL has been taking steps to remain compliant with all the regulations related to labour and land acquisitions.

Liquidity position: Strong

JSWIL's liquidity is expected to remain strong, going forward, supported by expected cash accruals of Rs. 1,900-2,000 crore per annum for the next two years and Rs. 3,160.9 crore of cash and liquid investments as on March 31, 2025 and adequate debt tie-ups for the near-term capex plans. The company has scheduled repayments of Rs. 140.8 crore in FY2026 which it should be able to meet comfortably.

Rating sensitivities

Positive factors – The rating could be upgraded in a scenario of material growth in the scale of operation and profitability along with diversification in the cargo handled geographically as well as in terms of share of commodities handled while maintaining healthy leverage and coverage metrics.

Negative factors – The ratings may be downgraded in a scenario of sustained moderation in the revenue and profitability resulting in moderation in the leverage and coverage metrics. Larger than expected debt funded capex resulting in moderation in the debt metrics i.e. net debt/OPBDITA remaining above 3.0x on a sustained basis may result in a rating downgrade. Any moderation in the credit profile of the group counterparties or sustained decline in cargo handled for the group entities resulting in moderation of the credit metrics may also result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Ports
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has used the consolidated financials for arriving at the ratings of JSWIL (The list of entities forming a part of the consolidated financials is given in Annexure II)

About the company

JSW Infrastructure is the second-largest private port operator in the country with a total cargo handling capacity of 177 MMTPA as on June 30, 2025. The company is present across the western and eastern coasts of India with three operational ports and seven operational terminals (bulk, container etc). The company is at various stages of execution at its three ports i.e. 30-MMTPA Keni port in Karnataka, 30-MMTPA port at Jatadhar, Odisha, and 33.0-MMTPA Murbe port in Maharashtra. The company is also at various stages of execution for the three terminals i.e one at Tuticorin port, one at JNPT and a container terminal at Kolkata port. The company is present in the UAE through O&M contracts for two bulk terminals, one at Fujairah port and another at the Dibba port. It aims to achieve a 400-MMTPA cargo handling capacity at its port assets by FY2030.

JSW Infrastructure's existing ports and terminals are capable of handling a wide spectrum of cargo and vessels, including those up to cape size, through its largely mechanised cargo handling system. It handles a diverse range of cargo, from dry bulk and break bulk to liquid bulk, gases and containers. JSW Infrastructure offers comprehensive maritime services that encompass cargo handling, storage solutions, logistics services and value-added offerings, positioning it as an evolving end-to-end logistics solutions provider**.**

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	3,782.9	4,490.2
PAT	1,160.7	1,521.5
OPBDIT/OI	52.6%	50.7%
PAT/OI	30.7%	33.9%
Total outside liabilities/Tangible net worth (times)	0.6	0.6
Total debt/OPBDIT (times)	2.4	2.2
Interest coverage (times)	6.0	8.6

Source: Company, ICRA Research; 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 (FY2026)				Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	**Long term**	2250.0	16-Sep-25	[ICRA]AA+ (Stable)	-	-			20-Jul-22	[ICRA]AA- (Stable)
Letter of credit*	**Long term**	(400)	16-Sep-25	[ICRA]AA+ (Stable)	-	-			-	-

**Sublimit of term loan*

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based – Term loan	Simple
Long term – Non-fund based limits - Letter of credit	Very 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	**Term loan**	July 2025	Repo rate+2.75%	Sep 2035	2250.0	[ICRA]AA+ (Stable)
NA	**Non-fund based limits - Letter of credit***	-	-	-	(400)	[ICRA]AA+ (Stable)

*Source: Company *Sublimit of term loan*

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

Annexure II: List of entities considered for consolidated analysis

Company name	JSWIL ownership	Consolidation approach
JSW Jaigarh Port Limited	100.00%	Full consolidation
South West Port Limited	90.00%	Full consolidation
JSW Tuticorin Multipurpose Terminal Private Limited (formerly known as JSW Shipyard Private Limited)	100.00%	Full consolidation
JSW Murbe Port Private Limited (formerly known Nandgaon Port Private Limited)	100.00%	Full consolidation
JSW Dharamtar Port Private Limited	100.00%	Full consolidation
JSW Mangalore Container Terminal Private Limited	100.00%	Full consolidation
JSW Keni Port Private Limited (formerly known as Masad Infra Services Private Limited)	100.00%	Full consolidation
Jaigarh Digni Rail Limited	100.00%	Full consolidation
JSW Jatadhar Marine Services Private Limited	100.00%	Full consolidation
JSW Paradip Terminal Private Limited	97.40%	Full consolidation
Paradip East Quay Coal Terminal Private Limited	97.40%	Full consolidation
Ennore Bulk Terminal Private Limited	100.00%	Full consolidation
Mangalore Coal Terminal Private Limited	100.00%	Full consolidation
Ennore Coal Terminal Private Limited	100.00%	Full consolidation
Southern Bulk Terminals Private Limited	100.00%	Full consolidation
JSW Terminal (Middle East) FZE	100.00%	Full consolidation
PNP Maritime Services Private Limited	100.00%	Full consolidation
JSW JNPT Liquid Terminal Private Limited	100.00%	Full consolidation
JSW Middle East Liquid Terminal Corp.	100.00%	Full consolidation
JSW Port Logistics Private Limited	100.00%	Full consolidation
Navkar Corporation Limited	70.37%	Full consolidation
JSW Overseas FZE	100.00%	Full consolidation

Source: Company

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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