September 30, 2025

J M Baxi Ports & Logistics Private Limited: Ratings continue on 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	383.52	[ICRA]A+; continues on watch with developing implications
Short term – Fund based – Working capital facilities	56.00	56.00	[ICRA]A1; continues on watch with developing implications
Short term – Non-fund based limits – Working capital facilities	120.00	120.00	[ICRA]A1; continues on watch with developing implications
Long term/Short term – Unallocated limits	16.48	80.19	[ICRA]A+ continues on watch with developing implications /[ICRA]A1 continues on watch with developing implications
Total	**639.71**	**639.71**	

**Instrument details are provided in Annexure I*

Rationale

To arrive at the ratings for J M Baxi Ports & Logistics Private Limited (JMBPL/the company), ICRA has used the consolidated financials of the company which include the subsidiaries and joint ventures (JVs) enumerated in Annexure II. The company, along with the entities that form part of the consolidated financials, jointly form the J M Baxi Group and are herein referred to as the J M Baxi Group/the Group.

The ratings assigned to the bank lines of the company factor in the long and established track record of the Group in the ports and port logistics industry with presence in container and bulk cargo handling terminals across ports, containerised train operations (CTO), inland container depots (ICDs), container freight stations (CFS), warehousing, bulk storage, agency business for cruise ships and project cargo handling. The overall cargo volumes handled by the various assets of the J M Baxi Group are expected to increase following the investment by strategic investor - Hapag-Lloyd AG {H-LAG, rated by Moodys at Ba1 (Stable)}, the fifth largest container handling company globally – in the JM Baxi Group.

H-LAG has invested around Rs. 1,200 crore of fresh equity in JMBPL, lapping up a 49% stake in the company. The stake acquisition is in line with H-LAG's global strategy of expanding its footprint in the port logistics sector. The equity proceeds from HLAG are being used to meet the equity commitment for the Group's projects under execution, thereby mitigating the funding risk for the ongoing capex plans. ICRA expects the Group to benefit from the leadership position of HLAG in the global container shipping segment and the intent of the partners to increasingly route HLAG's Indian container volumes through the Group's infrastructure in India. Although the ramp up of the volumes routed by H-LAG from the Group's network was slow in FY2025, it is now expected to ramp up at a healthy pace, particularly at its Kandla container terminal and the terminals at the Nhava Sheva port.

The ratings also factor in the healthy long-term outlook for containerised cargo volumes in India as the penetration of the segment in India remains low at present even as containerisation has picked up pace over the last few years. The Group has been on a major capex drive over the last couple of years and has been gradually completing the projects. The company started partial operations from the Nhava Sheva Freeport Terminal Pvt Limited (NSFTPL) in FY2024, with the terminal being set up under a joint venture with CMA-CGM. The Group had also started operations from the Nhava Sheva Distribution Terminal Private Limited (NSDT) in FY2024 handling cargo at the coastal berth. In FY2025, the Group commissioned a 600,000-TEU capacity container terminal, Tuticorin International Container Terminal Private Limited (TICT), and a cruise handling terminal in Mumbai, Ballard Pier Private Limited (BPPL). Additionally, the company operationalised a Gati Shakti cargo terminal at Incchapuri, Haryana, in H1 FY2026. The commissioning of these projects and realisation of synergies with H-LAG should support the cash generation, going forward.

In FY2025, the consolidated operating profit of the company moderated to Rs. 564.9 crore against Rs. 585.3 crore in FY2024. A moderation in the performance of the standalone operations and a few other assets because of lower cargo volumes handled brought down the operating profit. The delay in the commissioning of a few assets also led to lower-than-expected volume growth. The consolidated total debt (including lease liabilities)/OPBDITA moderated to 6.1x in FY2025 against 3.8x in FY2024. The sharp moderation was on account of an increase in the term debt and recognition of a large lease liability against the present value of the future minimum guaranteed royalty payment obligation for TICT along with lower operating profits in FY2025. However, given the equity infusion by H-LAG in FY2024 and FY2025, the company on a consolidated basis carried Rs. 1,108.1 crore of free cash and liquid investments as on March 31, 2025. As a result, the net debt/OPBDITA was 4.1x in FY2025, up from 2.3x in FY2024. The Group has availed loans with a structured repayment schedule along with long tenor of repayments, usually in excess of 12 years and going up to 19 years, which provides comfort in terms of debt servicing requirements.

The Group still has residual capex left in BPPL, NSDT, TICT and has also planned new capex in some of its other assets in FY2026, which will expose the company to residual project implementation risks. Additionally, the ramp up of the recently commissioned projects has remained slow, impacting the credit profile. Given the current tariff related trade tensions, the volume of cargo exported from the country to the US may face headwinds and, thus, the ramp-up of utilisation of the recently commissioned assets will remain a key monitorable.

The ratings are also constrained by the susceptibility of the performance of the company to the economic cycles and variation in trade volumes as the port volumes remain closely tied with domestic industrial activity as well as global trade. The company is also witnessing heightened competition in the logistics and container train operations as the incumbents have been adding infrastructure, while the cargo volumes have grown at a slower pace. As a result, the gestation period for optimal utilisation of the assets under these segments has elongated, thereby impacting the returns on investment in the sector.

ICRA had placed the ratings of the company on watch with developing implications on September 2, 2024 as the Group had filed for reorganisation of the entire business into three verticals, container vertical, non-container vertical and shared services vertical, each housed under a separate company with different ownership patterns. The company had filed the petition for approval of reorganisation with the National Company Law Tribunal (NCLT) which had reserved the order on June 6, 2025, although the same is yet to be released.

The ratings continue to be on watch with developing implications on account of the pending approval from the NCLT. ICRA will continue to monitor the receipt of the approval and the subsequent reorganisation of the current business into the new structure and its impact on the credit profile of the Group.

Key rating drivers and their description

Credit strengths

Established track record in port and port logistics industry; presence of Hapag Lloyd as a strategic investor expected to be beneficial– The J M Baxi Group has an established track record in the port logistics sector in the country with presence across the value chain, comprising container train operations (CTO), container freight stations (CFS)/inland container terminals(ICD), cold storage, warehousing, bulk logistics and port infrastructure involving container/other cargo terminals. The Group has a diversified geographical presence through its own CFS and warehouses near JNPT Port and Visakhapatnam, container terminals at the Visakhapatnam, Haldia, Kandla and Paradip (Paradip port handles both bulk cargo and container, nevertheless dominated by bulk cargo) ports and an inland container depot (ICD) and cold storage at Sonepat, Haryana.

Hapag-Lloyd AG {H-LAG, rated by Moodys at Ba1 (Stable)}, the fifth largest container handling company globally, has invested around Rs. 1,200 crore of fresh equity in JMBPL, lapping up a 49% stake in the company. The stake acquisition is in line with H-LAG's global strategy of expanding its footprint in the port logistics sector. ICRA expects the Group to benefit from the leadership position of HLAG in the global container shipping segment and the intent of the partners to increasingly route HLAG's Indian container volumes through the Group's infrastructure in India.

Positive long-term outlook for container traffic and logistics segment – At present, the containerisation levels of the cargo handled at the various ports remain low in the country which makes the long-term prospects for container traffic favourable. There has been an increasing trend in containerisation of the cargo movement which bodes well for the company. As a result, the container volumes handled at the ports and in the hinterland continue to grow at a healthy pace and the Group is also expected to benefit from the positive trends in container cargo in the country.

Expected improvement in operational performance with incremental project completions – The Group has been on a major capex drive over the last couple of years and has been gradually completing the projects. The company started partial operations from the Nhava Sheva Freeport Terminal Pvt Limited (NSFTPL) in FY2024, with the terminal being set up under a joint venture with CMA-CGM. The Group had also started operations from the Nhava Sheva Distribution Terminal Private Limited (NSDT) in FY2024 handling cargo at the coastal berth. In FY2025, the Group commissioned a 600,000-TEU container terminal, Tuticorin International Container Terminal Private Limited (TICT), and a cruise handling terminal in Mumbai, Ballard Pier Private Limited (BPPL). Additionally, the company operationalised a Gati Shakti cargo terminal at Incchapuri, Haryana, in H1 FY2026. The commissioning of these projects and realisation of the synergies with H-LAG should support the cash generation, going forward.

Credit challenges

Residual project implementation risks; slower-than-expected ramp up of recently commissioned projects – The Group has residual capex left in BPPL, NSDT, TICT and has also planned new capex in some of its other assets in FY2026, which will expose the company to residual project implementation risks. Additionally, the ramp-up of the recently commissioned projects has remained slower than the earlier expectations, which has resulted in lower-than-expected cash accruals and a slower-than-expected improvement in the credit profile. Given the current tariff related trade tensions, the volume of cargo exported from the country may face headwinds and thus the ramp-up of utilisation of the recently commissioned assets will remain a key monitorable.

Susceptibility of revenues to economic slowdown and variations in trade volumes – The revenues of the Group remain susceptible to the economic cycles in the CFS, ICD, CTO and container terminal businesses. The variation in exim trade volumes also impact the overall sales. In FY2025, the cargo handled at a few terminals of the company faced headwinds on account of macro-economic factors and actions by the shipping lines. However, the favourable long-term prospects for container traffic and the Group's established relationships with all the major shipping lines along with its integrated presence in the logistics chain and port operations mitigate the risk to an extent.

Elevated competitive intensity in logistics and container train operations – The competitive intensity in the logistics business remains high wherein the existing terminals face competition from upcoming and recently commissioned terminals at their port locations as well as nearby ports. The CTO operations face increasing competition as the industry has ramped up capacity which may result in longer-than-expected gestation period for the capacity utilisation to achieve the optimal levels. Kandla International Container Terminal Private Limited (KICT) faces significant competition from existing container terminal operators on the west coast, resulting in lower incremental volumes. The Pipavav and Mundra ports are the main competitors and any addition of container terminals at these ports poses a threat to the operations at Kandla. PICT and Visakha Container Terminal Private Limited (VCTPL) face competition from cargo and container terminal operators on the east coast such as Haldia, Dhamra, Kakinada and Visakhapatnam. However, considering the targeted hinterland, PICT is better placed than its competitors, while VCTPL is the only container terminal operator in Visakhapatnam which provides it with a competitive edge. Going forward, the new projects should strengthen the company's competitive profile and its ability to benefit from the synergies arising from its presence across the logistics value chain and terminals at strategic locations.

Liquidity position: Adequate

The JM Baxi Group's liquidity is expected to remain adequate, given the comfortable debt repayments of ~Rs. 198 crore in FY2026 and ~Rs. 229 crore in FY2027 because of the long-tenor loans (10 to 15 years) availed by the company vis-à-vis its healthy cash accruals, going forward. With financial closure achieved for all the projects under execution and the equity infused by HLAG covering the equity funding requirements, the company is expected to comfortably meet its capital commitment requirements for the projects. The liquidity position is further supported by free cash and balance of ~Rs. 1,108.1 crore as on March 31, 2025, and access to unutilised working capital limits.

Rating sensitivities

Positive factors – ICRA could upgrade JMBPL's ratings if there is a sustained increase in cargo/container volumes, resulting in a healthy rise in operating profitability. ICRA could upgrade the ratings if the company is able to maintain a total debt/OPBDITA of less than 2.5x on a sustained basis, going forward.

Negative factors – Pressure on the ratings could emerge if there is any significant impact on volumes and realisations and delay in the ramp-up of the upcoming projects, having an adverse impact on the company's cash generation and DSCR metrics. The ratings may also be under pressure if the company undertakes any large, funded capex or acquisition that would impact the coverage metrics. Any adverse impact on the credit profile of the company owing to the pending reorganisation of the group may also result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Ports
Parent/Group support	Not Applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has taken a consolidated financials of J M Baxi Ports & Logistics Private Limited (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

J M Baxi Group

The J M Baxi Group was established by three individuals - Mr. Baxi, Mr. Jayantilal Kotak and Mr. Manilal Kotak - and has a history of 100 years in the shipping logistics sector. The three partners started a partnership firm, named J M Baxi & Company, in 1916 for providing stevedoring services at the Mumbai port. Over the years, J M Baxi & Co. has transformed into one of India's largest integrated shipping logistics company, handling a wide assortment of over 6,000 vessels per annum at major and minor Indian ports. The group divides its operations into three segments: 1) Shipping services 2) Logistics 3) Infrastructure, which are handled by different entities. J M Baxi Ports & Logistics Limited is the flagship company of the Mumbai-based J M Baxi Group.

J M Baxi Group corporate structure

Flagship entity – J M Baxi Ports & Logistics Private Limited (JMBPL) - executed a binding agreement with HL Terminal Holding B.V. {part of Hapag Lloyd Group (HLAG group)} in April 2023, which resulted in HLAG picking up a 40% stake in JMBPL and the Kotak family owning 60% with the exit of Bain capital, an erstwhile investor in the J M Baxi Group.

JMBPL owns a 100% stake in its wholly-owned subsidiaries, i.e., DICT, KICT, PICT, VCTPL, HICT, JMB Heavy, NSDT, TICT and Ballard Pier. The company has a joint venture (JV) with CMA Terminals (wholly-owned subsidiary of CMA CGM Group), called

Nhava Sheva Freeport Terminal Private Limited (NSFTPL). JMBPL also has a joint venture with Indian Potash Limited (IPL), called Vizag Multipurpose Terminal Private Limited, for the development of the EQ-7 berth at the Vishakapatnam Port as a multi-purpose cargo berth.

Key financial indicators (audited)

JMBPL	Consolidated		Standalone	
	FY2024	FY2025	FY2024	FY2025
Operating income	2121.9	2226.0	982.5	1028.9
PAT	148.1	49.1	73.0	50.4
OPBDIT/OI	27.6%	25.4%	13.3%	8.8%
PAT/OI	7.0%	2.2%	7.4%	4.9%
Total outside liabilities/Tangible net worth (times)	1.5	1.8	0.3	0.3
Total debt/OPBDIT (times)	3.8	6.1	3.9	5.8
Interest coverage (times)	2.1	1.7	2.4	1.7

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

ICRA

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**
Fund based – Term loan	**Long term**	383.52	30-Sept-25	[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)
			-		02-Sept-24	[ICRA]A+; Rating Watch with Developing Implications	-	-	22-Dec-22	[ICRA]A- (Positive)
			-		-	-	-	-	28-Feb-23	[ICRA]A- (Positive)
Fund based – Working capital facilities	**Short term**	56.00	30-Sept-25	[ICRA]A1; rating watch with developing implications	31-May-24	[ICRA]A1	30-May-23	[ICRA]A1	20-Apr-22	[ICRA]A2+
			-		02-Sept-24	[ICRA]A1; Rating Watch with Developing Implications	-	-	22-Dec-22	[ICRA]A2+
			-		-	-	-	-	28-Feb-23	[ICRA]A2+
Non-fund based limits – Working capital facilities	**Short term**	120.00	30-Sept-25	[ICRA]A1; rating watch with developing implications	31-May-24	[ICRA]A1	30-May-23	[ICRA]A1	22-Dec-22	[ICRA]A2+
			-	-	02-Sept-24	[ICRA]A1; Rating Watch with Developing Implications	-	-	28-Feb-23	[ICRA]A2+
Unallocated limit	**Long term/ Short term**	80.19	30-Sept-25	[ICRA]A+/ [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+
					02-Sept-24	[ICRA]A+/ [ICRA]A1; Rating Watch with Developing Implications			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 instruments

Instrument	Complexity indicator
Long term – Fund based – Term loan	Simple
Short term – Fund based – Working capital facilities	Simple
Short term – Non-fund based limits – Working capital facilities	Very Simple
Long term/Short term –Unallocated limits	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 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	**Fund based – Term loan**	FY2018 to FY2022	1-year MCLR+ 0.6-1.65%	FY2035	383.52	[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	80.19	[ICRA]A+/[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
J M Baxi Cool Private Limited	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
Vir Varenya Shipping singapore Pte Ltd	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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