

October 27, 2025 ^(Revised)

Paradip International Cargo Terminal 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
Short Term-Fund Based-Working Capital Facility	10.00	10.00	[ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Short Term-Non Fund Based-Others	30.00	20.00	[ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Long Term-Fund Based-Term Loan	380.33	367.24	[ICRA]A+ Rating Watch with Developing Implications; Continue to be on Watch
Long Term / Short Term-Unallocated-Unallocated	13.71	36.80	[ICRA]A+ Rating Watch with Developing Implications; Continue to be on Watch / [ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Total	434.04	434.04	

*Instrument details are provided in Annexure-I

Rationale

The rating action factors in the strong parentage of Paradip International Cargo Terminals Private Limited (PICT/the company) - JM Baxi Ports & Logistics Private Limited {JMBPL, [ICRA]A+ (Stable)/[ICRA]A1}. JMBPL is one of the leading players in the country's logistics sector and has an established track record across container train operations (CTO), project logistics, freight forwarding and port infrastructure i.e. container/bulk terminals. Additionally, the presence of Hapag-Lloyd AG (HLA¹), - one of the largest container handling companies globally, as a strategic investor in the Group with a 49% stake in JMBPPL is expected to provide synergies from the increased cargo flow through the container terminals of the J M Baxi Group on the eastern and western coast of India. The ratings factor in the 30-year concession period for the bulk terminal and the long-tenor debt facility with residual tenor of 15 years. The long-tenor debt has resulted in modest repayment liabilities for the company as it ramps up its operations, thereby keeping the debt servicing metrics healthy. Moreover, the healthy tail period in the concession vis-à-vis the term debt tenor provides financial flexibility. The ratings also factor in the strategic location of the terminal serving a vast hinterland, catering to established steel players and other bulk commodities. Further, rail connectivity to the Paradip port ensures cost-effective logistics between the hinterland and the terminal.

In FY2025, the terminal witness 8% YoY growth in bulk volume handled at the terminal while container handling volume nearly double yoy. As a result of the cargo volume growth, the company witnessed improvement in the OPBDITA to Rs. 87.4 crore in FY2025 from Rs. 78.8 crores in FY2024. Going forward a gradual ramp up in the

¹ Hapag Lloyd AG; rated Ba1 (Stable) by Moody's

volumes will support the increase in the profits and cash generation, which along with scheduled repayments should result in improved credit profile.

The ratings are constrained by PICT's exposure to the economic cycles and regulatory risks affecting trade volumes. PICT is also exposed to competition from other terminal operators at the Paradip port as well as nearby ports on the eastern coast such as Haldia port, Dhamra port, Kakinada port and Visakhapatnam port.

ICRA had placed the ratings of the J M Baxi group of companies including PICT 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 Group 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

Part of J M Baxi Group with diversified service offering – The J M Baxi Group is one of the leading port logistics players in the country with presence across the value chain, comprising container train operations, container freight stations, inland container terminals, cold storage, warehousing, bulk logistics and port infrastructure involving container/other cargo terminal. 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 cargo and container, nevertheless dominated by cargo) ports and an inland container depot (ICD) and cold storage at Sonapat, Haryana. With the onboarding of HLAG in April 2023, the Group is expected to benefit from the addition of cargo volumes at its terminals.

Strategic location of terminal serving a vast hinterland – PICT operates a bulk cargo terminal with a capacity of 5.5 MT bulk cargo and draft of ~17 meters to handle a clean cargo. The hinterland consists of well-known companies in steel manufacturing and fertilisers. PICT also caters to other commodities like foodgrain and sugar. The rail connectivity to the Paradip port supports efficient servicing of the hinterland.

Long-term concession supported by long-tenor debt financing with healthy tail period – A concession agreement between PICT and the Paradip Port Trust (PPT) was signed in March 2016 for 30 years. The long term debt has a residual tenor of 15 years, featuring a ballooning repayment structure. As a result, the debt servicing requirements remain modest in the initial years of operations and the debt servicing capabilities remain healthy. There is adequate tail period in the concession period beyond the current debt tenor, which provides financial flexibility to the company.

Positive long-term outlook for cargo movement in India – The long-term prospects for cargo movement in India remains positive, driven by the progress made in infrastructure and policy reforms. The development of dedicated freight corridors and the modernisation of ports are expected to gradually improve the connectivity and reduce the transit time. Consequently, the Group has witnessed a healthy ramp-up of volumes in its port operations as well as in its CFS and rail operations over the years.

Credit challenges

Competition from nearby and upcoming terminals – The presence of major and non-major ports on the eastern coast of India exposes PICT to competition from existing terminal operators at Paradip as well as at the Kakinada, Vizag, Kolkata and Gangavaram ports. It is also exposed to new upcoming terminals serving the same hinterland.

Operations vulnerable to economic cycles affecting trade volumes – The revenues of PICT are susceptible to economic cycles and regulatory risks. In FY2024, PICT’s volumes moderated on account of the imposition of export duties on steel products. The Group’s established relationships with all major shipping lines along with its integrated presence in the logistics chain and port operations partially mitigate the risk to an extent.

High leverage and moderate coverage indicators – The credit profile of PCIT remains subdued owing to the large debt-funded capex undertaken to set up the project. The TD/OPBDITA stood at 4.9 times in FY2025 showing an improvement over 5.6x in FY2024. The interest coverage ratio stood at 1.6 times in FY2025. Nonetheless, the debt servicing ability of the company is expected to remain adequate as the debt repayment are spread of a residual tenor of 15 years.

Liquidity position: Adequate

PICT’s liquidity is expected to remain adequate going forward supported by expected cash flow from operations of Rs. 50 crores in FY2026, free cash and cash balances of Rs. 26.0 crore as on March 31, 2025, which should be adequate to fund the repayment of Rs. 14.7 crore in FY2026. Since there are no major capex plans in FY2026, the liquidity position will improve in FY2026 but since the company is planning capex under PICT in FY2027 largely replacement capex, the liquidity profile will remain adequate.

Rating sensitivities

Positive factors – The rating maybe upgraded in a scenario of the improvement in the consolidated credit profile of the J M Baxi Group.

Negative factors – The rating may be downgraded in a scenario of the weakening of the consolidated credit profile of the JM Baxi group and/or weakening of the linkages of the company with the JM Baxi group. The ratings may also witness downgrade pressure in a scenario of sustained decline in the cargo volumes, revenue and profitability resulting in the weakening of the capitalization and coverage metrics of the company on a standalone basis. The rating may also be downgraded if there is a negative impact on the credit profile due to the ongoing reorganisation of the group.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Ports Corporate Credit Rating Methodology
Parent/Group support	J M Baxi Ports Logistics Pvt Ltd
Consolidation/Standalone	Standalone

About the company

PICT is a Special Purpose Vehicle (SPV) of JMBPL, which was incorporated on February 14, 2015. The SPV was formed for undertaking construction and development of a multipurpose berth at Paradip port through public-private partnership (PPP) mode on a Build, Operate and Transfer (BOT) basis. The multipurpose berth caters to container traffic and clean cargo at Paradip port. The concession agreement between Paradip Pot Trust (PPT) and PICT was signed on March 7, 2016. PICT achieved commercial operations for the berths in July 2018.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	206.9	236.7
PAT	20.7	1.7
OPBDITA/OI (%)	38.1%	36.9%
PAT/OI (%)	10.0%	0.7%
Total outside liabilities/Tangible net worth (times)	5.1	5.0
Total debt/OPBDITA (times)	5.6	4.9
Interest coverage (times)	1.4	1.6

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore. PAT: Profit after tax; OPBDITA: 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

Instrument	Current rating (FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs crore)	October 27, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated-Unallocated	Long Tem/Short Term	36.80	[ICRA]A+ Rating Watch with Developing Implications / [ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A + (Stable)/[ICRA]A 1	May 30, 2023	[ICRA]A + (Stable)/[ICRA]A 1	Dec 22, 2022	[ICRA] A- (Positive)/[ICRA]A2 +
				-	-	Sep 02, 2024	[ICRA]A +/[ICRA] A1 Rating Watch with Developing Implications	-	-	Feb 28, 2023	[ICRA] A- (Positive)/[ICRA]A2 +
Fund Based-Term Loan	Long Term	367.24	[ICRA]A+ Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A + (Stable)	May 30, 2023	[ICRA]A + (Stable)	Apr 20, 2022	[ICRA] A- (Positive)
				-	-	Sep 02, 2024	[ICRA]A + Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA] A- (Positive)
				-	-	-	-	-	-	Feb 28, 2023	[ICRA] A- (Positive)
Fund Based-Cash Credit	Short Term	10.00	[ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A 1	May 30, 2023	[ICRA]A 1	Apr 20, 2022	[ICRA] A2+
				-	-	Sep 02, 2024	[ICRA]A 1 Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA] A2+

Instrument	Current rating (FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs crore)	October 27, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	-	-	-	-	Feb 28, 2023	[ICRA] A2+
Non Fund Based-Others	Short Term	20.00	[ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A 1	May 30, 2023	[ICRA]A 1	Apr 20, 2022	[ICRA] A2+
				-	-	Sep 02, 2024	[ICRA]A 1 Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA] A2+
				-	-	-	-	-	-	Feb 28, 2023	[ICRA] A2+
Interchangeable-Others	Long Term			-	-	-	-	-	-	Apr 20, 2022	[ICRA] A- (Positive)

Complexity level of the rated instruments

Instrument	Complexity indicator
Short Term-Fund Based-Working Capital	Very Simple
Short Term-Non Fund Based-Others	Very Simple
Long Term-Fund Based-Term Loan	Simple
Long Term / Short Term-Unallocated	NA

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	FY2017	1Y MCLR + 0.05%	FY2039	367.24	[ICRA]A+; Rating Watch with Developing Implications
NA	Fund-based limits – Working capital facilities	NA	NA	NA	10.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Non-fund based limits – Working capital facilities	NA	NA	NA	20.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Unallocated limits	NA	NA	NA	36.80	[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-NA

Corrigendum: On page-2 the document, the reason for continuation of watch on the ratings has been added.

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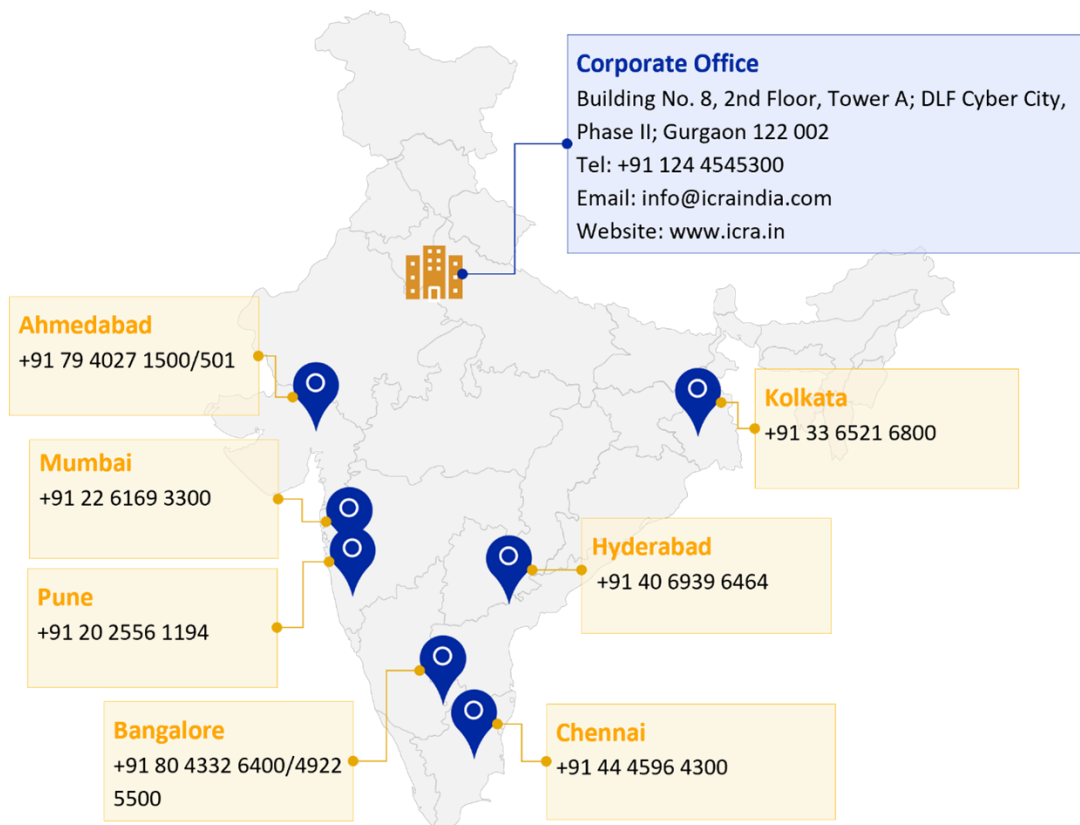
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