

**Jawaharlal Nehru Port Authority  
(erstwhile Jawaharlal Nehru Port Trust)**

**Brickwork Ratings reaffirms the ratings for the Tax-Free, Secured, Redeemable Non-Convertible Bonds issue up to Rs.2000.00 crore (subscribed amount Rs.41.32 crore) of Jawaharlal Nehru Port Authority.**

Facilities/ Instrument**	Amount (Rs. crore)		Tenure	Rating*	
	Previous	Present		Previous (12 Nov 2021)	Present
NCD/Bonds	Rs. 2000 crore (Subscribed Rs. 41.32 crore)	<b>Rs. 2000 crore (Subscribed Rs. 41.32 crore)</b>	<b>Long Term</b>	BWR AAA/ Stable (Reaffirmed)	<b>BWR AAA/ Stable (Reaffirmed)</b>
<b>Total</b>	41.32	<b>41.32</b>	<b>Rupees Forty One Crores and Thirty Two Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings

\*\* Details of NCD/Bonds provided in Annexure - I

**RATING ACTION/OUTLOOK**

Brickwork Ratings (BWR) reaffirms the ratings of Jawaharlal Nehru Port Authority (JNPA or the Authority) considering factors such as JNPA’s ownership by the Government of India (GoI), leadership position in the container cargo segment, healthy financial performance, optimum capacity utilization and well-planned port capacity addition and modernisation plans, along with infrastructure development in adjacent areas for economic growth. The rating is constrained by competition from ports with container cargo facilities and berthing facilities on the western coast of India.

The Authority’s outlook is kept Stable, considering the healthy financial profile and availability of adequate funds in the form of term deposits or fixed deposits.

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:** The Central Board of Direct Taxes on 6 November 2012 authorized JNPA to raise an aggregating amount not exceeding Rs.2000 crore through the issue of secured, tax-free, redeemable non-convertible bonds. The Ministry of Shipping on 12 November 2012 sanctioned the issue of tax-free bonds by JNPA and conveyed the approval on 4 January 2013 for the issue of bonds of Rs.2000 crore. The bonds of Rs.41.32 crore were allotted on 26 March 2013. The bonds are secured by 1.75 hectares of land. A term deposit of Rs. 45 crore, having maturity on 21 March 2023 (few days prior to maturity of bonds) has already been created and set apart for meeting the redemption liability.

## KEY RATING DRIVERS

### Credit Strengths:-

- **Experienced Promoters and Professional Management:**

JNPA is 100% owned by the GoI controlled by the Ministry of Shipping, Ports and Waterways (MoPSW). It is the second largest container port in India and handled more than 56.84 mn TEUs in FY22. It is ranked 26th among the top 100 container ports in the world. Over the last three decades, JNPA has systematically evolved its operational efficiency and improved its capacity handling to transform itself into a port at par with global standards. Shri. Sanjay Sethi, IAS, and Shri. Unmesh Sharad Wagh, IRS, are JNPA's current chairman and deputy chairman, respectively. JNPA's authorities are appointed by the Ministry of Shipping, Ports and Waterways from various stakeholders of the government such as Customs, Railways, Forest, Coast Guard and Navy. The other Authority management members are also reputed members from the government's different departments. Further a consortium of JM Baxi and French Shipping Major CMA terminals has won the tender to operate Jawaharlal Nehru Port Container Terminal (JNPCT) terminal and shallow water berth with Coastal Terminal. Thus all 6 bulk terminals are now operated by private Build-Operate-Transfer (BOT) Operators for which JNPA received pre-agreed royalty.

- **Robust Financial Performance:** Over the years, JNPA has witnessed a stable revenue stream on account of the BOT revenue sharing model and stable revenues from its own container terminals.

During FY22A, the total operating income improved to Rs. 2186.61 crore as against Rs 1921.19 crore as on FY21 (audited). The operating and net profitability margins were reported at 50.06% and 26.95%, respectively, during FY22 which included one time employee VRS-related expenses. The Authority has reported a satisfactory tangible net worth of Rs. 12225.68 crore as of FY22 (FY21: Rs. 11638.58 crore). During FY22, the Authority generated cash accruals of Rs. 667.67 crore. The cash and cash equivalents as on March 31, 2022 were Rs. 3202.67 crore (of which Rs.3,182.3 crore were as TDR with banks).

- **Optimum Capacity Utilization:**

The Authority's capacity utilization is optimum. During FY22, the Authority reported its owned terminal, JNPCT capacity utilization at 73.92% (76.00 MT) as compared to 60.62% (64.81 MT) in FY21. Further, total bulk container handled were 7,098,000 tonnes (FY21: 7,989,647 tonnes) and container traffic handled around 440,210 TEU's (FY21: 544,027 TEU's)

- **Continued port expansion, infrastructure development in adjacent areas:** JNPA can handle diverse cargo comprising containers and bulk cargo through three main container terminals and Phase I of the fourth container terminal. Phase II of the fourth terminal is scheduled to be completed by April 2025. The fourth container terminal at JNPA was awarded to Bharat Mumbai Container Terminals Pvt. Ltd. (BMCTPL) in May 2014. It is



India's largest FDI project in the port sector, with an estimated investment of Rs.7,935 crore spread over eight years for two phases (Phase I Rs.4719 crore and Phase II Rs.3196 crore). As per the schedule, the work of Phase I was completed on December 22 2017, and it was put into operation. The commencement of Phase II of 30 MTPA capacity is expected to start in FY23. The project consists of two phases; each phase consists of 1 km of quay line, 16.5 m depth at berth, 12 quay cranes, 46 RTG yard cranes and 4 RMGC cranes for its rail yard generating a capacity of 2.4 mn TEUs

#### **Credit Risks:-**

- **Competition from ports across western coast:** Ports based on India's west coast that have container cargo facilities and berthing facilities for larger vessels provide competition to JNPA and constrain its growth in cargo volumes. However, the ongoing capacity expansion and modernisation of infrastructure will help it maintain or improve its market position by leveraging future trade growth opportunities.

#### **ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA**

To arrive at its ratings, BWR has relied on the standalone financials of the Authority. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

#### **RATING SENSITIVITIES:**

Going forward, the ability of the Authority to maintain the optimum capacity utilization, thereby improving its scale of operations as projected, and adequate generation of cash accruals to timely meet its debt obligations will remain key rating sensitivities.

- **Downward:** The ratings can move downward if there is substantial decline in the capacity utilization level due to a significant reduction in cargo movement, leading to degrowth in revenues and profitability.

#### **LIQUIDITY: Strong**

The Authority's liquidity position is considered to be strong driven by healthy cash accruals of Rs 667.67 crore during FY22 as against the principal debt obligations of USD 48.50 mn (approximately Rs. 388.00 crore). The Authority reported investments in fixed deposits of Rs. 3,182.3 crore as of 31 March 2022 (signed), and cash and cash equivalents of Rs. 20.34 crore. The rated bonds are due for redemption in March 2023, for which the Authority has already created a term deposit of Rs. 45 crore. For the ECB facilities, the debt obligations for FY23 and FY24 are at USD 52.20 Million and USD 207.30 Million respectively. BWR believes that the Authority will be generating adequate cash accruals for meeting debt obligations in the medium term.

#### **About the Authority:**

JNPA, at Navi Mumbai, is the second largest container port in India and has been a key enabler for EXIM trade growth in the country. Commissioned on 26 May 1989, JNPA occupies a prominent place among the most modern ports in India. Initially, it was planned to be a satellite



port to the Mumbai Port with the purpose of decongesting traffic. Over the last three decades, JNPA systematically evolved its operational efficiency and improved its capacity handling to transform itself into a port at par with global standards. The JNPA ecosystem consists of a full-fledged custom house, 34 Container Freight Stations (CFS) and connectivity to 52 Inland Container Depots (ICDs) across the country. Road connectivity is further being strengthened by the ongoing project of 6/8 lane-widened connectivity to NH-4 and NH-17.

The Central Government passed the Major Port Authority Act, 2021 in November 2021 replacing the earlier Major Port Authority Act, 1963. Thereafter vide gazette Notification, **Jawaharlal Nehru Port Trust** changed its name to **Jawaharlal Nehru Port Authority (JNPA)** from 31st January 2022.

Till FY22, Authority operated its own terminal, JNPCT with an annual capacity of 1.5 mn TEUs. In June 2022, J M Baxi Ports and Logistics, in consortium with French container shipping major CMA Terminals, had bagged the tender to operate at the Jawaharlal Nehru Port Authority (JNPA) for 30 years.

#### KEY FINANCIAL INDICATORS

Key Parameters	Units	H1 FY23	FY22	FY21
Result Type			Signed	Audited
Operating Revenue	Rs. crore	1199.50	2186.61	1921.29
EBITDA	Rs.crore	706.10	1094.54	995.52
Net profit	Rs. crore	537.26	589.33	803.85
Tangible Net worth	Rs. crore	12762.81	12225.68	11638.58
Total Debt/Tangible Net worth	In Times	0.14	0.16	0.20
Current Ratio	In Times	1.99	2.01	2.15

**NON COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: NIL**

**Rating History for the previous three years (Including withdrawal and suspended)**

S.No	Instrument /Facility	Current Rating(2021)			Chronology of Rating History for the past 3 years (Rating assigned and press release date) along with outlook/watch, if applicable		
		Type (Long Term/ Short Term)	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021	Date(s) & Rating(s) assigned in 2020	Date(s) & Rating(s) assigned in 2019
1	Bonds/NCDs	Long Term	Rs. 2000 crore (Subscribed Rs. 41.32 crore)	BWR AAA / Stable Reaffirmed	BWR AAA / Stable Reaffirmed (12-Nov-2021)	BWR AAA / Stable Reaffirmed (13-Nov-2020)	BWR AAA / Stable Reaffirmed (13-Nov-2019)
<b>Total</b>			41.32	<b>Rupees Forty One Crores and Thirty Two Lakhs Only.</b>			

**COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Infrastructure sector](#)
- [Port Sector/Projects](#)

For any other criteria obtain [hyperlinks](#) from the website.

Analytical Contacts	
<b>Ronojyoti Deb</b> Senior Manager- Ratings <a href="mailto:ronojyoti.d@brickworkratings.com">ronojyoti.d@brickworkratings.com</a>	<b>Chintan Dilip Lakhani</b> Director – Ratings <a href="mailto:chintan.l@brickworkratings.com">chintan.l@brickworkratings.com</a>
1-860-425-2742 <span style="float: right;"><a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a></span>	



### Annexure - I Instrument Details

Instrument	Issue Date	Amount (Rs. crore)	Coupon Rate	Maturity Date	ISIN Particulars
Bonds/NCDs	26-Mar-2013	Rs. 2000 crore (Subscribed Rs. 41.32 crore)	6.82% (7.32% for retail subscribers)	25-Mar-2023	INE281G07053

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

#### About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

**DISCLAIMER :** Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these



Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, [www.brickworkratings.com](http://www.brickworkratings.com). More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.