



## Rating Rationale

Jawaharlal Nehru Port Trust (JNPT)

17<sup>th</sup> Nov 2017

**Brickwork Ratings reaffirms the Rating of Jawaharlal Nehru Port Trust's Tax Free, Secured, Redeemable, Non-convertible Bonds issue up to Rs. 2000.00 Crs with subscribed amount of Rs. 41.32 Crs.**

### Particulars

Instrument	Issue Date	Amount	Coupon	Maturity Date	ISIN Particulars	Rating*
Bonds	26 <sup>th</sup> Mar 2013	Up to Rs. 2000 Cr (Subscribed Rs. 41.32 Cr)	6.82 % (7.32% for initial retail subscribers)	25 <sup>th</sup> Mar 2023	INE281G07053	<i>Reaffirmation of</i> <b>BWR AAA</b> (BWR Triple A) (Outlook: Stable)
<b>Total</b>		<b>2000.00</b>	<b>Two Thousand Crores only</b>			

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

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating continues to factor JNPT's position as the largest container port in India with full ownership and control by the Government of India; robust market share of around 55% of the total container cargo handled by major ports in India; long term BOT contracts with private terminal operators ensuring long term cash flows; ongoing capacity expansion & improvement in port infrastructure as well as strong financial profile marked by negligible debt and large cash balance. These strengths are partially offset by competition faced from other public and private ports of the country.

BWR has noted that out of the issue size up to Rs. 2000.00 Crs, only Rs. 41.32 Crs have been raised.

### Rating Outlook: Stable

BWR believes the company's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The firm continues to maintain negligible debt and large cash balance giving it strong financial flexibility. Going forward JNPT's ability to implement all the planned expansion programs and improve its profitability will be key rating sensitivities.

17<sup>th</sup> Nov 2017



## About the Company

JNPT is governed by the Major Port Trusts act, 1963 and commenced its operations in May 1989. It is fully owned by Government of India. The Jawaharlal Nehru Port Trust has been a primary gateway for the movement of containerized trade from India. JNPT helped in decongesting Mumbai Port in a major way. Currently it handles the highest container traffic among all the major ports in the country.

JNPT handled 62.15 million tonnes of cargo during FY 16-17. Out of the 62.15 million tonnes of total cargo, the containerized cargo was 54.53 million tonnes (87.74%), liquid cargo was 6.78 million tonnes (10.91%) and remaining 0.84 million tonnes (1.35%) was miscellaneous types of dry bulk cargo/break bulk cargo.

Jawaharlal Nehru Port handled 4.50 million TEUs (4,500,149 TEUs) of container traffic during FY 16-17, which is the highest ever container traffic since inception of the port. The growth in container traffic is 0.19% over the FY 15-16 container traffic of 4.49 million TEUs (4,491,568 TEUs).

It has JNPCT (Jawaharlal Nehru Port Container Terminal) as dedicated container terminal. The private terminals operators include NSICT (Nhava Sheva International Container Terminal), GTIPL (Gateway Terminals India Pvt Ltd), and NSIGT (Nhava Sheva (India) Gateway Terminals Pvt Ltd). The fourth terminal, Bharat Mumbai Container Terminal Pvt Ltd. is likely to commence operations from December, 2017 and is being operated by PSA, Singapore. The port also has one liquid cargo berth operated by BPCL & IOCL and a shallow water berth.

The proceeds of the Bonds issue were utilised to partly fund the Phase – 1 dredging activities and increase the draught from 12.5m to 14 m, which would allow large vessels to enter the port. The dredging activities of Phase I were completed in 2014 and the Phase II of capital dredging are likely to be completed in 2018.

## Company Financial Performance

JNPT's Total operating income grew 2.15% in FY 16-17 to Rs. 1700.97 Crs against Rs. 1665.10 Crs in FY 15-16. The operating profit was Rs. 896.00 Cr in FY 16-17 against Rs. 971.99 Cr in FY 15-16. The total borrowing consists of Rs. 41.32 Cr of Tax free bond and Rs. 515.53 Cr of External Commercial Borrowings. The Cash and bank balance of the company was at Rs. 4684.01 Cr at the end of Mar'2017, indicating strong liquidity position. Overall JNPT has strong financial profile on account of its large net worth, negligible borrowings and high cash & cash equivalents, giving it strong financial flexibility in making future investment decisions.

### Key Financials:

Amounts in Rs. Cr.	FY 15-16 (Audited)	FY 16-17 (Audited)
Total Operating Income/Revenue	1665.10/1989.69	1700.97/2166.24
PBT	1344.74	1164.47
PAT	718.69	879.32
Tangible Net worth	7037.73	7935.66
Total Debt/TNW	0.01	0.07
Current Ratio	2.71	2.83



**Rating History for the last three years (including withdrawn/suspended ratings)**

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	19 <sup>th</sup> Oct 2016	29 <sup>th</sup> Sep 2015	7 <sup>th</sup> July 2014
1	Bonds	Long Term	2000.00 (Subscribed Rs. 41.32 Cr)	BWR AAA  (Outlook: Stable)  <i>Reaffirma tion</i>	BWR AAA (Outlook: Stable)	BWR AAA (Outlook: Stable)	BWR AAA (Outlook: Stable)
<b>Total</b>			<b>2000.00</b>	<b>Two Thousand Crores only</b>			

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)

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**Note on complexity levels of the rated instrument:**



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### **About Brickwork Ratings**

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