

Ref: NCL/CS/2025-26/20

Date: June 24, 2025

To,
The Manager
Listing Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Script Code: 539332

To,
The Manager
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza Plot No. C-1, G – Block,
Bandra Kurla Complex,
Mumbai – 400051
Script Code: NAVKARCORP

Dear Sirs,

Subject : Intimation of Credit Rating

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we wish to inform you that CRISIL Ratings Limited has reaffirmed its rating as under:

Total Bank Loan Facilities Rated	Rs. 278 Crore
Long Term Rating	Crisil AA-/Stable (Reaffirmed)
Short Term Rating	Crisil A1+ (Reaffirmed)

Copy of the Report is attached herewith.

Request you to take the same on your records and acknowledge

Thanking you.

Yours Faithfully,
For Navkar Corporation Limited



Deepa Gehani
Company Secretary & Compliance Officer

Encl: As above

Rating Rationale

June 24, 2025 | Mumbai

Navkar Corporation Limited

Ratings reaffirmed at 'Crisil AA-/Stable/Crisil A1+'

Rating Action

Total Bank Loan Facilities Rated	Rs.278 Crore
Long Term Rating	Crisil AA-/Stable (Reaffirmed)
Short Term Rating	Crisil A1+ (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AA-/Stable/Crisil A1+' ratings on the bank facilities of Navkar Corporation Limited (NCL).

The ratings reflect strong support from the parent, JSW Infrastructure Ltd (JSWIL)-and established market position of NCL, along with integrated service offerings, strong presence at the Jawaharlal Nehru Port (JNPT) and strategically located facilities, healthy relationships with shipping lines and expanding customer base, and Healthy capital structure. These strengths are partially offset by exposure to intense competition in CFS (container freight station) operations, susceptibility of revenue to cargo movement and change in customs policy, Higher fixed costs and moderate revenues from ICD, Morbi, impacting profitability, and weak return on capital employed (RoCE) and debt protection metrics.

Analytical Approach

The ratings factor in support expected from the ultimate parent, JSWIL. Crisil Ratings believes that NCL will, in case of exigencies, receive distress support from its parent for timely repayment of the debt obligation. NCL is strategically important to JSWIL with significant management control over the treasury and operations of NCL.

Key Rating Drivers & Detailed Description

Strengths:

Support from, and financial flexibility being subsidiary of JSWIL: It is expected that NCL shall receive financial, operational and managerial support from the parent, JSWIL, and will add to the overall offerings of JSWIL in the port and logistics business. NCL will continue to receive operational and managerial support on an ongoing basis and financial support on need basis from JSWIL.

Established market position on NCL at JNPT: Business risk profile is backed by its established market position at the JNPT, healthy relationships with shipping lines, and the ability to offer integrated services. The company has a strong presence in CFS and ICD operations, driven by key competitive advantages, including its own railway siding, warehouse and storage facilities, land and equipment, that enables in servicing its clients in a timely manner. Integrated service offerings and shift towards railway transportation from road transport is providing NCL competitive advantage supporting its volumes as well as margins.

Increasing scale and diversified operations: Revenues have grown year-on-year over the past four years to Rs 489 crore in fiscal 2025 from Rs 440 crore in fiscal 2024 driven by volume growth. NCLs business profile is supported by its integrated presence in inland logistics through CFS, ICDs and rail operations. The integrated services also include additional facilities such as container repair, PQ Labs for inspection, last mile delivery, temperature-controlled chambers for hazardous materials, etc. The CFS and PFT segment is expected to grow with increasing volumes and better utilization of ICD Morbi is expected to support strong growth over the medium term.

Healthy capital structure: Capital structure is healthy as reflected in gearing and total outside liabilities to adjusted networth (TOLANW) ratios of 0.08 and 0.09 times, respectively, as on March 31, 2025. Despite capex plans the capital structure is expected to be healthy with continued repayment of term debt. In addition, steady increase in earnings over the years has resulted in strong networth of Rs.1910 crore as on March 31, 2025.

Weaknesses:

Competitive environment in CFS operations and susceptibility of revenue to cargo movement and change in customs policy: NCL faces intense competition from large CFS operators at JNPT and other ports. Most competitors are either owned by, or affiliated to, dedicated shipping lines. Furthermore, due to direct port delivery gaining traction and overall CFS capacity utilisation coming under pressure, price-based competition has intensified in the CFS as well as inland freight segments, thereby moderating profitability. Also, CFS operations are susceptible to the quantum and mix of cargo movement at the port, which can vary with changes in overall import-export trade, regulations and competition from other ports in the vicinity.

Higher fixed costs and moderate revenues from ICD, Morbi, impacting profitability: The company has commenced the operations of ICD Morbi from January 2023 and is being currently operated at moderate capacity utilization along with fixed cost-intensive nature of the business leading to lower profitability. However, with time the volumes are expected to improve with healthy demand and as currently company started logistics of bulk cement and fly-ash should help in improving scale of operations and profitability. Timely stabilization and increase in scale of operations leading to healthy profitability from ICD Morbi would continue to remain a key monitorable over the medium term.

Weak debt protection metrics and RoCE: Debt protection measures are weak with interest coverage and net cash accrual to adjusted debt ratios of 0.23 times and 0.04 time, respectively, in fiscal 2025. This was on account of one-time write-off made by the company towards certain provisions and reversal of Accrued Income of 2,437.56 lakhs on long-standing EXIM Containers, which was earlier recognized in the books based on the management estimate has been reversed in the current year and all future revenue arising out of auction of such long standing containers will be recognized on receipt basis. Improvement in interest cover with better profitability will be monitored. The RoCE has remained muted at (2)-3% over the four fiscals through 2025 on account of large capital investments and decline in profitability.

Liquidity: Strong

Liquidity is aided by expectation of support from the parent to provide ongoing and need-based support, in case of exigencies as Liquidity profile of JSWIL is strong. Bank limit utilisation is moderate at around 49% over the 12 months ended March 2025. Annual net cash accruals of Rs.55-78 crores is expected to be sufficient against term debt obligation of Rs 35-61 crore over the medium term. In addition, it will act as cushion to the liquidity of the company. Current ratio was comfortable at 1.47 times as on March 31, 2025. Company has moderate cash and bank balance including FDs of Rs 3.84 crore as on March 31, 2025. Moderate gearing and high network support financial flexibility.

Outlook: Stable

Crisil Ratings believes NCL will continue to benefit from the extensive support from its parent.

Rating sensitivity factors**Upward factors:**

- Sustained growth in revenue and operating profitability above 20% leading to higher cash accrual.
- Sustenance of financial risk profile and better liquidity.
- Upward change in the credit risk profile of JSWIL by one notch could have a similar rating change on NCL or positive change in JSWIL's stance in support to NCL.

Downward factors:

- Lower-than-expected revenue or sustenance of profitability below 5% leading to lower cash accrual.
- Any large, debt-funded capex or stretch in working capital cycle adversely affecting capital structure.
- Any significant change in support philosophy of JSWIL that may lead to a downward revision in the quantum and timing of support and hence the ratings of NCL.

About the Company

Incorporated in 2008, NCL is a cargo transit service provider through CFS, ICD, Private Railway Freight Terminal (PFT), and multi-modal logistics park. NCL operates three CFSs, Ajivali CFS 1, Ajivali CFS 2 and Somathane CFS, located in Panvel, Maharashtra, near JNPT. It also provides other services such as packing, labelling, palletizing, shrink wrapping, strapping, jumbo-bags packing and carting. NCL also has an ICD in Morbi and is also facilitated with a PFT. NCL also offers domestic cargo movement through railways under its PFT domestic business.

NCL is listed on the Bombay Stock Exchange and National Stock Exchange.

Navkar has been acquired by JSWIL in October 2024, through a 100% subsidiary- JSW Port Logistics Private Limited (JPLPL).

Key Financial Indicators

As on/for the period ended March 31	Unit	2025	2024
Operating income	Rs.Crore	489.76	440.72
Reported profit after tax (PAT)	Rs.Crore	-45.3	-1.71
PAT margin	%	-9.25	-0.39
Adjusted debt/adjusted networkth	Times	0.08	0.11

Interest coverage	Times	0.23	4.84
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Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	10.00	NA	Crisil A1+
NA	Cash Credit	NA	NA	NA	60.00	NA	Crisil AA-/Stable
NA	Long Term Loan	NA	NA	31-Mar-29	42.55	NA	Crisil AA-/Stable
NA	Long Term Loan	NA	NA	30-Nov-30	5.57	NA	Crisil AA-/Stable
NA	Long Term Loan	NA	NA	30-Sep-30	39.26	NA	Crisil AA-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	66.97	NA	Crisil AA-/Stable
NA	Term Loan	NA	NA	31-Jul-28	26.79	NA	Crisil AA-/Stable
NA	Term Loan	NA	NA	31-Jul-28	26.86	NA	Crisil AA-/Stable

Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	268.0	Crisil AA-/Stable		--	28-10-24	Crisil AA-/Stable	23-01-23	Withdrawn	27-10-22	Crisil A/Watch Developing	Withdrawn (Issuer Not Cooperating)*
			--		--	25-07-24	Crisil A-/Watch Developing		--	25-08-22	Crisil A/Watch Developing	--
			--		--	03-07-24	Crisil A-/Watch Developing		--	13-04-22	Crisil A/Positive	--
			--		--	10-05-24	Crisil A-/Positive		--	07-04-22	Crisil A/Positive	--
			--		--	25-04-24	Crisil A-/Positive		--		--	--
Non-Fund Based Facilities	ST	10.0	Crisil A1+		--	28-10-24	Crisil A1+	23-01-23	Withdrawn	27-10-22	Crisil A1/Watch Developing	Withdrawn (Issuer Not Cooperating)*
			--		--	25-07-24	Crisil A2+/Watch Developing		--	25-08-22	Crisil A1	--
			--		--		--		--	13-04-22	Crisil A1	--
Non Convertible Debentures	LT		--		--		--		--		--	Withdrawn (Issuer Not Cooperating)*

All amounts are in Rs.Cr.

* - Issuer did not cooperate; based on best-available information

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	10	State Bank of India	Crisil A1+
Cash Credit	60	State Bank of India	Crisil AA-/Stable
Long Term Loan	5.57	State Bank of India	Crisil AA-/Stable
Long Term Loan	42.55	Kotak Mahindra Bank Limited	Crisil AA-/Stable
Long Term Loan	39.26	Axis Bank Limited	Crisil AA-/Stable
Proposed Long Term Bank Loan Facility	66.97	Not Applicable	Crisil AA-/Stable
Term Loan	26.79	YES Bank Limited	Crisil AA-/Stable
Term Loan	26.86	Kotak Mahindra Bank Limited	Crisil AA-/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for factoring parent, group and government linkages

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