JSW Infra to take inorganic route to expand logistics biz

PRACHI PISAL
Mumbai, 27 February

JSW Infrastructure (JSW Infra) is on the lookout for inorganic growth opportunities to expand its logistics business, said a top executive of the company.

He admitted that the company has submitted bids to the National Company Law Tribunal (NCLT) for certain acquisitions.

Akin to the acquisition of Navkar Corp, the company aims to leverage acquisitions of container freight station (CFS) and inland container depot (ICD) businesses in the future, said Lalit Singhvi (*pictured*), whole-time director and chief financial officer (CFO), JSW Infra.

JSW Infra, earlier guided for a capital expenditure (capex) of ₹39,000 crore by FY30, with ₹30,000 crore earmarked for its ports business and ₹9,000 crore for logistics.

The capex is to be funded through internal accruals, profits and through a fresh equity issue that will dilute promoter stake from 85.6 per cent to 75 per cent, in compliance with Securities and Exchange Board of India (Sebi) regulations.

Singhvi however, clarified that promoter Sajjan Jindal and the promoter group will not sell their stake. Instead, fresh equity will come to the company, likely through a qualified institutional placement (QIP).

"We have to dilute the stake by September 2026. There's still time. The board will take the call then. Hopefully, the market should also recover by that time," Singhvi added.

The company's net debt stands at ₹827 crore. Singhvi stated that the port operator may raise debt "if needed."

"We had raised dollar bonds. But in times to come, the debt will be a mix of rupees and dollars. There is a possibility of some dollar debt, as we have a dollar-denominated revenue. We don't need to hedge. About 17-18 per cent of the total revenue comes in dollars," he added.

The firm is not worried about the depreciating rupee amid its dollar income. Earlier, in June 2024, the company acquired a 70.37 per cent stake in Navkar Corporation through its wholly-owned subsidiary JSW Port Logistics for ₹1,012 crore.

It is targeting a top line of ₹8,000 crore for its logistics arm by FY30, with a 25 per cent earnings before interest, taxes, depreciation, and amortisation (Ebitda) margin.

The company also aims to leverage the government's Gati Shakti programme by participating in the upcoming Gati Shakti Multimodal Cargo Terminal (GCT) bids following the successful bid for GCT in Chennai.

"It is a low-cost proposition where land with railway siding is provided by the government, and we have to pay lease charges. It is an asset-light and low-cost option," said Singhvi.

The company wants to build a nationwide logistics network by creating 15-20 such centres in the next five years.

"We want to create an alternative network to promote container trade. We also have a licence to operate container trades," Singhvi added.

The company's domestic portfolio includes three upcoming greenfield projects in Keni (Karnataka), Jatadhar (Odisha) and Murbe (Maharashtra). The estimated capex for Keni and Jatadhar is around ₹7,119 crore, while the overall cost of the Murbe project is estimated around ₹4,259 crore.

Singhvi is not worried about any impact on cargo traffic at Murbe despite the upcoming ₹76,220 crore Vadhvan port and the already existing Jawaharlal Nehru Port Trust (JNPT) on the same coastline.