

March 27, 2025

Kamarajar Port Limited: Update on Material Event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Tax-free bonds	297.69	297.69	[ICRA]AA- (Stable); outstanding
Total	297.69	297.69	

*Instrument details are provided in Annexure I

Rationale

Kamarajar Port Limited (KPL) vide its stock exchange filings dated March 25, 2025 has intimated that scheduled interest payments aggregating to Rs. 87.87 lakh towards bonds bearing ISINs (INE363O07046, INE363O07061, INE363O07079, INE363O07095 and INE363O07103) was withheld to a few investors in accordance with SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07th May 2024 and SEBI circular No. SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated 10th June 2024 due to pending KYC compliance. However, the withheld amount was available in separate escrow accounts maintained with a scheduled commercial bank on the due date i.e. March 25, 2025.

The accounts of 236 investors were KYC non-compliant due to the unavailability of correct account/PAN details, etc. ICRA notes that the company made prior efforts to contact these investors to complete the KYC details. In the absence of a response, KPL did not remit the interest payments to these investors in line with the requirements of the SEBI circular of May 2024 and June 2024. This event does not reflect the lack of ability or willingness on the part of KPL to service its debt obligations. The company had Rs. 344.17 crore worth of free cash and bank balances as on March 24, 2025, in relation to Rs. 87.87 lakh of aggregate interest payments that were withheld in designated escrow accounts on March 25, 2025, which was the due date of payment.

Given that the company's fundamental credit profile remains intact, and the unpaid amount was available in separate escrow account on the due date itself, the ratings of the company remain unchanged, in accordance with ICRA's Policy on Default Recognition.

The table below captures the details of the instrument concerned:

Name of security	ISIN	Total amount to be paid (Rs. Cr)	Due date of payment	Amount of payment made (Rs. Cr)	Amount of payment failed (Rs. Cr)	Reasons for failure of payment	Date when the amount corresponding to the failed payment was later transferred to a separate escrow account
Tax free bonds	INE363O07046	26.33	March 25, 2025	25.45	0.87	Withheld in accordance with SEBI Circular# due to pending KYC Compliance for want of correct bank account/ PAN details, etc.	March 25, 2025
	INE363O07061						
	INE363O07079						
	INE363O07095						
	INE363O07103						

*SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07th May 2024 and SEBI circular No. SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated 10th June 2024. *As per the SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07th May 2024, amount of Rs. 0.87 crore has been deposited in an escrow account designated for coupon payments

Please refer to the following link for the previous detailed rating rationale that captures the key rating drivers and their description, liquidity position, and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Ports
Parent/Group support	The rating derives comfort from the sovereign ownership of ChPA and its strategic importance to GoI
Consolidation/Standalone	For arriving at the rating, ICRA has taken a consolidated view of Chennai Port Authority and Kamarajar Port Limited. The rating is based on the consolidated financial profile of ChPA and KPL.

About the company

Kamarajar Port Limited (KPL; erstwhile Ennore Port Limited), incorporated in 1999, is a major port located 24km north of Chennai. It was declared a major port under the Indian Ports Act in March 1999 and was the first major port to be incorporated under the Companies Act, 1956. The port was dedicated to the nation in February 2001 and commenced operations from June 2001 with two dedicated coal berths handling thermal coal for the power stations of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The Ennore Port was originally conceived as a satellite port to the Chennai Port, primarily to handle thermal coal to meet the requirements of TNEB (now TANGEDCO); subsequently, its scope was expanded to enable KPL to handle other cargo. The port largely functions under the landlord concept, wherein new terminals are developed through the BOT model by private operators. Earlier, the GoI held a 66.7% stake in KPL with the remaining stake held by ChPA. However, on March 27, 2020, ChPA acquired the entire stake from the GoI, and KPL became a wholly-owned subsidiary of ChPA.

Key financial indicators

KPL Standalone	FY2023	FY2024	9M FY2025
Operating income	982.72	1,062.22	823.78
PAT	373.50	495.68	395.65
OPBDIT/OI (%)	83.3%	83.4%	84.2%
PAT/OI	38.0%	46.7%	48.0%
Total outside liabilities/Tangible net worth (times)	0.33	0.30	-
Total debt/OPBDITA (times)	0.73	0.54	-
Interest coverage (times)	13.9	14.1	21.0

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Chennai Port Authority Consolidated	FY2023	FY2024 (Prov.)
Operating income	1,951.49	2,113.89
PAT	259.6	371.9
OPBDIT/OI (%)	39.7%	44.0%
PAT/OI	13.3%	17.6%
Total outside liabilities/Tangible net worth (times)#	4.27	3.01
Total debt/OPBDIT (times)	2.42	1.70
Interest coverage (times)	4.7	5.7

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

#TNW adjusted for deficit in pension liabilities #ChPA's books are maintained under the mercantile system (accrual basis) of accounting. The trust had formed the Pension Fund Trust and Gratuity Fund Trust as separate entities and the financial statements of these trusts are excluded from the financial

statements of the Chennai Port Trust. While the pension payments for employees retired before November 2002 are recognised in the Chennai Port Trust account, the pension payments of employees retired after November 2002 are made through pension and gratuity funds. ICRA has consolidated all the three accounts and has adjusted the asset-liability position considering the corpus and liabilities of the pension and gratuity funds. Further, ICRA has treated the pension expenses and contribution to pension and gratuity funds as operating expense.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating				Chronology of rating history for the past 3 years					
	FY2025				FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs. crore)	March 27, 2025	Sep 18, 2024	Date	Rating	Date	Rating	Date	Rating
Bonds	Long-term	297.69	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	Sep 19, 2023	[ICRA]AA-(Stable)	Sep 20, 2022	[ICRA]AA-(Stable)	Sep 30, 2021	[ICRA]AA-(Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Bonds	Very simple

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
INE363O07046	Bonds	Mar 2013	7.17%	Mar 2028	11.71	[ICRA]AA-(Stable)
INE363O07061	Bonds	Mar 2014	8.75%	Mar 2029	72.41	[ICRA]AA-(Stable)
INE363O07079	Bonds	Mar 2014	8.75%	Mar 2034	18.71	[ICRA]AA-(Stable)
INE363O07095	Bonds	Mar 2014	9.00%	Mar 2029	119.25	[ICRA]AA-(Stable)
INE363O07103	Bonds	Mar 2014	9.00%	Mar 2034	75.61	[ICRA]AA-(Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	ChPA Ownership	Consolidation Approach
Kamarajar Port Limited	100.00% (rated entity)	Full Consolidation
Chennai Port Authority	-	Full Consolidation

Source: KPL annual report

Note: ICRA has taken a consolidated view of KPL and its parent Chennai Port Authority (100% ownership)

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