May 19, 2025

DP World Multimodal Logistics Hyderabad Private Limited (erstwhile Continental Multimodal Terminals Private Limited): Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term - Fund/Non-fund based limits	10.00	10.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Total	**10.00**	**10.00**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the ratings of DP World Multimodal Logistics Hyderabad Private Limited (DP Hyderabad; erstwhile Continental Multimodal Terminals Private Limited), ICRA has taken a consolidated view of DP Hyderabad, its parent DP World Multimodal Logistics Private Limited (DP Multimodal, erstwhile Continental Warehousing Corporation (Nhava Sheva) Limited), DP World Express Logistics Pvt Ltd (DP Express; erstwhile Delex Cargo India Private Limited) and DP World Rail Logistics Private Limited (DP Rail; erstwhile Kibhco Infrastructure Private Limited) due to the strong operational, managerial and financial linkages among them.

The rating reaffirmation factors in the strong parentage of DP Multimodal, which is currently under Hindustan Infralog Private Limited (HIPL) – with the ultimate parent being DP World Limited {DPW/the parent, rated Baa2 (Stable) by Moody's}. At present, DP World is present in India through HIPL, which is a joint venture of DP World with National Investment Infrastructure Fund (NIIF), wherein it holds 65% ownership, and through Hindustan Ports Private Limited (HPPL) in which NIIF bought a 19.18% stake in March 2024. ICRA notes that HIPL and HPPL are in the process of merging their operations into a single entity, wherein DPW will continue to hold a majority stake. The merged entity (i.e. HIPL and HPPL combined) will become the holding company for all the entities in India where currently HPPL and HIPL have ownership. While arriving at the ratings, ICRA has evaluated the credit profile of the merged entity, factoring in the implicit support from DPW, which is the majority shareholder in the merged entity, and thereafter uplifted the ratings of DP Hyderabad using the credit view of the merged entity and DP Multimodal (consolidated) as a parent. Given the rapidly growing market and increasing investment commitment of DPW in the country, the Indian assets are expected to remain strategically important for DPW going forward as well.

Further, the rating reaffirmation factors in the strong track record of DP Multimodal as an established player in the domestic logistics, inland container depot (ICD), private freight terminal (PFT) and container freight station (CFS) businesses. The ratings also factor in the steady revenue visibility derived from its established relationships with customers and the expected benefits from leveraging the customer base of DP World, which would help improve the utilisation of its facilities. The ratings also factor in the steady ramp-up in the performance of the company's CFS and PFT businesses along with the improving scale of operations of DP Rail.

The ratings, however, are constrained by the relatively moderate profitability of DP Multimodal on a consolidated basis owing to the subdued performance of DP Express, which is an integrated logistics service provider. The leverage position continued to be high in FY2024 with moderate coverage indicators. The leverage is expected to remain elevated in FY2025 as well, driven by the significant capex for rake and container acquisitions by DP Rail and continued operating losses by DP Express. Moreover, the ratings are constrained by the exposure of the company's operations to economic downturns. The leverage and coverage indicators of the Group are expected to remain modest, going forward, with a gradual improvement driven by narrowing losses in DP Express and ramp-up of the scale under DP Rail. Additionally, a major part of the funding of the Group capex and the losses in DP Express are being supported by unsecured loans from the group companies, which provides comfort to some extent and indicates the Group's commitment to provide need-based support to the entities.

The Stable outlook factors in the expectation that the credit profile of DP Hyderabad and consolidated DP Multimodal will continue to be supported by an improvement in the financial profile with the scaling up of the PFT facilities and CTO operations under DP Rail and better operating profits. Further, DP Multimodal will continue to benefit from the established position of DP World in the ports and CFS and ICD/PFT businesses as well as the additional flexibility from having NIIF as one of the promoters.

Key rating drivers and their description

Credit strengths

Strong parentage with DP World and NIIF being the ultimate promoters – DP Hyderabad benefits from the established position of its parent, DP Multimodal, that owns four CFS and three PFT/ICD facilities in the country. DP Multimodal in turn was acquired by Hindustan Infralog Private Limited (HIPL), a joint venture between DP World (65%) and NIIF (35%), in July 2018. The presence of DP World at five container terminals across India would enhance the volumes at DP Multimodal's warehousing facilities. Both DP Multimodal and DP Hyderabad enjoy high financial flexibility owing to the presence of strong promoters. The board of directors of DP Multimodal and DP Hyderabad also includes several representative from DP World.

Integrated service offerings of DP Multimodal Group in logistics sector – DP Multimodal owns four container freight stations at JNPT, Redhills, Seahorse and Tuticorin in addition to three PFT/ICDs at Hyderabad, Panipat and Ahmedabad. With the acquisition of DP Rail, the Group has expanded to a few more geographies in addition to bringing in a few related businesses under the same Group. DP Rail operates container train services and a network of four ICDs/PFTs at Pali (Haryana), Modinagar (Uttar Pradesh), Hazira (Gujarat), and Hindaun City (Rajasthan).

Improvement in utilisation of CFS and PFT facilities and rail operations – The scale of operations of all the three PFTs under DP Multimodal remained healthy in FY2024 and FY2025, especially the CFS at JNPT and the PFT at Panipat, supported by the relationships built with its customers and the improved trade volumes in the hinterland. The rail operations under DP Rail also improved, marked by a revenue growth of ~29% at Rs. 751 crore in FY2024. DP Multimodal reported a ~19% YoY growth in consolidated revenue at ~Rs. 2,255.3 crore in FY2024.

Credit challenges

High leverage and moderate coverage indicators – The total debt, at a consolidated level, increased to ~Rs. 1,448.3 crore as on March 31, 2024, from ~Rs. 863.9 crore as on March 31, 2023, on account of the debt availed by DP Rail for the capex. The increase in debt and the moderation in profitability (majorly on account of the operating losses in DP Express) on a consolidated basis increased the total debt/OPBDITA to ~17 times as on March 31, 2024 from 6.5 times as on March 31, 2023. Going forward, DP Multimodal (consolidated) plans to undertake sizeable capex over the next 12-18 months for infrastructure expansion. The capex will be funded through an equal proportion of debt and inter-corporate deposits/equity.

Operations exposed to economic cycles, affecting trade volumes – The revenues of the company remain susceptible to economic cycles in the ICD/PFT and container terminal businesses. In addition, a variation in exim (export-import) trade volumes would impact the revenues.

Liquidity position: Adequate

DP Multimodal, on a consolidated basis, had free cash and bank balance of ~Rs. 102.9 crore as on March 31, 2024. Further, it enjoys healthy financial flexibility post the acquisition by HIPL in July 2018. Adequate support from HIPL and the fresh debt for capex is expected to support the company, which will use the funds to acquire rakes, add new lines and warehousing facility under DP Rail and set up a new PFT/ICD under DP Multimodal/DP Hyderabad.

Rating sensitivities

Positive factors – The ratings may be upgraded if the consolidated financial performance of DP Multimodal improves with a growth in scale and profitability and a significant improvement in the leverage and coverage position on a sustained basis. Any substantial improvement in the credit profile of the parent i.e. merged entity of HPPL and HIPL, will also support a favourable rating action.

Negative factors – The ratings may be downgraded if DP Multimodal, at a consolidated level, is unable to improve its profitability margins, going forward. A deterioration of the credit profile and/or weakening of linkages with the parent i.e. merged entity of HPPL and HIPL, will also weigh on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	ICRA has arrived at the company's ratings after factoring in a parent subsidiary notch-up using the credit view of the merged entity of HIPL and HPPL, which in turn considers the parentage of DP World Limited
Consolidation/Standalone	While arriving at the ratings of DP Hyderabad, ICRA has taken a consolidated view of DP Hyderabad, its parent DP Multimodal and group entities - DP Express and DP Rail

About the company

DP World Multimodal Logistics Hyderabad Private Limited(DP Hyderabad ; erstwhile Continental Multimodal Terminals Private Limited) is held by DP World Multimodal Logistics Private Limited (96.6%) and DP World Rail Logistics Private Limited (DP Rail; erstwhile Kribhco Infrastructure Private Limited) with a 3.4% stake. It has developed a private freight terminal (PFT) at Thimmapur (Hyderabad) in close proximity to National Highway 7. The PFT is equipped with three-line railway sidings and an over 250,000-sq-ft warehouse to cater to the needs of both domestic and EXIM (export-import) trade. The facility, spread over 47 acres, is India's first PFT facility developed post the launch of the private freight terminal scheme by the Indian Railways in 2011.

Key financial indicators (audited)

DP Hyderabad Standalone	FY2023	FY2024
Operating income	129.6	142.0
PAT	13.1	18.2
OPBDIT/OI	15.5%	19.4%
PAT/OI	10.1%	12.8%
Total outside liabilities/Tangible net worth (times)	0.1	0.1
Total debt/OPBDIT (times)	0.0	0.0
Interest coverage (times)	17.2	216.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

About the Parent

DP Multimodal was incorporated in1997 as a service sector public company. It operates four CFSs at JNPT (Mumbai), Tuticorin, Redhills (Chennai) and Seahorse (Chennai), and three ICD/PFTs at Ahmedabad (Gujarat), Panipat (Haryana) and Thimmapur (Hyderabad). In addition, the company provides services such as less than container load (LCL) consolidation, bonded warehousing, PFT, warehousing, empty container depot, transportation and equipment leasing. It has also ventured into operating container train services through DP Rail. DP Multimodal was acquired by Hindustan Infralog Private Limited (HIPL), a joint venture between DP World (65%) and NIIF (35%) in July 2018.

Key financial indicators (audited)

DP Multimodal Consolidated	FY2023	FY2024
Operating income	1888.3	2255.3
PAT	-38.9	-163.2
OPBDIT/OI	7.0%	3.8%
PAT/OI	-2.1%	-7.2%
Total outside liabilities/Tangible net worth (times)	0.7	1.3
Total debt/OPBDIT (times)	6.5	17.0
Interest coverage (times)	2.3	0.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)				Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	0.00	-	-	-	-	-	-	Dec 28, 2022	[ICRA]A+ (stable)
Fund-based /Non-fund based facilities	Long term/ Short term	10.00	May 19, 2025	[ICRA]A+ (Stable) /[ICRA]A1	-	-	Feb 13, 2024	[ICRA]A+ (Stable) /[ICRA]A1	Dec 28, 2022	[ICRA]A+ (Stable) /[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term - Fund/Non-fund based limits	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
NA	**Long term/Short term - Fund/Non-fund based limits**	NA	NA	NA	10.00	[ICRA]A+ (Stable) /[ICRA]A1

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
DP World Multimodal Logistics Private Limited	Parent Entity	Full consolidation
DP World Express Logistics Pvt Ltd	100.00%*	Full consolidation
DP World Rail Logistics Private Limited	76.00%*	Full consolidation
DP World Multimodal Logistics Hyderabad Private Limited	96.6%*	Full consolidation

*Source: Company; *Ownership by DP World Multimodal Logistics Private Limited*

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