

October 9, 2025

Container Corporation of India Ltd.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Non-fund based - Others	800.00	800.00	[ICRA]AAA (Stable); reaffirmed
Issuer rating	0.00	0.00	[ICRA]AAA (Stable); reaffirmed
Total	800.00	800.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the rating factors in the dominant position of Container Corporation of India Ltd. (CONCOR/the company) in the containerised rail freight business, supported by a large, pan-India infrastructure and an established track record of healthy operational performance. The rating also considers the strong financial profile of the entity, characterised by robust cash generation, low working capital requirements, large free cash balances and nil debt. Owing to its strategically located terminal network, the company will gain from the commissioning of the dedicated freight corridors (DFCs), particularly in the western region, as several industrial clusters are located along the western DFC.

The rating also factors in the GoI's ownership, which benefited CONCOR in the early stages of establishing its network, a source of competitive advantage for the company at present. ICRA notes that the GoI had intended to offload a 30.8% stake in the company along with management control in the past. While there has been no progress on the same, ICRA will continue to monitor any developments on this front and will appropriately factor in the impact of any such development on the credit profile of the company.

The rating factors in the rising competition from private players in the containerised train operator (CTO) segment as well as road freight carriers, which moderated the company's market share to 56-58% in FY2024 from ~74% in FY2019-FY2020. However, the company continues to retain its market leadership position and is making efforts to regain the lost market share by building operational efficiencies and several other initiatives to grow its container handling volumes.

The rating also factors in the susceptibility of the profitability to changes in the haulage rates by the Indian Railways as railway freight costs remain the largest component of the company's cost structure. The significant reliance on the EXIM segment also exposes the company's cash generation to global macroeconomic activities.

The Stable outlook on the rating stems from ICRA's expectations of CONCOR's ability to maintain a healthy credit profile, going forward, driven by its leadership position in the containerised rail freight segment and strong cash generation.

Key rating drivers and their description

Credit strengths

Leadership position in container rail freight segment with strategically located infrastructure – While CONCOR's market share has moderated from 75%-78% over the last decade, it has a strong presence in the overall market, despite rising competition in the last few years. The company, however, has managed to sustain its market share at ~55%. Going forward as well, the market share is expected to remain at a similar level owing to CONCOR's well-established wide network across the country with the necessary infrastructure, giving it an edge over its competitors.

Established track record of healthy operational performance – The company has an established track record of healthy operational performance, characterised by growing container volumes and rising number of double-stacked trains. The company has been focusing on improving its services and operations by running time-table trains from Dadri to Mundra on the western DFC as well as increasing penetration of the first mile last mile (FMLM) connectivity in the container volumes handled in its operations.

Robust financial risk profile – CONCOR's financial risk profile is robust, characterised by healthy revenue growth along with stable operating margins, robust cash accruals and large cash balances. The company has been generating Rs. 1,000-1,200 crores of net cash accruals, which has enabled it to fund its capex requirements through internal accruals. Hence, the credit profile of the company has remained robust with nil debt at a consolidated level and an interest coverage ratio of 26.2x in FY2025 (PBDITA/interest of 31.9x in FY2025). The liquidity position also remains strong with Rs. 3,693.5 crore of free cash and liquid investments as on March 31, 2025.

Favourable outlook for containerised cargo in India – At present, containerised cargo movement in India is significantly below the global average. Over the last couple of years, there has been significant growth in containerised cargo movement through the country's ports. Going forward as well, containerised cargo movement is expected to witness a healthy growth on the back of higher demand for the export-oriented industries in the overseas markets. Additionally, innovations to carry cargo, which was earlier not carried in containers in a major manner (e.g. cement) will support container volume growth for the company. Further, the development of the WDFC is expected to provide impetus to containerised cargo movement in the country. As the WDFC is expected to be fully operational by December 2025, container volume growth as well as the modal shift from road to railways is expected to benefit CONCOR's handling volumes.

Significant sovereign ownership – At present, the GoI holds a 54.8% stake in CONCOR. The company had benefitted from the sovereign ownership in the past when it was able to expand its operations, supported by the availability of railway land at strategic locations, which gave it a first-mover advantage in the CTO industry. The company also benefits from the managerial support through the GoI nominees on its board. While the GoI had announced a stake sale in November 2019, the expression of interest (EoI) is yet to be released. While there has been little progress on the divestment front, the same remains an event-based sensitivity and ICRA will appropriately factor in the impact of the move on CONCOR's credit profile.

Credit challenges

Significant dependence on EXIM cargoes – At present, the share of EXIM cargoes in the overall volumes handled by the company is significantly high at around 76%. Accordingly, the performance of the company remains vulnerable to volatility in the global trade which drives shipping volumes.

Performance susceptible to periodic changes in haulage rates – The charges paid by CONCOR to the Indian Railways for using locomotives, wagons, railway network and fuel are called haulage rates. These are notified by the Indian Railways periodically and the charges paid by CONCOR form nearly 73% of the company's total operating expenses. Hence, the performance of the entity remains susceptible to changes in the haulage rates, which have been revised at regular intervals.

Rising competition from private players and road carriers, particularly in low lead distances – The company has been facing stiff competition from private CTOs. As a result, it has been losing market share since FY2020, moderating to ~55% in FY2025. The road freight players also pose competition to the company. Rising efficiencies due to the implementation of GST, improving highways, door-to-door connectivity and the flexibility associated with the road segment have intensified the competition from rail freight players. At the same time, inefficiencies such as network congestion, preference to passenger trains and cross-subsidisation of passenger fares with freight fares reduce the competitiveness of rail freight. However, the operationalisation of the WDFC is expected to reduce the inefficiencies in the railway network to some extent, going forward. CONCOR has been focusing on improving its first mile last mile (FMLM) connectivity to provide end-to-end logistical solutions, which should also help the company in shifting the cargo from road to rail.

ESG risks

Rail transportation results in lower CO₂ emissions compared to road transportation and, hence, the CTO sector is favourably placed to benefit from the long-term trend of tightening environmental norms on emission. CONCOR, being the market leader in the CTO segment, is expected to benefit from its dominant position from a long-term credit perspective. CONCOR is further making efforts to reduce the CO₂ emissions by using fuel-efficient equipment and rail infrastructure and focuses on water and energy management by taking initiatives like using solar energy at some of the terminals and rain-water harvesting. To reduce costs, the company introduced LNG trucks in FY2024. It had a fleet of 160 trucks by the end of FY2025 with orders for 100 more trucks, which would save the running costs by 25% and will be an environment-friendly initiative. Additionally, the company is in talks to set up solar panels across its terminals.

CONCOR's exposure to social risks mainly pertains to ensuring safe operations and human capital risk management. Based on the disclosures in the annual report, there have been no major industrial accidents. Overall, the exposure to social risks is not material from a credit perspective

Liquidity position: Strong

CONCOR's liquidity position is expected to remain strong, supported by significant cash balance (Rs. 3,693.5 crore at the end of FY2025) and robust cash accruals of Rs. 1,200 crore to Rs. 1,400 crore per annum, which are more than adequate to meet the capex of Rs. 800-1000 crore per annum and the incremental working capital requirements, going forward.

Rating sensitivities

Positive factors – NA

Negative factors – The rating could be downgraded if the GoI divests its stake to a sponsor with a weaker credit profile. A significant decline in revenue and profitability due to loss of market share to road carriers or private CTOs on a sustained basis, and/or a significantly large outflow on account of land licence fee (LLF) charges from the railways resulting in a material moderation in cash generation could also be a negative trigger. Stress on the liquidity and credit profile due to significantly large debt-funded capex could also result in a downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	The rating factors in the implicit support from the Government of India (GoI)
Consolidation/Standalone	The rating is based on the consolidated financials of the company. The entities forming a part of the consolidated financials are given in Annexure II

About the company

Container Corporation of India Limited (CONCOR) was incorporated in March 1988 and started its operations in November 1989 after taking over seven inland container depots (ICDs) of the Indian Railways. Over the years, the company has developed its infrastructure and now operates 66 terminals across the country along with three strategic tie-ups. The company's primary operation is to provide inland transportation of containers from ports using rail wagons. The company also manages cold storage chains and warehouses. The GoI, through the Ministry of Railways, continues to hold a majority stake of 54.8% in the company at the end of June 2025.

Key financial indicators (audited)

CONCOR - Consolidated	FY2024	FY2025
Operating income	8653.7	8887.3
PAT	1232.0	1259.7
OPBDITA/OI	22.6%	21.7%
PAT/OI	14.2%	14.2%
Total outside liabilities/Tangible net worth (times)	0.2	0.2
Total debt/OPBDITA (times)	0.5	0.4
Interest coverage (times)	27.3	26.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	October 9, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
1 Term loan	Long term	-	-	Aug 2, 2024	-	Jun 23, 2023	-	Sept 09, 2022	[ICRA]AA+;
2 Non-fund based limits	Long term/Short term	800.00	[ICRA]AAA (Stable)	Aug 2, 2024	[ICRA]AAA (Stable)	Jun 23, 2023	[ICRA]AAA (Stable)	Sept 09, 2022	[ICRA]AA+;
3 Issuer rating	Long term/Short term	-	[ICRA]AAA (Stable)	Aug 2, 2024	[ICRA]AAA (Stable)	Jun 23, 2023	[ICRA]AAA (Stable)	Sept 09, 2022	[ICRA]AA+;

&: Rating watch with developing implications

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Non-fund based	Simple
Issuer rating	Not Applicable

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	Non-fund based	NA	NA	NA	800.00	[ICRA]AAA (Stable)
NA	Issuer rating	NA	NA	NA	-	[ICRA]AAA (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	CONCOR's ownership	Consolidation approach
Container Corporation of India Limited	100% (Self)	Full consolidation
SIDCUL CONCOR Infra Company Limited (SCICL)	74%	Full consolidation
Punjab Logistics Infrastructure Limited (PCIL)	51%	Full consolidation
Fresh & Healthy Enterprises Limited	100%	Full consolidation
CONCOR Air Limited	100%	Full consolidation
Star Track Terminals Private Limited	49%	Equity method
Transworld Terminals Private limited	49%	Equity method
Gateway Terminals India Pvt. Ltd.:	26%	Equity method
CMA-CGM Logistics Park (Dadri) Pvt. Ltd	49%	Equity method
Himalayan Terminals Pvt. Ltd.	40%	Equity method
HALCON	50%	Equity method
India Gateway Terminal Pvt. Ltd.:	11.87%	Equity method
TCI-CONCOR Multimodal Solutions Pvt. Ltd	49%	Equity method
Container Gateway Ltd	49%	Equity method
Allcargo Logistics Park Pvt. Ltd	49%	Equity method
Angul Sukinda Railway Ltd.	21.40%	Equity method

Source: CONCOR's results FY2025

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Varun Gogia

+91 987 115 6542

varun.gogia1@icraindia.com

Prashant Vasisht

+91 022 6114 3400

prashant.vasisht@icraindia.com

Mohika kundara

+91 95991 33619

mohika.kundara@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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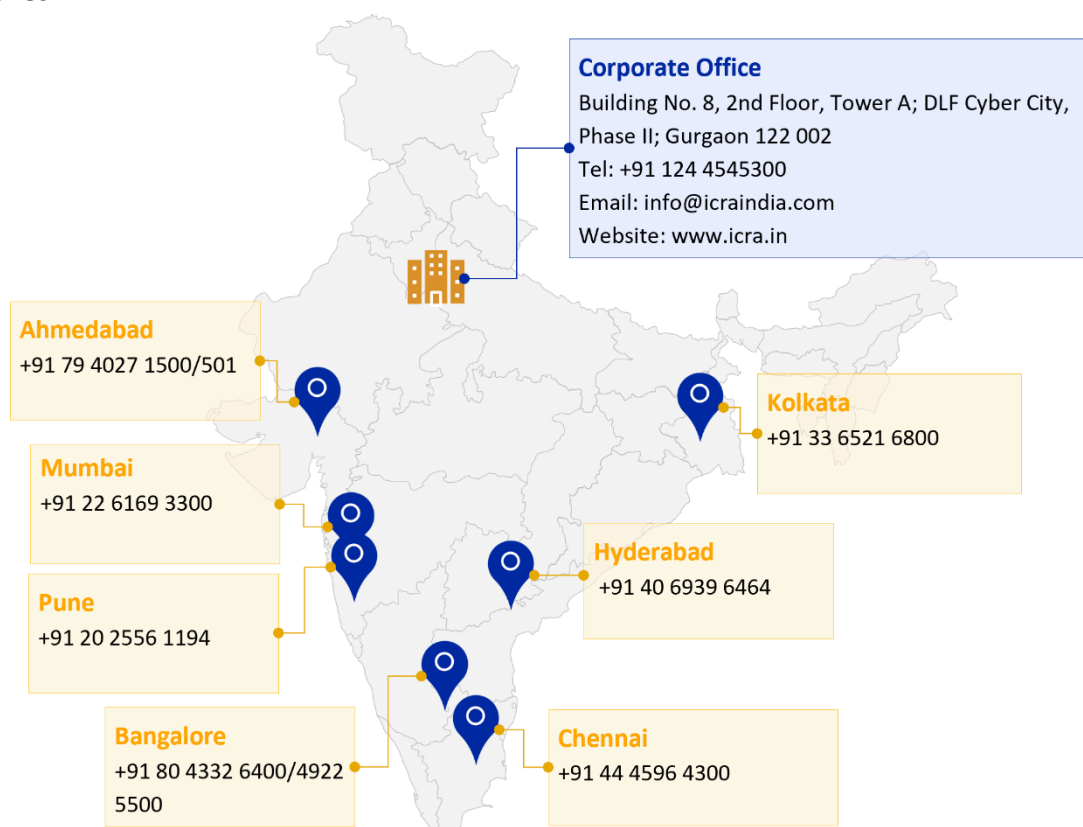
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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