

October 27, 2025 (Revised)

## Visakha Container Terminal Pvt. Ltd.: Ratings continue on watch with developing implications

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term / Short Term-Interchangeable-Others	521.94	0.00	-
Long Term-Fund Based-Proposed	293.09	268.28	[ICRA]A+ Rating Watch with Developing Implications; Continue to be on Watch
Long Term / Short Term-Unallocated Limits	80.09	221.05	[ICRA]A+; Rating Watch with Developing Implications; Continue to be on Watch / [ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Long Term / Short Term-Fund Based/Non Fund Based- Others	101.00	51.00	[ICRA]A+ Rating Watch with Developing Implications; Continue to be on Watch / [ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Short Term-Non Fund Based- Others	53.00	53.00	[ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Short Term-Fund Based-Overdraft	0.00	5.00	[ICRA]A1 Rating Watch with Developing Implications; Continue to be on Watch
Long Term-Fund Based-Cash Credit	5.00	0.00	-
Long Term-Fund Based-Term Loan	485.91	419.76	[ICRA]A+ Rating Watch with Developing Implications; Continue to be on Watch
<b>Total</b>	<b>1,540.03</b>	<b>1,018.09</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The assigned ratings factor in the strong parentage of Visakha Container Terminals Private Limited (VCTPL/the company) - JM Baxi Ports & Logistics Private Limited (JMBPL, [ICRA]A+/[ICRA]A1+; rating on watch with developing implications). JMBPL is one of the leading players in the country's logistics sector and has an established track record across container train operations (CTO), project logistics, freight forwarding and port infrastructure i.e. container/bulk terminals. JMBPL is one of the leading players in the logistics sector in the country and has an established track record of presence across container train operations (CTO), project logistics, freight forwarding and port infrastructure i.e. container/bulk terminals, among others. Additionally, the presence of Hapag-Lloyd AG (HLAG<sup>1</sup>), which is one of the largest container handling companies globally, as a strategic investor in the Group with a 49% stake in JMBPL is expected to provide synergies in terms of increased

<sup>1</sup> Hapag Lloyd AG; rated Ba1 (Stable) by Moody's

container flow routed through the container terminals of the J M Baxi Group, which are present across the east and west coast in India. The ratings also factor in VCTPL's long-term Baxi concession agreement with Visakhapatnam Port and the operationalisation of terminal 2 in March 2022 that increased the capacity to ~1.3 million TEUs per year. The capex executed under VCTPL is supported by the long-tenor debt with ballooning repayments that enhances its financial flexibility. Additionally, VCTPL has last-mile rail connectivity that ensures cost-efficient transportation of container cargo from the established players in the hinterland. The ratings also factor in the positive outlook for container traffic growth in India, given the low penetration of containerised cargo vis-à-vis the global levels.

VCTPL's revenue and profitability moderated in FY2025 driven by lower cargo throughput owing to the ban on rice exports and lower port calls on the East Coast by the global shipping liners amid the elongated transit times post the Red Sea crisis. The company's revenue moderated to Rs. 359.9 crores in FY2025 from Rs. 408.6 crores in FY2024 resulting in lowering of Operating profit before interest depreciation and taxes (OPBDITA) to Rs. 200.5 crore in FY2025 from Rs. 230.2 crore in FY2024. The cargo throughput has witnessed modest improvement in YTD FY2026 and with the removal of ban on export of rice, the cargo throughput should support a moderate improvement in the volumes in FY2026.

The ratings are, however, constrained by competition from container terminals at the nearby ports and other ports on the eastern coast. Though VCTPL is the only container terminal at Vizag port, it faces competition from other container terminals that share the hinterland, which includes those at the ports of Kolkata, Paradip in Odisha and Gangavaram in Andhra Pradesh. VCTPL's container volumes also remain closely tied with the economic cycle and any significant downturn in economic activity globally may impact the container volumes of the company as well.

ICRA had placed the ratings of the J M Baxi group of companies including VCTPL on watch with developing implications on September 2, 2024 as the Group had filed for reorganisation of the entire business into three verticals, container vertical, non-container vertical and shared services vertical, each housed under a separate company with different ownership patterns. The Group had filed the petition for approval of reorganisation with the National Company Law Tribunal (NCLT) which had reserved the order on June 6, 2025, although the same is yet to be released. The ratings continue to be on watch with developing implications on account of the pending approval from the NCLT. ICRA will continue to monitor the receipt of the approval and the subsequent reorganisation of the current business into the new structure and its impact on the credit profile of the Group.

## Key rating drivers and their description

### Credit strengths

**Part of J M Baxi Group with diversified service offering** – The J M Baxi Group is one of the leading port logistics players in the country with presence across the value chain, comprising container train operations, container freight stations, inland container terminals, cold storage, warehousing, bulk logistics and port infrastructure involving container/other cargo terminal. The Group has a diversified geographical presence through its own CFS and warehouses near JNPT port and Visakhapatnam, container terminals at the Visakhapatnam, Haldia, Kandla, Tuticorin Port and Paradip (Paradip port handles both cargo and container, nevertheless dominated by cargo) ports and an inland container depot (ICD) and cold storage at Sonapat, Haryana. With the onboarding of HLAG in April 2023, the Group is expected to benefit from the addition of cargo volumes at its terminals.

**Strategic location with good connectivity serving vast hinterland** – VCTPL is the only container terminal at Vizag port. VCTPL caters to a vast hinterland due to its strategic location on the east coast, which includes established steel players. VCTPL also benefits from an extensive rail connectivity, through group-owned entities, which ensures cost-efficient logistics to the hinterland. Further, new services being initiated from VCTPL, which is expected to result in incremental volumes in the coming years.

**Long-term concession supported by long-tenor debt financing with healthy tail period** – VCTPL entered into a concession with Visakhapatnam port in 2002 to develop the container terminal for 30 years. Subsequently, VCTPL also commissioned terminal 2 in March 2022, for which it entered into a concession in 2019 for 30 years. The capex for the commissioning of terminal 2 is supported by debt with residual years of ballooning nature. The healthy tail period provides financial flexibility to the company to refinance its debt, if the need arises.

**Positive long-term outlook for containerised cargo in India** – At present, the containerisation levels of the cargo handled at the various ports remain low in the country, which makes the long-term prospects for container traffic favourable. Consequently, the Group has witnessed a healthy ramp-up of volumes in its port operations as well as in its CFS and rail operations over the years.

### Credit challenges

**Increasing competition from nearby and upcoming ports** – VCTPL is the only container terminal operator in Visakhapatnam, which provides it with a competitive edge. However, it faces competition from nearby ports which share the hinterland with VCTPL. These include the ports at Paradip, Haldia, Krishnapatnam and Gangavaram. The Gangavaram port is closest to VCTPL and has been developed by Adani Port & Special Economic Zone Limited (APSEZ, rated [ICRA] AAA (Stable)/[ICRA]A1+). Hence, the commissioning of this port is poised to increase competition for VCTPL.

**Operations exposed to economic cycles affecting trade volumes** – The revenue of the terminal remains susceptible to the economic cycles. However, the favourable long-term prospects for container traffic and the Group's established relationships with all major shipping lines along with its integrated presence in the logistics chain and port operations partially mitigate the risk to an extent.

**Moderate leverage and coverage indicators** – The capex for the commissioning of terminal 2 (Rs. 916.04 crore) was supported by a debt of Rs. 687 crores, resulting in high financial leverage for VCTPL. As on March 31, 2025, Rs. 708 crores of term debt was outstanding. The debt servicing remains comfortable given the remaining tenor of ~10 years.

### Liquidity position: Adequate

VCTPL's liquidity is expected to remain **adequate**, given no major capex plans in the near to medium term and modest debt repayments of Rs. 77.7 crore in FY2026 vis-à-vis expected cash accruals of Rs. 120-150 crore per annum. The maintenance of one quarter of debt service reserve account (DSRA) along with ~Rs.119.04 crore of free cash as on March 31, 2025 also supports the liquidity position.

### Rating sensitivities

**Positive factors** – The rating maybe upgraded in a scenario of the improvement in the consolidated credit profile of the J M Baxi Group.

**Negative factors** – The rating may be downgraded in a scenario of the weakening of the consolidated credit profile of the JM Baxi group and/or weakening of the linkages of the company with the JM Baxi group. The ratings may also witness downgrade pressure in a scenario of sustained decline in the cargo volumes, revenue and profitability resulting in the weakening of the capitalization and coverage metrics of the company on a standalone basis. The rating may also be downgraded if there is a negative impact on the credit profile due to the ongoing reorganisation of the group.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Ports</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	J M Baxi Ports Logistics Private Limited
Consolidation/Standalone	Standalone

## About the company

Visakha Container Terminal Pvt.Ltd.(VCTPL)was incorporated in 2002 as a joint venture between JMBPL and DP World to operate the container terminal on Build, Operate and Transfer (BOT) basis at Visakhapatnam Port. VCTPL is an all-weather container terminal that has a total yard side capacity of 5,00,000 TEU. VCTPL provides container handling facilities for container ships, berthing facilities for non-container ships visiting the terminal and renders all related support services. JMBPL has acquired 26% stake in VCTPL from DP World in February 2022. VCTPL completed the construction of terminal 2 with a capacity of 5,40,000 in March 2022.

## Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	408.6	359.9
PAT	77.7	18.4
OPBDITA/OI (%)	56.3%	55.7%
PAT/OI (%)	19.0%	5.1%
Total outside liabilities/Tangible net worth (times)	3.5	2.9
Total debt/OPBDITA (times)	3.5	3.6
Interest coverage (times)	2.2	1.7

Source: Company, ICRA Research; All ratios are 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 27, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Fund Based-Cash Credit</b>	Long Term	0.00	-	-	-	Jun 04, 2024	[ICRA]A+ (Stable)	May 30, 2023	[ICRA]A+ (Stable)	Apr 20, 2022	[ICRA]A- (Positive)
				-	-	Sep 02, 2024	[ICRA]A+ Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA]A- (Positive)
				-	-	-	-	-	-	Feb 28, 2023	[ICRA]A- (Positive)
<b>Fund Based-Proposed</b>	Long Term	268.28	[ICRA]A+ Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A+ (Stable)	May 30, 2023	[ICRA]A+ (Stable)	Dec 22, 2022	[ICRA]A- (Positive)
				-	-	Sep 02, 2024	[ICRA]A+ Rating Watch with Developing Implications	-	-	Feb 28, 2023	[ICRA]A- (Positive)
<b>Fund Based/Non Fund Based- Others</b>	Long Tem/Short Term	51.00	[ICRA]A+/[ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A+ (Stable)/[ICRA]A1	May 30, 2023	[ICRA]A+ (Stable)/[ICRA]A1	Apr 20, 2022	[ICRA]A- (Positive) / [ICRA]A 2+
				-	-	Sep 02, 2024	[ICRA]A+/[ICRA]A1 Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA]A- (Positive) / [ICRA]A 2+
				-	-	-	-	-	-	Feb 28, 2023	[ICRA]A- (Positive) / [ICRA]A 2+

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	October 27, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Interchangeable-Others</b>	Long Tem/Short Term	0.00	-	-	-	Jun 04, 2024	[ICRA]A+ (Stable)/[ICRA]A1	May 30, 2023	[ICRA]A+ (Stable)/[ICRA]A1	Apr 20, 2022	[ICRA]A- (Positive)/[ICRA]A 2+
				-	-	Sep 02, 2024	[ICRA]A+/[ICRA]A1 Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA]A- (Positive)/[ICRA]A 2+
				-	-	-	-	-	-	Feb 28, 2023	[ICRA]A- (Positive)/[ICRA]A 2+
<b>Unallocated</b>	Long Tem/Short Term	221.05	[ICRA]A+/[ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A+ (Stable)/[ICRA]A1	May 30, 2023	[ICRA]A+ (Stable)/[ICRA]A1	Dec 22, 2022	[ICRA]A- (Positive)/[ICRA]A 2+
				-	-	Sep 02, 2024	[ICRA]A+/[ICRA]A1 Rating Watch with Developing Implications	-	-	Feb 28, 2023	[ICRA]A- (Positive)/[ICRA]A 2+
<b>Fund Based-Term Loan</b>	Long Term	419.76	[ICRA]A+ Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A+ (Stable)	May 30, 2023	[ICRA]A+ (Stable)	Apr 20, 2022	[ICRA]A- (Positive)
				-	-	Sep 02, 2024	[ICRA]A+ Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA]A- (Positive)
				-	-	-	-	-	-	Feb 28, 2023	[ICRA]A- (Positive)
<b>Non Fund Based-Others</b>	Short Term	53.00	[ICRA]A1 Rating Watch with Developing Implications	-	-	Jun 04, 2024	[ICRA]A1	May 30, 2023	[ICRA]A1	Apr 20, 2022	[ICRA]A2 +

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	October 27, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	Sep 02, 2024	[ICRA]A1 Rating Watch with Developing Implications	-	-	Dec 22, 2022	[ICRA]A2 +
				-	-	-	-	-	-	Feb 28, 2023	[ICRA]A2 +
<b>Fund Based-Overdraft</b>	Short Term	5.00	[ICRA]A1 Rating Watch with Developing Implications	-	-	-	-	-	-	-	-
<b>Unallocated-Unallocated</b>	Long Term			-	-	-	-	-	-	Apr 20, 2022	[ICRA]A-(Positive)

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term-Fund Based-Proposed	Simple
Long Term / Short Term-Unallocated	NA
Long Term / Short Term-Fund Based/Non Fund Based-Others	Very Simple
Short Term-Non Fund Based-Others	Very Simple
Short Term-Fund Based-Overdraft	Very Simple
Long Term-Fund Based-Term Loan	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	Fund based – Term loan	FY2016 to FY2022	1-year MCLR + 1.25-2.6%	FY2035	419.76	[ICRA]A+; Rating Watch with Developing Implications
NA	Fund based – Overdraft	NA	NA	NA	5.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Proposed term loan facilities	NA	NA	NA	268.28	[ICRA]A+; Rating Watch with Developing Implications
NA	Derivative limits	NA	NA	NA	51.00	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1; Rating Watch with Developing Implications
NA	Short term – Non-fund based –Bank guarantee	NA	NA	NA	53.00	[ICRA]A1; Rating Watch with Developing Implications
NA	Unallocated limits	NA	NA	NA	221.05	[ICRA]A+; Rating Watch with Developing Implications / [ICRA]A1; Rating Watch with Developing Implications

Source: Company

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

## Annexure II: List of entities considered for consolidated analysis-NA

**Corrigendum:** On page-2 the document, the reason for continuation of watch on the ratings has been added.



## ANALYST CONTACTS

**Girishkumar Kadam**

+91 22 6114 3441

[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Prashant Vasisht**

+91 12 4454 5322

[prashant.vasisht@icraindia.com](mailto:prashant.vasisht@icraindia.com)

**Varun Gogia**

+91 9871156542

[varun.gogia1@icraindia.com](mailto:varun.gogia1@icraindia.com)

**Aryan Jaiswal**

+91 7761842638

[aryan.jaiswal@icraindia.com](mailto:aryan.jaiswal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto:info@icraindia.com)

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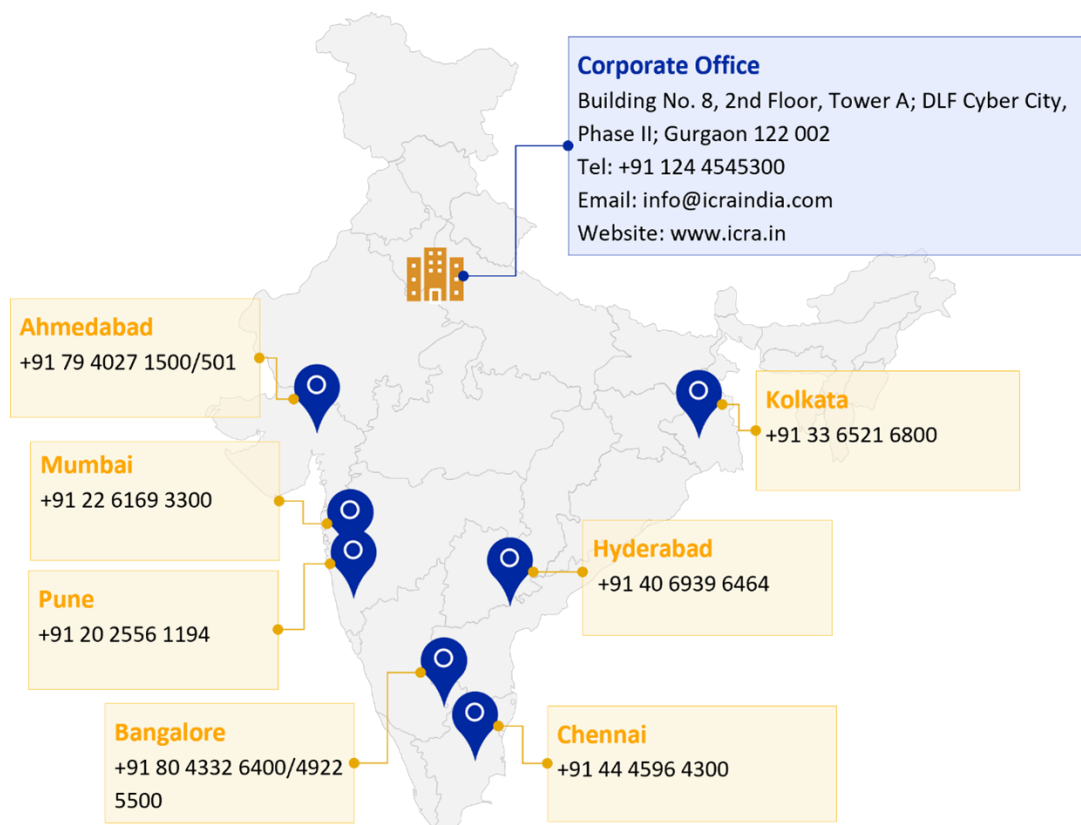
### Registered Office

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

Tel: +91 11 23357940-45



### Branches



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