May 06, 2026

Chennai International Terminals Private Limited: [ICRA]AA-(Stable) assigned, [ICRA]A1+ reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term, non-fund based - Working capital facilities	105.00	105.00	[ICRA]A1+; reaffirmed
Long term – Fund – based - Term loan	0.00	115.00	[ICRA]AA- (Stable); assigned
Total	**105.00**	**220.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating action factors in Chennai International Terminals Private Limited's (CITPL) strong parentage of PSA International Pte. Ltd. (PSA, rated Aa1/Stable by Moody's). CITPL has a long track record of operations with financial and operational support from PSA, which is one of the largest container terminal operators in the world. This is evident from the external commercial borrowing (ECB) facility availed by CITPL from PSA a few years ago to support its capex requirements.

The rating also factors in CITPL's robust financial performance, characterised by healthy revenue and volume growth, strong operating margins and a significant reduction in debt, which has improved the leverage and coverage metrics. Over the past three years, the total debt declined to Rs. 115 crore as on March 31, 2026, from Rs. 310.6 crore as on March 31, 2023. This deleveraging has positively impacted the key metrics, with the total debt-to-OPBDITA ratio improving to 1.4x in FY2026 {1.7x in the previous year (PY)}, and the interest coverage strengthening to 8.2x in FY2026 (PY:4.4x). Additionally, the Rs. 115-crore loan outstanding has a repayment spread over a long tenure up to January 2031. Going forward, the operating margins are expected to remain healthy, with the leverage and coverage metrics continuing to be strong.

The rating also factors in the terminal infrastructure and advantages of the Chennai port and the favourable long-term demand prospects of containerisation in India. ICRA also notes CITPL's low working capital intensity, given the high creditor days and low debtor days.

CITPL's container volumes improved 5% YoY in FY2026, supported by the addition of new clients added as well as the higher number of containers from the existing clientele. However, the throughput levels, and hence the financial performance, remain susceptible to competition from another terminal at the Chennai port as well as from the other container terminals at the Kattupalli and Kamarajar (Ennore) ports, which have been intensifying their marketing efforts in recent years, and the overall growth in container volumes in the Chennai cluster. The actual impact of the competition will depend on the overall traffic growth in the region and the competitors' ability to absorb additional capacities. Nonetheless, the impact of competition from these ports will be partly mitigated by the inherent advantages of the Chennai port, such as being an all-weather port with deep draft, access to a well-developed container freight station (CFS) network and a large hinterland with a diverse manufacturing base. Moreover, efforts are underway to revive some of the projects, like the Maduravoyal elevated highway, to reduce the congestion outside the Chennai port, which has faced significant delays and any developments on the same will be monitored.

The rating also notes the high revenue share payable by CITPL to ChPA (45.801% of CITPL's gross revenues), which adversely impacts its profitability vis-à-vis the competing terminals and the lack of flexibility to determine its own tariff rates as it was set up by the Tariff Authority for Major Ports (TAMP) and is following the TAMP 2019 guidelines. For new PPP terminals, the tariff may be set by the port authority itself following the enactment of the Major Port Authorities Act 2021.

The company is involved in an ongoing legal dispute with TAMP over the regulator's decision to cut the tariff by 12.23% in March 2012. CITPL had received an interim stay from the high court and continued to operate at the old tariff levels before moving to the new tariffs under the 2019 TAMP guidelines in January 2020. At present, there is status quo on this dispute, but the contingent liability related to this has now been capped at the levels during the transition to the new tariff regime. Any unfavourable outcome would have an adverse impact on the terminal's cash flows and liquidity profile and remains a key monitorable.

Key rating drivers and their description

Credit strengths

Strong support from parent PSA International Pte. Ltd. - CITPL is a 99.99% subsidiary of PSA and derives operational benefits as a part of the PSA Group, which is one of the largest container terminal operators in the world and enjoys healthy relationship with the liners. CITPL's board of directors has representation from PSA; the key managerial personnel are appointed by PSA for support and oversight. CITPL had availed an external commercial borrowing (ECB) facility from PSA a few years ago to support its capex requirement.

Terminal infrastructure and advantages of Chennai port - CITPL benefits from the favourable yard layout, which allows it to deploy a higher number of cranes. The port's seven twin lift quay cranes ensure better productivity and access to the rail terminal. CITPL has so far been able to meet all the operational conditions set in the licence agreement (LA), such as minimum traffic and mainline vessel calls. The Chennai port has a well-developed primary and secondary storage and handling infrastructure and enjoys being closer to a large hinterland with a diverse end-user base. Moreover, the Chennai port is an all-weather port with deep draft and handles high container volumes.

Healthy financial risk profile with low working capital intensity - CITPL's financial performance has been robust, characterised by healthy revenue and volume growth, strong operating margins and a significant reduction in debt, which has improved the leverage and coverage metrics. Over the past three years, the total debt has declined to Rs. 115 crore as on March 31, 2026, from Rs. 310.6 crore as on March 31, 2023. This deleveraging has positively impacted the key metrics with the total debt-to-OPBDITA ratio improving to 1.4x in FY2026 {1.7x in the previous year (PY)}, and the interest coverage strengthening to 8.2x in FY2026 (PY:4.4x). Additionally, the Rs. 115-crore loan outstanding has a repayment spread over a long tenure up to January 2031. CITPL's working capital intensity remains low owing to the higher creditors. CITPL also enjoys low debtors as the liners make immediate payments to the company.

Favourable long-term demand outlook - The long-term demand prospects for containerisation in India is favourable. Additional upshoots, such as an increase in coastal and transhipment cargo due to policy initiatives, will aid a higher-than-projected volume growth from Exim trade in the long term.

Credit challenges

Higher revenue share and tariff risks - CITPL has to pay a high revenue share of 45.801% of its gross revenues to ChPA, which adversely impacts its profitability vis-à-vis the competing terminals. ICRA notes that during the tariff ruling by TAMP in 2012, the regulator cut the tariff by 12.2% against a tariff hike request by CITPL. While CITPL got an interim stay from the high court and continued to operate at the old tariff levels, it shifted to the new tariff regime under TAMP 2019 guidelines in January 2020. The contingent liabilities arising out of the TAMP disputes, which have been increasing in the last few years, have now been capped at an amount outstanding as on the transition date. However, there is status quo on the legal dispute with TAMP's 2012 tariff ruling, and any unfavourable outcome will have an adverse impact on the terminal's cash flows. In the coming years, there may be a new market tariff notification which would allow CITPL to fix the rates as per the market.

Competition from other terminal and ports - The company faces high competition from other terminals in the Chennai port and other ports along the eastern coast of South India. The company also faces competition from other terminals at the Kattupalli and Kamarajar (Ennore) ports in the vicinity. CITPL's throughput levels remain susceptible to the overall volume growth of the port. The containers handled increased to 0.97 million TEUs in FY2026 from 0.92 million TEUs in FY2025 despite the competition owing to higher volumes by the existing clientele and the addition of new clientele. Further, the congestion on the roads from the port to the city outskirts has been a constraint. Nonetheless, the impact of competition from the other ports on the eastern coast will be partly mitigated by the inherent advantages of the Chennai port, such as being an all-weather port with deep draft, access to a well-developed CFS network and a large hinterland with a diverse manufacturing base. Further, PSA's strength in the market and its relationship with the liners also partly mitigates the impact. The actual impact of competition, going forward, will depend on the overall traffic growth in the region and the ability to absorb additional capacities.

Liquidity position: Adequate

The company's liquidity profile is expected to be adequate, considering the free cash holding of ~Rs. 45.56 crore as on March 31, 2026 and the healthy estimated cash flow from operations of Rs. 70-80 crore per annum over the next two years against a capex obligation of Rs. 50-60 crore over CY2026 and CY2027 combined and the debt repayment of Rs. 28.75 crore in FY2028 and Rs. 28.75 crore in FY2029.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a substantial growth in revenue and profitability on a sustained basis while maintaining comfortable debt protection metrics and liquidity position.

Negative factors – The rating could be downgraded if the revenue and profitability decline due to a significant decline in the throughput or tariffs, or if the debt coverage deteriorates on a sustained basis. The rating could also witness downward pressure if a large debt-funded capex puts pressure on the capital structure or an unfavourable verdict in the ongoing litigation leads to the devolvement of contingent liability, consequently putting pressure on the liquidity profile of the company. Further, a weakening of the parent company's credit profile or a weakening of the linkages with the parent could be a negative trigger.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Ports
Parent/Group support	Parent/Group Company: PSA International Pte Ltd. The rating factors in the implicit support of the parent - PSA International Pte Ltd - and ICRA expects it to be willing to provide financial support to CITPL, if needed, given CITPL's strategic importance as one of the four container terminals of the Group in India. The rating also considers the company's financial flexibility with the lenders by virtue of its strong parentage
Consolidation/Standalone	Standalone

About the company

CITPL is a special purpose vehicle (SPV) incorporated in 2006 to develop and operate the second container terminal at the Chennai port. CITPL is a 99.99% subsidiary of PSA and derives operational benefits as a part of the PSA Group, which is one of the largest container terminal operators in the world. In March 2007, CITPL entered into a 30-year, build-operate-transfer (BOT) licence agreement with Chennai Port Authority (ChPA) to design, develop, finance, operate and market the second container terminal. As per the agreement, CITPL is required to share 45.80% of its gross revenues with ChPT during the licence period. Commercial operations at the terminal began from September 2009; the company handled 0.97 million TEUs in FY2026. The yard capacity is 1.26 million TEUs per annum.

Key financial indicators

CITPL	FY2025	FY2026 (P)*
Operating income	398.3	432.7
PAT	44.1	29.3
OPBDIT/OI	23.3%	19.5%
PAT/OI	11.1%	6.8%
Total outside liabilities/Tangible net worth (times)	1.5	1.1
Total debt/OPBDIT (times)	1.7	1.4
Interest coverage (times)	4.4	8.2

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Provisional*

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 (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	May 06, 2026	Date	Rating	Date	Rating	Date	Rating
Working capital facilities	Short term	105.00	[ICRA]A1+	Nov 13, 2025	[ICRA]A1+	Aug 14, 2024	[ICRA]A1	June 13, 2023	[ICRA]A1
Unallocated limits	Short term	-	-	-	-	Aug 14, 2024	[ICRA]A1	June 13, 2023	[ICRA]A1
Fund based - Term loan	Long term	115.00	[ICRA]AA- (Stable)						

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short term – Non-fund based working capital	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
-	**Bank guarantee**	NA	NA	NA	105.00	[ICRA]A1+
-	**Term Loan**	January 14, 2026	7.1%	January 10, 2031	115.00	[ICRA]AA-(Stable)

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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