November 27, 2026

Ocean Sparkle Limited: [ICRA]AAA (CE) (Stable) assigned; [ICRA]AA (Stable)/[ICRA]A1+ reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term – Fund based – Cash credit	-	1.00	[ICRA]AAA (CE) (Stable); assigned	RBI
Long term - Non-fund based – Bank guarantee	-	260.00	[ICRA]AAA (CE) (Stable); assigned	RBI
Long term – Fund based – Others	5.04	4.04	[ICRA]AA (Stable); reaffirmed	RBI
Short term - Non-fund based	119.00	-	-	RBI
Long term/Short term – Unallocated limits	59.96	59.96	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed	RBI
Total	**184.00**	**325.00**		

**Instrument details are provided in Annexure I;*

#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

Rating Without Explicit Credit Enhancement	**[ICRA]AA (Stable)/[ICRA]A1+**

Note: *The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure. It does not represent ICRA's opinion on the general credit quality of the entity concerned. The last three rows in the table above also capture ICRA's opinion on the rating without factoring in the explicit credit enhancement.*

Rationale

For the [ICRA]AAA (CE) (Stable) rating

The above rating is based on the strength of the corporate guarantee provided by Adani Ports and Special Economic Zone Limited {APSEZ; rated [ICRA]AAA (Stable)/[ICRA]A1+}, the ultimate parent of Ocean Sparkle Limited (OSL/the company), for the rated bank facilities. Further, ICRA's assessment on the strength of the linkages between APSEZ and OSL, including the corporate guarantee furnished by APSEZ to the lender on behalf of OSL for the rated facilities, is a key driver of the rating. The Stable outlook on the long-term rating reflects ICRA's outlook on the long-term rating of the guarantor, APSEZ.

Adequacy of credit enhancement

For assigning the rating, ICRA has assessed the attributes of the guarantee issued by APSEZ in favour of the rated instruments of OSL. While the guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument, and has other relevant attributes specified in ICRAs methodology for considering a credit enhancement, the payment mechanism is post-default in nature. Yet, ICRA has assigned a rating of [ICRA]AAA(CE) (Stable) for the said facilities against the unsupported ratings of [ICRA]AA (Stable)/[ICRA]A1+, and equivalent to the guarantor's ratings of [ICRA]AAA (Stable)/[ICRA]A1+ in view of the strong linkages between the company and the guarantor. In case the ratings of the guarantor undergo a change in the future, the same would reflect in the ratings of the aforesaid instruments as well. The rating of these instruments may also undergo a change in a scenario whereby, in ICRA's assessment, there is a change in the strength of the

business linkages between the guarantor and the rated entity, or there is a change in the reputation sensitivity of the guarantor to a default by the rated entity, or there is a change in the strategic importance of the rated entity for the guarantor.

Salient covenants of the rated facility

- The borrower (OSL) to route 100% advance payment from the bank (SBI) wherever advance BG is issued by the bank.
- The following type of guarantees shall not be issued - guarantees having unlimited validity or maturity of more than 5 years, except in favour of courts backed by 100% margin and guarantees in respect of deposits/loans received by any person/non-banking financial companies from any source.
- Guarantees will be issued by the bank on behalf of the borrower without in any manner implying commitment to allowing additional credit facilities to the company for payment of claims against guarantees.
- The bank shall be entitled at any time during the currency of the guarantee, to demand and recover margin to the extent of 100% of the guarantee and in case of default in payment by the borrower of the margin so demanded, the bank reserves its right to recover such margin by debit to any of the borrower's accounts and such debit shall be recoverable from the borrower as its due

For the [ICRA]AA (Stable)/[ICRA]A1+ ratings

While arriving at the ratings, ICRA has taken a consolidated view of Ocean Sparkle Limited (OSL) and its subsidiaries, Sparkle Port Services Limited (SPSL) and Sparkle Terminal and Towage Services Limited (STTSL), collectively referred to as the OSL Group due to their managerial, operational and financial linkages.

The rating reaffirmation factors in the strong credit risk profile of the parent group – Adani Ports and Special Economic Zone – and the healthy credit profile of the OSL Group. At a consolidated level, the OSL Group reported a revenue of ~Rs. 706 crore in FY2026. The Q1 FY2027 provisional standalone revenue stood at around Rs. 172 crore. The OSL Group's operating margins remained healthy at ~58.7% in FY2026, an improvement of around 100 basis points over the previous year, owing to a cost reduction brought about by lowering the idle time of tugs, optimising the teams, cutting employee costs and renewing the contracts at higher rates. The profitability is expected to remain healthy, going forward. Further, the capital structure and coverage indicators remain comfortable.

The ratings continue to factor in the companys extensive track record and considerable experience in port operations and management (O&M) services, its leadership position in the segment, the medium-to-long tenure of its contracts that provide revenue visibility and the take-or-pay provisions that safeguard the profitability. The credit profile also derives comfort from a large and diversified fleet, OSLs track record of getting repeat business from contract renewals/extensions and the healthy bidding success rate of the new contracts. The renewal risk is mitigated by the Group's dominant market share. Further, the long-term demand outlook for port O&M services remains favourable, driven by the large-scale ongoing and proposed port developments in India. ICRA notes that the company plans to expand its fleet of tugs over the next three years, though the capex is likely to be funded from internal accruals. Moreover, a positive demand outlook for tugs mitigates the market risk.

The ratings are, however, constrained by the inherently high capital intensity of the business that moderates the return indicators, and the ongoing expansion plans of the company. Moreover, while its profitability remains vulnerable to idle vessel time and competition in the port O&M sector, ICRA notes that the track record of healthy vessel utilisation and contract renewals mitigates the risk.

The Stable outlook on the long-term rating reflects ICRA's expectation that the OSL Group is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex to increase the number of vessels will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Strong parentage - The rating takes support from the strong profile of the ultimate parent - APSEZ. OSL has close operational and financial linkages with APSEZ, given the common linkages with the management and the track record of financial support. The rating for the major working capital facility is based on the strength of the unconditional and irrevocable corporate guarantee provided by APSEZ.

Extensive track record and leading market position in Indian port O&M services sector – OSL, incorporated in 1995, along with its subsidiaries and JV, provides port O&M services. It is the largest player in the domestic O&M market with a fleet of around 75 vessels, as of October 2026.

Favourable long-term demand outlook for port management and other marine services – OSL provides port O&M services and, accordingly the growth in its business is directly linked to the scale of activity and investments in the port sector. The favourable outlook for cargo growth is expected to boost the port O&M business, which augurs well for companies such as OSL.

Stable business model and good track record of repeat business – The Group's business model is primarily based on long-term contracts, with tenures ranging from two to 15 years and a provision for further extension/renewal based on mutual agreements. Further, the take-or-pay provision in the contracts results in assured revenue, irrespective of the throughput and the vessels handled by the ports. The company got several contracts renewed at higher rates in the last two years. While a portion of its existing orders are due for renewal in the near to medium term, the renewal risk is mitigated by its dominant market position, a diversified fleet and a healthy track record of getting repeat business from contract renewals/extensions.

OSLs healthy success rate in bidding for new contracts provides comfort to its growth prospects and revenue generation capability. ICRA also notes that the competitive intensity in the marine O&M segment has moderated over the years due to the financial constraints faced by some of the other players. The entry barriers are high in this segment because of the long gestation period, mitigating the risk of competition in the medium term. OSL also benefits from a competitive advantage over other players in the bidding process, enhancing its ability to win contracts consistently.

Comfortable financial risk profile with healthy profitability indicators – OSLs financial profile remains comfortable, evident from its healthy profitability indicators, capital structure and coverage indicators. On a consolidated basis, OSL's revenue rose around 8% year-on-year (YoY) to ~Rs. 706 in FY2026. Further, the profitability remained healthy at ~58.7%. During Q1 FY2027, the standalone financials remained healthy with a provisional revenue of ~Rs. 172 crore. The operating profitability also remained healthy at ~61.5% in Q1 FY2027. The improvement in operating profitability in the last few years is attributable to various factors, including reduced idle time for the tugs, optimisation of the teams, lower employee costs and renewal of contracts at higher rates. The companys coverage and leverage metrics remained comfortable because of the low debt levels. On a consolidated basis, the interest coverage stood at 48.6 times and the DSCR at 10.9 times in FY2026.

Credit challenges

High capital-intensive nature of business – The inherently high capital intensity of the business necessitates periodic large-scale expansion of the fleet. Further, any timing mismatches in the intermediary period between asset acquisition and deployment can impact its profitability. However, the company's policy of acquiring a vessel only when the visibility of the contract pipeline is good moderates the risk. The company is planning to add 10-12 vessels in the next three years (FY2027-FY2029), which is expected to be funded by internal accruals. At present, the company has no debt-funded vessel acquisition plan because of which the capital structure is expected to remain comfortable in the near term.

Moderate return indicators – The inherently high capital intensity of the business results in moderate return indicators. The return indicators have been moderate till FY2023, despite the healthy profitability, due to the inherently high capital intensity

of the business. The return on capital employed has improved in the last few years due to higher operating profitability and a significant reduction in the debt levels. However, with the ongoing capex plans, the return metrics are expected to moderate, going forward.

Liquidity position

For the rated entity – OSL: Strong

At a consolidated level, OSLs liquidity position is expected to remain strong with healthy operating cash flows, unutilised working capital limits and unencumbered cash and bank balances. At a consolidated level, the surplus free cash and liquid investments stood at ~Rs. 29.4 crore as on March 31, 2026, and fund-based limits of Rs. 5.04 crore remained unutilised. The company has modest repayment obligations of ~Rs. 8.20 crore in FY2027, which would be comfortably met from the healthy operating cash flows. Going forward, the company plans to incur a capex of Rs. 200-230 crore over FY2027 and FY2028 to purchase vessels, which is expected to be funded by internal accruals.

For the guarantor – APSEZ: Adequate

APSEZs liquidity position is expected to remain adequate, going forward, supported by lien-free cash and liquid investments of Rs. 8,443.1 crore (excluding margin money and haircut on investments as per ICRA's liquidity framework) as on March 31, 2026, coupled with healthy cash flow from operations in the range of Rs. 17,000 crore to Rs. 20,000 crore per annum in FY2027 and FY2028. This will comfortably cover debt repayments of Rs. 5,000-5,500 crore in FY2027 and Rs. 9,000-10,000 crore in FY2028.

Given its financial flexibility, APSEZ may refinance some of the borrowings with repayment due in FY2028, and the overall repayment burden is expected to remain manageable. There is adequate cushion in cash flow from operations to fund the equity portion of the capital outlay. The available cushion in APSEZs working capital limits also supports its liquidity. The capex plans of Rs. 12,000-14,000 crore (excluding any acquisition-related outflow) are expected to be comfortably funded through a prudent mix of debt and internal accruals.

Rating sensitivities

For the [ICRA]AAA (CE) (Stable) rating

Positive factors - Not applicable

Negative factors - The rating could be downgraded if there is any weakening in the parent APSEZs credit profile or if OSLs linkages with its parent deteriorate. Additionally, pressure on the rating could arise if there is a significant reduction in OSLs revenue and profitability, or if a large debt-funded capital expenditure weakens its credit profile.

For the [ICRA]AA (Stable)/[ICRA]A1+ ratings

Positive factors – The ratings could be upgraded if there is a substantial growth in OSL's revenue and profitability on a sustained basis along with healthy debt protection metrics.

Negative factors – Pressure on the ratings could arise if OSL's operating performance deteriorates, resulting in a significant decline in its revenue and profitability. The ratings may also come under pressure if the company undertakes a large debt-funded capital expenditure that may weaken its credit profile. 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
Parent/Group support	Parent/Group Company: Adani Ports and Special Economic Zone Limited {rated [ICRA]AAA(Stable)/[ICRA]A1+}, the ultimate parent company for the rated entity, is expected to extend timely and adequate financial support to OSL, should there be a need in future, given the strategic importance of the rated entity to the parent group
Consolidation/Standalone	While arriving at the ratings, ICRA has taken the consolidated financials of Ocean Sparkle Limited (OSL) and its subsidiaries - Sparkle Port Services Limited (SPSL), Sparkle Terminal and Towage Services Limited (STTSL). The subsidiaries and the joint venture are all enlisted in Annexure II

About the company

Ocean Sparkle Limited (OSL), its subsidiary and its joint venture (JV) companies, collectively referred to as the OSL Group, provides marine vessels and comprehensive port management services across various major, non-major and captive ports in India and abroad.

Adani Ports and Special Economic Zone Limited (APSEZ), through its subsidiary Adani Harbour Services Limited (AHSL), acquired a majority stake in the company in May 2022. Accordingly, from May 2022, AHSL has become the holding company and APSEZ has become the ultimate holding company.

As on July 1, 2025, APSEZ has merged Adani Harbour Services Limited (AHSL) into Shanti Sagar International Dredging Limited (SSIDL). SSIDL will now manage all pilotage, towage, and tug services previously handled by AHSL, aimed at streamlining the operations and enhancing strategic synergies. SSIDL held 98.52% in OSL as of February 2026.

Key financial indicators (audited)

OSL Consolidated	FY2025	FY2026
Operating income	654.5	706.3
PAT	300.9	347.9
OPBDIT/OI	57.7%	58.7%
PAT/OI	46.0%	49.3%
Total outside liabilities/Tangible net worth (times)	0.06	0.03
Total debt/OPBDIT (times)	0.19	0.09
Interest coverage (times)	46.20	48.58

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 (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Nov 27, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund based – Others	Long term	4.04	**[ICRA]AA (Stable)**	Mar 30, 2026	[ICRA]AA (Stable)	Nov 26, 2024	[ICRA]AA (Stable)	Mar 28, 2024	[ICRA]AA (Stable)
						Mar 28, 2025	[ICRA]AA (Stable)	-	-
Non-fund based	Short term	-	-	Mar 30, 2026	[ICRA]A1+	Nov 26, 2024	[ICRA]A1+	Mar 28, 2024	[ICRA]A1+
						Mar 28, 2025	[ICRA]A1+	-	-
Unallocated limits	Long term/ Short term	59.96	**[ICRA]AA (Stable)/ [ICRA]A1+**	Mar 30, 2026	[ICRA]AA (Stable)/ [ICRA]A1+	Nov 26, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	Mar 28, 2024	[ICRA]AA (Stable)/ [ICRA]A1+
						Mar 28, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	-	-
Fund based – Cash credit	Long term	1.00	**[ICRA]AAA (CE) (Stable)**	-	-	-	-	-	-
Non-fund based - Bank guarantee	Long term	260.00	**[ICRA]AAA (CE) (Stable)**	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Cash credit	Simple
Long term – Non-fund-based – Bank guarantee	Simple
Long term – Fund based – Others	Simple
Long term/Short term – Unallocated limits	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 entitys 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 ICRAs 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 – Fund based – Cash credit	-	-	-	1.00	[ICRA]AAA (CE) (Stable)
NA	Long term – Non-fund based – bank guarantee	-	-	-	260.00	[ICRA]AAA (CE) (Stable)
NA	Long term – Fund based – Others	-	-	-	4.04	[ICRA]AA (Stable)
NA	Long term/Short term – Unallocated limits	-	-	-	59.96	[ICRA]AA (Stable)/ [ICRA]A1+

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	OSL ownership	Consolidation approach
Ocean Sparkle Limited	100.0% (rated entity)	Full consolidation
Sparkle Port Services Limited	100.0%	Full consolidation
Sparkle Terminal and Towage Services Limited	100.0%	Full consolidation
Sparkle Overseas Pte. Ltd	100.0%	Full consolidation
Sea Sparkle Harbour Services Limited	100.0%	Full consolidation
Khimji Sparkle Marine Services Co SOAC	49.0%	Equity method

Source: Annual report FY2026

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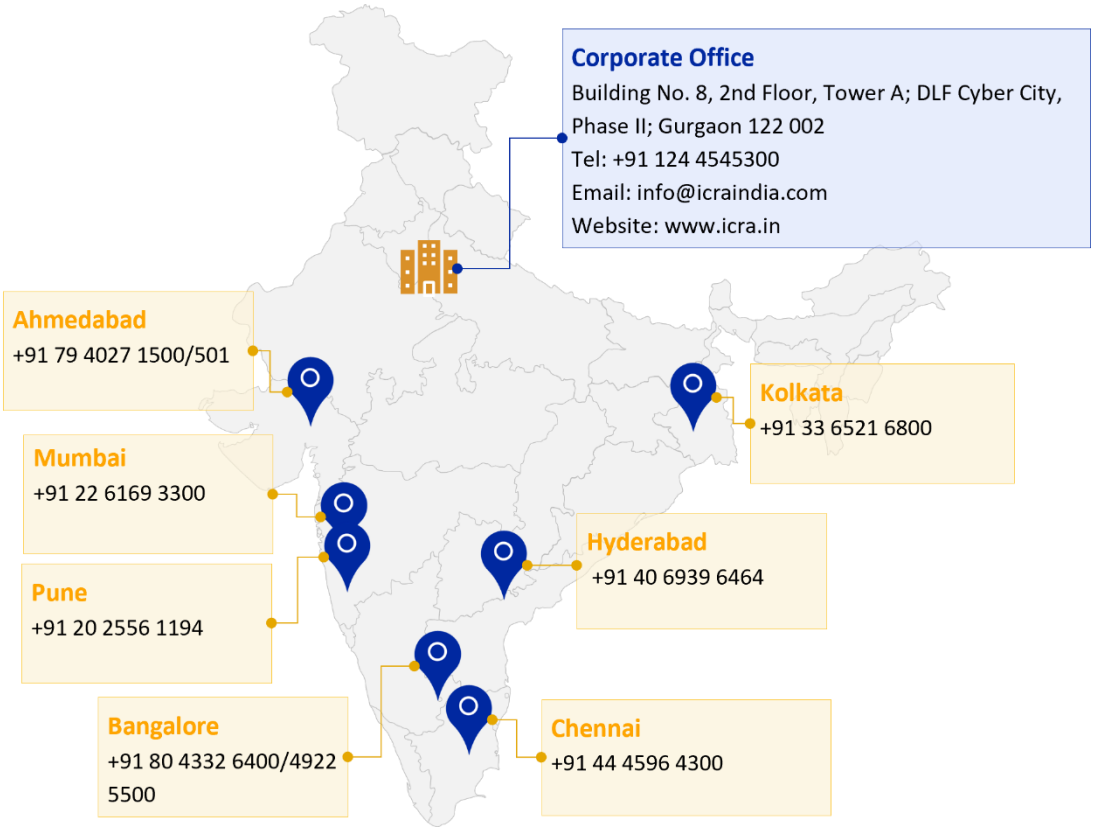

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