

Vizag Seaport Private Limited

February 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	42.00 (Reduced from 66.98)	CARE BB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to bank facilities of Vizag Seaport Private Limited (VSPL) is constrained by its moderate financial risk profile, the weak credit profile of the holding company, and significant exposure through advances extended to the parent. The company's limited pricing power, concentrated cargo mix, high industry competition, and vulnerability to economic cycles also weigh on the rating.

However, the rating continues to derive strength from experienced promoters, a strategically favourable location with strong hinterland connectivity, and stable operational performance. The renewal of cargo-handling agreements with key clients provides medium-term revenue visibility and reduces counterparty risk. CARE Ratings Limited (CareEdge Ratings) expects VSPL's operational performance to remain stable in the medium term, supported by continued cargo volumes from its major customers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ramping-up cargo-handling revenue from terminal operations to ₹250 crore while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin exceeding 40% on a consistent basis.

Negative factors

- Increase in exposure to group or associate companies by way of investments or advances.
- Unfavourable verdict against the pending litigations that may result in cash outflow, impacting net worth position.
- Deteriorating PBILDT margin below 32%.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings expects the company to sustain its improved operational performance, supported by increasing demand and medium-term contracts with reputed clients.

Detailed description of key rating drivers:

Key weaknesses

Decline in scale of operations and profitability

Scale of operations and profitability declined in FY25; however, utilisation of working capital limits remained nil and cash flow from operations (CFO) was comfortable. VSPL reported a 12% decline in its total operating income (TOI) to ₹244 crore in FY25 (₹276 crore in FY24), primarily due to lower cargo-handling throughput for lime stone, coal and iron ore. The company's PBILDT margin declined to 33% in FY25, while the profit after taxation (PAT) margin stood at 7.72% owing to reduction in realisations.

Moderate financial risk profile

The company's financial risk profile remained moderate, with overall gearing at 1.74x as on March 31, 2025, compared to 1.53x in the previous year, driven by additional lease liability arising from the new crane. However, adjusted gearing remained elevated at 5.59x due to loans and advances of ₹94.42 crore extended to the holding company and associate, relative to a net worth of ₹136.99 crore.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

VSPL's debt profile consists of term loans, vehicle loans, lease liabilities related to the crane, and working capital borrowings. The company's working capital limits were unutilised as on March 31, 2025, and in 9MFY26. Total debt to gross cash accruals (TD/GCA) stood at 4.41x as on March 31, 2025, while the interest coverage ratio was 3.36x in FY25, moderating from 3.54x in FY24.

CareEdge Ratings expects gearing levels to remain moderate in the near term, supported by unutilised working capital limits and stable cash accruals, although adjusted leverage will continue to be sensitive to the recovery of loans and advances from group entities.

Exposure to restructured loan extended to AJR Infra and Tolling Limited

The loan due from AJR Infra and Tolling Limited (formerly Gammon Infrastructure Projects Limited) has undergone multiple restructurings in earlier periods and is linked to the specific award of Patna Buxar Highway Limited, a subsidiary of AJR Infra. The outstanding loan of Rs.93 crore as of 31st March 2024 has been reduced to Rs. Rs. 62 crore as of 31st March 2025. As per the settlement arrangement, the company stopped recognising interest on this exposure with effect from April 1, 2020. Interest on the principal was waived during the fourth Quarter under the final settlement terms.

In FY25, VSPL renegotiated the terms and agreed to receive ₹62 crore along with compensation of ₹25 crore. The compensation is payable upon receipt of the assigned award on or before September 30, 2025, or upon realisation of arbitral proceeds by AJR Infra, whichever is earlier.

However, Rs. 4 crore has been received to date. The outstanding amount currently stands at about Rs. 58 crore. CARE Ratings expects the continued delay in recovery to keep VSPL's exposure to the group entity high in the near term and will monitor progress on award realisation and settlement inflow.

Limited pricing control

The role of the Tariff Authority for Major Ports (TAMP) has been revised, and the Board of Major Port Authority now has the power to fix tariffs for public-private partnerships (PPP) under the tariff guidelines of 2005, 2008, 2013, 2018, and 2019. With the commencement of the Major Port Trusts (MPT) Act 2021, PPP operators can determine their tariffs based on prevailing market conditions. The Board of the Port Authority has also been authorised to fix the scale of rates for other port services and assets, including land.

In line with these regulatory changes, VSPL approached the Visakhapatnam Port Authority for revision of its scale of rates. Accordingly Visakhapatnam Port Authority Board approved the Scale of Rates (SoR) of. M/s VIZAG SEAPORT PRIVATE LIMITED (VSPL) vide Resolution No. 86/ 2024-25 in Board Meeting No.2/ 2024- 25 held on 08.11.2024 and the same is notified under Gazette notification G.1029 vide No.54 dated MARCH 27, 2025.

Concentrated cargo portfolio

Vizag Port primarily handles coal because of its proximity to the mineral belt and the high volume of imported coal and pet-coke demanded by steel, power, and cement units in the hinterland. Top three commodities—coking coal, steam coal, and pet-coke—accounted for ~80% of cargo handled in FY24, reflecting a concentrated cargo profile. CareEdge Ratings expects the dependence on coal-based cargo to remain high in the near term, which may expose VSPL's revenue to demand variations in end-user industries.

High competition from nearby ports and susceptibility of cargo volumes to economic cycles

VSPL faces competition from other nearby ports such as Paradip (Odisha), Haldia, and Gangavaram Port Limited among others, all having longer operational track record compared to VSPL. The performance of the port is also linked to cargo traffic, which consequently depends on economic health. A slowdown in the economy is likely to result in subdued volume growth.

Key strengths

Experienced management with established track record

VSPL has been promoted jointly by AJR Infra & Tolling Limited (AJR Infra) and Lasting Holdings Limited (LHL), the joint venture (JV) investment arm of the Swapan Sadhan Bose Group (SS Bose Group). In FY22, AJR Infra divested its 33% stake to Shripriya Ports Private Limited for a consideration of ₹26.40 crore due to its stressed financial position. In FY25, the shareholding stood at 49.70% for SPPL, 23.56% for AJR Infra, and 26.24% for LHL.

The group has interests in stevedoring, cargo handling, port handling, mining, coastal cargo movement, and media, with an established presence of over 120 years across major eastern ports such as Haldia, Paradip, Vizag, and Kolkata. VSPL commenced operations in July 2004 and has an operating track record of over two decades. It is among the early private entrants under a concession agreement (CA) awarded by VPT in 2001, which provides favourable terms including low royalty obligations and the

absence of minimum guaranteed tonnage (MGT). CareEdge Ratings also expects the promoter stability and long-standing concession terms to aid the company's ability to sustain throughput levels and maintain stable profitability in the medium term.

Strategic port location with adequate infrastructure

VSPL has developed a multi-cargo handling terminal at the inner harbour of Vizag Port with an arrival draft of 16.5 metre at both berths, EQ8 (fully mechanised) and EQ9 (partly mechanised), enabling the handling of fully laden Panamax vessels.

The company has cargo-handling capacity of 7.7 million metric tonne (MMT), enhanced from 5 MMT per the concession agreement (CA), and operates a dedicated stackyard and stockyard spread across 69 acres. Both berths are supported by dedicated railway sidings that facilitate direct movement of cargo from vessels to the stockyard.

Liquidity: Adequate

The liquidity position is characterised by adequate cushion in accruals (excluding exceptional expenses) against repayment obligations of ₹27 crore and comfortable cash balance of ~₹18 crore as on March 31, 2025. This apart, VSPL also has unutilised CC limit of ~₹7.00 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Port & Port services](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport infrastructure	Port and port services

VSPL was incorporated on April 24, 2001, as Vizag Seaport Limited (VSL) by a consortium of companies of the Gammon group, Portia Management Services Limited (PMS; UK-based) and LHL. PMS later transferred its entire stake to AJR in FY04. Other current shareholders include Shripriya Ports Private Limited and LHL. VSPL has been granted 30-years concession (including a construction period of two years) by VPT on a build, operate, transfer (BOT) basis on November 28, 2001, for constructing, equipping, operating, managing, and maintaining two multi-purpose berths with an aggregate cargo handling capacity of 7.7 MMT in the Northern Arm of Inner Harbour of Vizag Port.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	276.13	244.32	121.44
PBILDT*	103.94	81.28	50.71
Profit after tax (PAT)	36.39	18.88	15.07
Overall gearing (x)	1.53	1.74	1.54
Interest coverage (x)	3.54	3.36	5.12

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	January 2027	35.00	CARE BB; Stable
Fund-based - LT-Working Capital Limits		-	-	-	7.00	CARE BB; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	35.00	CARE BB; Stable	-	1)CARE BB; Stable (12-Mar-25) 2)CARE D (28-Aug-24) 3)CARE BB; Stable (28-Aug-24)	1)CARE BB; Stable (18-Mar-24)	1)CARE BB; Stable (28-Mar-23)
2	Fund-based - LT-Working Capital Limits	LT	7.00	CARE BB; Stable	-	1)CARE BB; Stable (12-Mar-25) 2)CARE C (28-Aug-24) 3)CARE BB; Stable (28-Aug-24)	1)CARE BB; Stable (18-Mar-24)	1)CARE BB; Stable (28-Mar-23)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: E-mail: karthik.raj@careedge.in</p> <p>Niraj Thorat Assistant Director CARE Ratings Limited Phone: 914040102030 E-mail: Niraj.Thorat@careedge.in</p> <p>Purva Budhbhatti Lead Analyst CARE Ratings Limited E-mail: Purva.Budhbhatti@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**