Kamarajar Port Limited

July 17, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Infrastructure bonds	SEBI	297.68	CARE AA; Stable	Reaffirmed
Long-term bank facilities	RBI	200.00	CARE AA; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of rating assigned to the debt instruments and rating assigned to bank facilities of Kamarajar Port Limited (KPL) derive strength from the established operational track record of KPL with the landlord port model, autonomy in tariff fixation which supports profitability and return metrics, presence of multiple cargo handling berths and long-term revenue visibility from concession agreements (CAs) with berth operators. The rating also factors in the ultimate ownership by the Government of India (GoI) with strategic importance as one of India's 12 major ports. KPL's robust financial and liquidity position are other key credit strengths.

Ratings also factor stable operational and financial performance in FY26. The port capacity utilisation stood at 73% in FY26 (84% in FY25), with marginal cargo growth of 1.36% in FY26 to 49.08 million metric tonnes (MMT) from 48.42 MMT in FY25. Moderation in capacity utilisation was primarily due to increase in the port's operational capacity to 67.44 MMTPA in FY26 from 58.44 MMTPA in FY25, following the commissioning of Coal Berth-3 with a capacity of 9 MMTPA. The new berth is expected to handle coal cargo, and the throughput is expected to ramp up gradually over the medium term, supporting improvement in capacity utilisation levels. Coal and Container cargo continues to dominate the cargo composition with share of 52% and 28%, respectively, in FY26.

Financial performance also remains satisfactory with growth in total operating by ~9% to ₹1,239 crore in FY26 from ₹1,138 crore in FY25 primarily led by tariff revision, given the autonomy in tariff fixation. The profit before interest, lease, depreciation and tax (PBILDT) margin has been comfortable at 83.15% in FY26 (83.13% in FY25) and is expected to remain strong in the medium term. Total debt to earnings before interest, taxation, depreciation, and amortisation (EBITDA) remained below 1x in FY26 and is projected to stay below unity in the medium term.

KPL plans to incur capex of ₹1,277 crore from FY27–FY29 for capital dredging and connectivity improvements work, funded primarily through internal accruals and a debt of ₹200 crore. Despite the proposed capex and additional debt, debt coverage metrics are expected to remain comfortable, supported by healthy cash accruals.

KPL has been nominated as the nodal implementation agency and concessioning authority for the International Container Transhipment Port project at Galathea Bay, Great Nicobar Island. The project size is ~₹48,000 crore and KPL shall be the Concessioning Authority for the port proposed to be developed on Public Private Partnership (PPP) mode. CARE Ratings Limited's (CareEdge Ratings') understands that KPL's role is limited to project implementation and concessioning, with no equity investment in the project. Any higher-than-envisaged investment in the project impacting the debt coverage/liquidity shall be important from credit perspective.

Rating strengths are tempered by delay in commissioning of expanded capacities, significant cash outflow in the form of dividend payments to Chennai Port Authority (CPA) and relatively weaker financial position of the parent CPA, moderate cargo mix, and competition from nearby ports. Given the moderate credit profile of CPA, KPL has been supporting through dividend payments; however, CareEdge Ratings understands that KPL does not plan to extend support beyond such payments. Deviation from this stance will be a key monitorable.

There are contingent liabilities in the form of disputed claims under revenue contract with one of the PPP concessionaires and Appellate Tribunal judgement for arbitration proceedings against this dispute has been against the company. The company has appealed against it in the High Court and matter is sub-judice. CareEdge Ratings is given to understand that there is no

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

development on the matter and remains status-quo. Adverse impact of such liabilities on KPL's liquidity profile shall remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant-scale up of operation with cargo diversifications while maintaining comfortable leverage.

Negative factors

- Reduction in throughput to below 40% with decline in scale of operations.
- Aggressive debt-funded capex resulting in net debt/ PBILDT exceeding 3x
- Adverse outcome of ongoing dispute with existing berth operators impacting the company's liquidity position.
- Higher-than-envisaged funding support to CPA impacting KPL's liquidity profile/financial position.

Analytical approach: Standalone

Standalone, factoring in likely support from ultimate parent, GoI. KPL is one of the 12 major ports and assumes strategic importance for GoI.

Outlook: Stable

The company's operating and financial performance is expected to remain stable with efficient operations, favourable port location, long-term revenue share agreements with reputed players for handling of berths and presence of sticky customer in the form of Tamil Nadu Power Distribution Corporation Limited (TANPDCL; erstwhile, Tamil Nadu Generation and Distribution Corporation Limited [TANGEDCO]).

Detailed description of key rating drivers

Key strengths

Government ownership and established track record of operations

KPL commenced operations in 2001 and has a presence of over two decades in the port infrastructure segment. The port is ultimately held by GoI through CPA. KPL is one of the corporatised major ports and remains strategically important to GoI, being one of the 12 major ports in India under the Ministry of Shipping. The port was originally conceived to handle thermal coal to meet TANPDCL's coal requirements. The scope was expanded considering subsequent development plans in Tamil Nadu, including addition of coal-based power plants of large capacities in the port's vicinity.

Vast hinterland and state-of-the-art port facilities

The port has a vast hinterland comprising inland Tamil Nadu and Andhra Pradesh to the north and Karnataka to the west of the port. The port has adequate road and rail links with roads connected to NH-4, NH-5, and NH-45, while rails are linked to Southern Railway main lines. KPL is one of the fastest-growing Indian sea ports. It started with a port capacity of 12 MMTPA, which has grown to 67.44 MMTPA (operational capacity) in 2026 through development of a state-of-the-art new cargo terminal under the PPP or captive models. KPL has the capacity to develop 20 berths for handling a variety of bulk, liquid, automobile, and container cargo. The existing coal terminal at KPL consists of two berths for accommodating two 280-m-long coal carriers of up to 77,000 DWT for the exclusive handling of coal required by TANPDCL.

Landlord port model and autonomy in tariff fixation

KPL operates under the landlord port model, where the port's functions are limited to overall planning, development, mobilisation of investments for port development, and other infrastructure activities. Hence, capital investment is on the lower side. KPL also has autonomy in fixing tariffs and is not regulated by guidelines applicable to major ports regarding tariff fixation. These structural features have resulted in strong profitability and return indicators for KPL. PBILDT margin stood at over 80% for the last three years and is expected to remain in the similar range. The return on capital employed (ROCE) has also remained stable at 24.24% for FY26 (FY24: 24.31%).

Long-term revenue visibility

Income from handling coal is the major contributor, accounting for 52% of the revenue in FY26 (FY25: 53%). This can be attributed to the fact that port was originally conceived to primarily handle coal for thermal power plants of TANPDCL. The North

Chennai Thermal Power Station (NCTPS) of TANPDCL is adjacent to KPL's boundary. Coal from coal berths, CB1 and CB2, are moved through conveyers to NCTPS' storage yard. Factors such as cost advantages and proximity result in optimal utilisation of these terminals by TANPDCL. Per this arrangement, KPL is paid composite coal tariff (cargo handling and vessel charges) on a per tonne basis with a revision in tariff every three years. Last revision was done in July 2025. KPL has signed a 30-year CA with Ennore Coal Terminal Private Limited (ECTPL) and Ennore Tank Terminals Private Limited (ETTPL) for the construction and operation of a coal terminal (common user coal berth) and a marine liquid terminal, respectively. KPL also has an agreement with Adani Ennore Container Terminal Private Limited for a container terminal, specifying minimum guarantee clauses. Agreements stipulate a fixed revenue sharing, which provides a stable revenue stream.

Satisfactory operational and financial performance in FY26

KPL's operational capacity utilisation stood at 73% in FY26 (FY25: 84%). The moderation in capacity utilisation was primarily due to increase in the port's operational capacity to 67.44 MMTPA in FY26 from 58.44 MMTPA in FY25, following the commissioning of Coal Berth-3 with a capacity of 9 MMTPA. The new berth is expected to handle coal cargo, and the throughput is expected to ramp up gradually over the medium term, supporting improvement in capacity utilisation levels. Majority utilisation is driven by coal cargo and container terminals. The contribution of coal throughput in FY26 remained at 52% (53% in FY25), and contribution of container terminal has increased to 28% in FY26 considering increasing trend of containerization. The cargo volume grew marginally at 1.36% in FY26 to 49.08 MMT from 48.42 MMT.

Despite marginal growth in cargo, the total operating revenue has registered y-o-y growth of ~8.85% in FY26, increasing to ₹1,239 crore from ₹1,138 crore in FY25 considering revision in tariffs. The PBILDT margin stood at 83.15% in FY26 (FY25: 83.13%). The vessel turnaround time for the port continues to show improvement with increase in efficiency of container movement at the port and increased capacity of crane and berth productivity. It improved from 46.38 hours in FY22 to 43.27 hours in FY26.

Robust financial position

KPL's capital structure has been comfortable, with low debt in the books of account. With the landlord model, the port has to provide basic infrastructure such as road and rail connectivity, dredged basin and channel, marine services and other common utilities, and leases out terminals on long-term arrangements for development. Hence, overall capex has been moderately low. Overall gearing ratio was below unity at 0.13x as on March 31, 2026 (0.15x as on March 31, 2025). Debt coverage metrics have also been at a comfortable level, with the total debt/PBILDT below unity in FY26. KPL plans to incur capex in FY27-FY29 towards capital dredging, rail connectivity works among others. The project-related capex for the next three years (FY27-FY29) is estimated to cost ~₹1,277 crore, which expected to be funded primarily through internal accruals and partly through a new term loan of ₹200 crore, secured in FY26. There are no further borrowing plan in the near term.

KPL has been nominated as the nodal implementation agency and concessioning authority for the International Container Transhipment Port project at Galathea Bay, Great Nicobar Island. CareEdge Ratings understands that KPL's role is limited to project implementation and concessioning, with no equity investment in the project. KPL is required to incur ~₹277 crore towards afforestation costs for the transhipment project, which is expected to be subsequently recovered from the concessionaire. Higher-than-envisaged investment in the project impacting debt coverage/liquidity shall be important from credit perspective.

Key weaknesses

Moderate cargo mix

KPL is an all-weather port and can handle diverse cargo comprising petroleum (including liquified petroleum gas [LPG]), oil, lubricants, coal, iron ore, cars, and container cargoes. KPL has 11 berths with a total capacity of 73.44 MTPA (operational capacity 67.44 MTPA). This includes three coal berths of 27 MTPA, of which two are exclusively for TANPDCL. Of the remaining seven berths, two are for general cargo and one each for liquid cargo, multi-cargo, container terminal, LNG and iron ore terminal. Originally, the port was conceived only to handle coal for the thermal power plants of TANPDCL, and hence, the concentration on coal cargo has been high. Around 52% of the total cargo handled in FY26 pertains to coal. However, gradually, the port set up terminals for handling different cargoes, reducing coal dependability. The container terminal, which commenced operations in FY18, enabled diversification of cargo. KPL's container cargo share improved to 28% in FY26 (27% in FY25).

Dividend payouts to CPA and relatively weaker financial position of CPA

In March 2020, CPA, which held a 33.33% stake in KPL until then, acquired the remaining 66.67% stake from the GoI at a cost of ₹2,383 crore. This was funded by CPA through ₹1,775 crore of structured term loan (15 years – with a ballooning repayment structure) and the rest through cash available with CPA. CPA's financial performance has been moderate with low profit levels and high employee expenses. Given CPA's moderate financial position, KPL has been extending support in the form of dividend payouts for servicing CPA's debt obligations. Dividend outflow in FY26 stood at ₹300 crore (FY25: ₹390 crore). CareEdge Ratings does not foresee additional support above dividend payments towards CPA. Deviations from this stance, impacting KPL's liquidity shall be important from credit perspective.

Significant contingent liabilities

The entity entered PPP for construction of container terminal (Phase-II) with Adani Ennore Container Terminal Private Limited, which is under dispute. CareEdge Ratings notes that the Appellate Tribunal Judgement for the arbitration proceedings have been unfavourable for the company. KPL has appealed against it in the High court and the matter sub-judice. Adverse outcomes impacting KPL's liquidity profile will be important from a credit perspective.

Competition from nearby ports

KPL faces competition from nearby ports of Adani, Krishnapatnam Port and Kattupalli Port. Kattupalli Port is within a few kilometre radius of KPL. The port currently has three berths including a container terminal and Bulk and Automobile terminal run by the Adani group, which also runs a container terminal in KPT on a build, operate and transfer (BOT) basis. Nearby ports are likely to compete in respect of major cargoes such as automobile and container cargo. However, there is assured revenue to KPT from captive customer, TANPDCL, as it has made significant investments in coal handling equipment in the jetty and setting up conveyer system to move coal directly from the vessel to TANPDCL's stockyard.

Liquidity: Strong

The liquidity position is characterised by a sufficient cushion in accruals against repayment obligations. KPL has not availed working capital limits. The company receives revenue share and composite tariffs in advance, which is on a fixed contract basis. The company receives advance payments from its major customer – TANPDCL – in most cases, and in some cases, before the ship sails out, negating risk of receivables from the utility. The company has free cash and bank balance of ₹408 crore as on March 31, 2026 (₹280 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
- Factoring Linkages Government Support

About the company and industry

Industry classification

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

KPL was incorporated in October 1999 and was declared as a major port under the Indian Ports Act 1908. KPL's commercial operations started on June 22, 2001, and is one of the corporatised major port with Miniratna Category I status. KPL was initially held by GoI through the Ministry of Shipping, representing 67% share, while the remaining 33% was held by CPA. However, to optimise KPL's capacity usage and eliminate competition between KPL and CPA, the Cabinet Committee on Economic Affairs approved strategic disinvestment of 100% equity shares of GoI in KPL to CPA in a single stage process. As on March 31, 2026, CPA held 100% stake in KPL. The port is ~24 km from Chennai. The port has 11 berths with an aggregate capacity of 73.44 MMTPA of cargo (operating capacity 67.44 MTPA).

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	1,138.42	1,239.15
PBILDT*	946.35	1,030.36
Profit after tax (PAT)	539.33	596.04
Overall gearing (x)	0.15	0.13

Interest coverage (x)	21.67	25.11

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds-Infrastructure Bonds	SEBI	Simple	INE363O07046	26-Mar-2013	7.17/7.67	25-Mar-2028	11.71	CARE AA; Stable
Bonds-Infrastructure Bonds	SEBI	Simple	INE363O07095	25-Mar-2014	9	25-Mar-2029	119.24	CARE AA; Stable
Bonds-Infrastructure Bonds	SEBI	Simple	INE363O07061	25-Mar-2014	8.75	25-Mar-2028	72.41	CARE AA; Stable
Bonds-Infrastructure Bonds	SEBI	Simple	INE363O07079	25-Mar-2014	8.75	25-Mar-2034	18.71	CARE AA; Stable
Bonds-Infrastructure Bonds	SEBI	Simple	INE363O07103	25-Mar-2014	9	25-Mar-2034	75.61	CARE AA; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-Sep-2031	200.00	CARE AA; 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 2026-2027	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
1	Bonds-Infrastructure Bonds	LT	11.71	CARE AA; Stable	-	1)CARE AA; Stable (03-Dec-25)	1)CARE AA; Stable (04-Dec-24)	1)CARE AA; Stable (07-Dec-23)
2	Bonds-Infrastructure Bonds	LT	285.97	CARE AA; Stable	-	1)CARE AA; Stable (03-Dec-25)	1)CARE AA; Stable (04-Dec-24)	1)CARE AA; Stable (07-Dec-23)
3	Fund-based - LT-Term Loan	LT	200.00	CARE AA; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: 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.

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About us:

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