

## Rating Rationale

May 22, 2025 | Mumbai

# Ennore Cargo Container Terminal Private Limited

Rating reaffirmed at 'Crisil BBB/Stable'

### Rating Action

Total Bank Loan Facilities Rated	Rs.60 Crore
Long Term Rating	Crisil BBB/Stable (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

### Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil BBB/Stable' rating on the long-term bank facilities of Ennore Cargo Container Terminal Pvt Ltd (ECCT).

The rating continues to reflect the extensive industry experience of the company's promoters, strong improvement in business risk profile, and stable financial risk profile. These strengths are partially offset by exposure to intense competition and to group companies.

### Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of ECCT.

### Key Rating Drivers & Detailed Description

#### Strengths:

- **Longstanding presence:** The promoters have experience of over 20 years in the shipping freight and logistics industry. This has given them an understanding of the dynamics of the market and enabled them to establish healthy relationships with suppliers and customers.
- **Healthy business risk profile:** The business risk profile is marked by incremental revenue, which is increasing on-year. Estimated turnover for fiscal 2025 is around Rs 243 crore against Rs 199 crore in fiscal 2024. Revenue is expected to increase over the medium term with the current additional capacities. Estimated operating margin for fiscal 2025 is around 15.3% against 14.4% previous fiscal, with higher margin in LCL(Less than Container Load) exports. The margin is expected to improve to 16-18% over the medium term with higher contribution from LCL exports.
- **Stable financial risk profile:** The financial profile is marked by significant improvement in networth over the years and the estimated networth as on FY25 is 103 crores. The gearing and TOL/TNW are comfortable with values less than 1 times and the debt protection metrics have been adequate with an estimated interest coverage of 7 times in FY25. The gearing, TOL/TNW are expected to remain comfortable over the medium term and the debt protection metrics are expected to be adequate in the range 5-7 times.

#### Weaknesses:

- **Exposure to intense competition:** The company faces intense competition from large container freight station (CFS) operators. Most competitors are either owned by, or are affiliated to, dedicated shipping lines and operate from multiple locations. After implementation of direct port delivery, competition has intensified, thereby constraining the company's revenue and profitability.
- **Exposure to group companies:** ECCT invested Rs 28.68 crore in its group companies in the form of equity, loans and advances as on March 31, 2022, which is around 28% of its networth. Crisil believes any further exposure to the group companies, impinging own cash accrual, may impact liquidity and will remain a rating sensitivity factor.

### Liquidity: Adequate

Bank limit utilization was moderate at around 78% for the 12 months through March 2025. Cash accrual is expected to be over Rs 27 crore against term debt obligation of Rs 12-18 crores over the medium term. Unencumbered cash and bank balance was around Rs 65 lakh as on March 31, 2025. The promoters are likely to extend equity and unsecured loans to meet the working capital requirement and debt obligation.

### Outlook Stable

Crisil Ratings believes ECCT will continue to benefit from the extensive experience of its promoters and established relationships with clients.

### Rating sensitivity factors

**Upward factors:**

- Improvement in scale of operations and sustenance of operating margin at around 15%, leading to higher net cash accruals.
- Efficient working capital management and healthy financial risk profile
- Further improvement in the liquidity risk profile

**Downward factors:**

- Decline in revenue or operating margin leading to net cash accrual less than Rs 10 crore
- Larger-than-expected debt-funded capital expenditure or stretched working capital cycle weakening the financial risk profile
- Further exposure to group companies constraining the financial risk profile

**About the Company**

Incorporated in 2004, ECCT provides logistics services, including CFS for import and export cargo, warehousing, logistics and supply chain solutions. The company is based in Chennai and is promoted by S Xavier Britto and Vimala Rani Britto.

**Key Financial Indicators**

As on/for the period ended March 31	Unit	2024	2023
Operating income	Rs crore	199.29	147.81
Reported profit after tax (PAT)	Rs crore	13.46	13.01
PAT margin	%	6.03	8.35
Adjusted debt/adjusted networth	Times	0.56	0.45
Interest coverage	Times	14.50	9.94

**Any other information:** Not Applicable

**Note on complexity levels of the rated instrument:**

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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For more details on the Crisil Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Overdraft Facility	NA	NA	NA	10.50	NA	Crisil BBB/Stable
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	0.60	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	2.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	20.40	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	23.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	3.50	NA	Crisil BBB/Stable

**Annexure - Rating History for last 3 Years**

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	60.0	Crisil BBB/Stable		--	26-03-24	Crisil BBB/Stable	05-01-23	Crisil BBB/Stable	04-07-22	Crisil BBB/Stable	--

All amounts are in Rs.Cr.

**Annexure - Details of Bank Lenders & Facilities**

Facility	Amount (Rs.Crore)	Name of Lender	Rating

Overdraft Facility	0.5	Kotak Mahindra Bank Limited	Crisil BBB/Stable
Overdraft Facility	10	Axis Bank Limited	Crisil BBB/Stable
Proposed Fund-Based Bank Limits	0.6	Not Applicable	Crisil BBB/Stable
Term Loan	20.4	HDFC Bank Limited	Crisil BBB/Stable
Term Loan	23	Kotak Mahindra Bank Limited	Crisil BBB/Stable
Term Loan	3.5	Axis Bank Limited	Crisil BBB/Stable
Term Loan	2	Aditya Birla Finance Limited	Crisil BBB/Stable

## Criteria Details

### Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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