

Adani Ports & Special Economic Zone Ltd — 20 Nov 2025 Credit Rating Summary

This credit analysis evaluates **Adani Ports and Special Economic Zone Ltd (APSEZ)** based on the CRISIL report dated November 20, 2025.

Equity-Focused Credit Profile: Adani Ports (APSEZ)

Section	Details
Agency	CRISIL Ratings
Rating Change	Reaffirmed at AAA (Long Term) / A1+ (Short Term)
Outlook (Current vs Prev)	Stable vs Stable
Key Drivers of Change	<ol style="list-style-type: none"> Deleveraging Trajectory: Net Debt/EBITDA improved to 1.82x (Sept 2025) from 3.1x (FY23), creating massive headroom for M&A. Market Dominance: Market share rose to 28% of total Indian cargo and 44% of container traffic; volumes grew 7% YoY. Geographic Diversification: Mundra dependence reduced; East Coast now handles 40% of total cargo. Cash Flow Robustness: Annual Fund Flow from Operations (FFO) expected to exceed ₹16,000 Cr, comfortably covering capex.
Rated Instruments	<ul style="list-style-type: none"> NCDs: ₹7,252 Cr (AAA/Stable) Bank Loan Facilities: ₹0,020 Cr (AAA/Stable) Commercial Paper: ₹1,700 Cr (A1+)
Key Observations	<ul style="list-style-type: none"> Positives: Industry-leading operating margins of ~60%; 56% of cargo is "sticky" (long-term contracts); turnaround time of 0.7 days vs national average. Positives: Logistics revenue doubled to ₹2,224 Cr (H1FY26), creating an end-to-end moat. Positives: Strong financial flexibility with 60% debt in USD bonds and natural hedges (25-30% revenue in USD). Risks: Pending A\$3,975 million acquisition of NQXT (Australia) involves taking over US\$2.2 billion affiliate debt. Risks: Exposure to global trade volatility and competition from adjacent state-owned ports. Risks: Ongoing regulatory investigations remain a monitorable for long-term governance.
Investor Impact	<ul style="list-style-type: none"> Growth: Aggressive inorganic expansion (Gopalpur, Vizhinjam, Tanzania) is now funded by internal accruals rather than fresh equity dilution. Margins: High port margins (70%) cross-subsidize the lower-margin but high-growth logistics/marine business. Leverage: Management committed to capping Net Debt/EBITDA at 2.5x, ensuring no credit-led equity shocks.
Agency / Cross Analysis	<p>Same Agency: Reaffirmed AAA. Since the last review, Revenue grew 14% to ₹30,741 Cr and PAT Margin expanded from 30% to 36%. Interest coverage improved significantly from 6.28x to 8.09x.</p> <p>Conclusion: Improvement. The business has successfully absorbed recent acquisitions while simultaneously strengthening the balance sheet.</p>
Final Inference	Real Improvement. APSEZ has achieved a rare "fortress balance sheet" status (AAA) while maintaining double-digit growth. The transition from a port operator to a global transport utility reduces cyclical risk and justifies a valuation premium.

Financial Snapshot (FY25): * Revenue: ₹30,741 Cr * PAT: ₹1,061 Cr * Adjusted Gearing: 0.71x * Annual Capex Plan: ₹12,000 – ₹18,000 Cr (fully funded by FFO/Cash)