

# Ports



## Anchoring solutions | Navigating success

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01

Page 2: Summary

02

Page 5: Story in charts

03

Page 8: Overview of the ports sector in India

04

Page 11: Infra development the key to growth for the ports sector

05

Page 12: Major ports vs. non-major ports

06

Page 13: Overview of the major ports in India

07

Page 15: Overview of the non-major ports in India

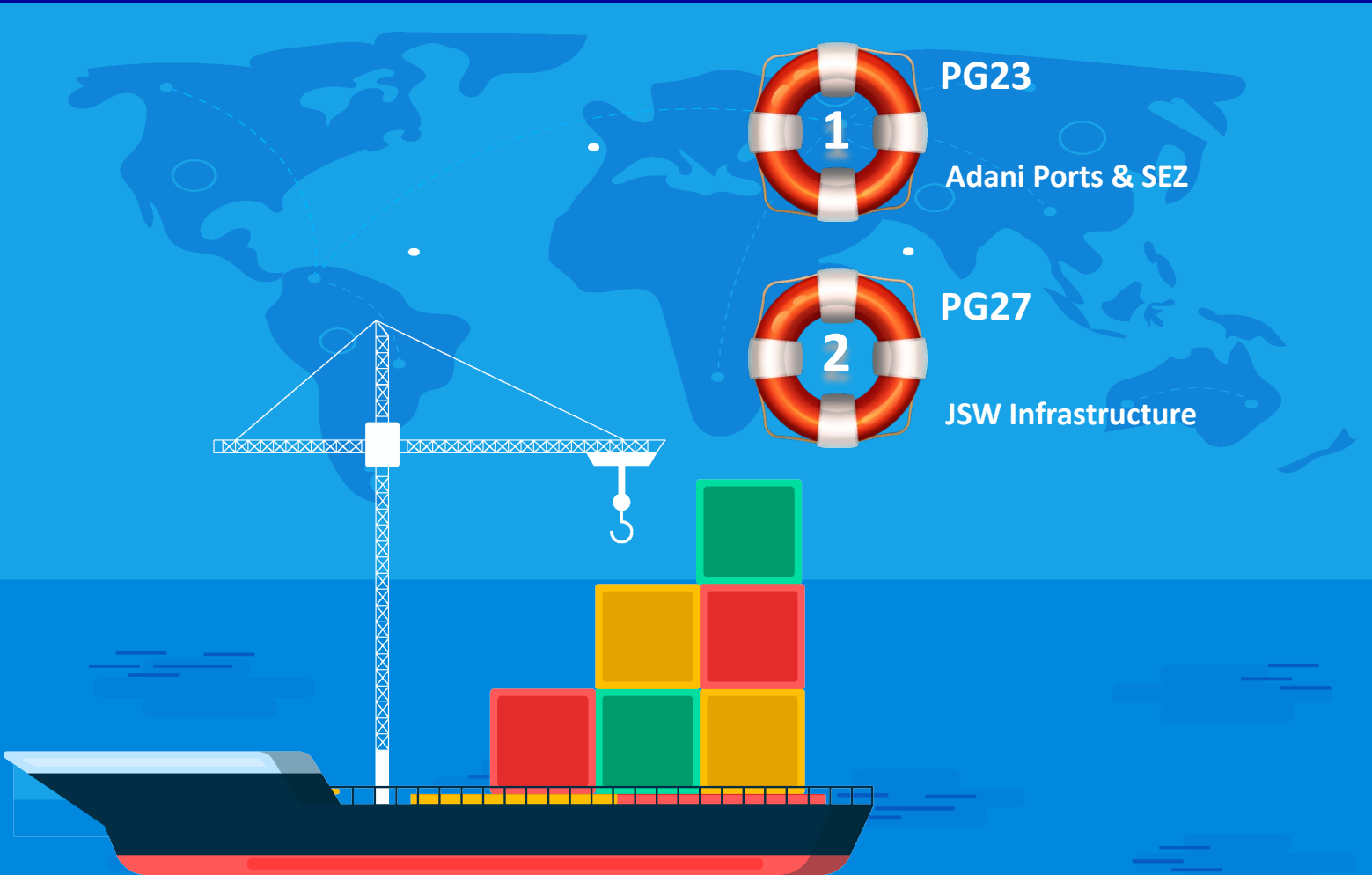
08

Page 16: Capacity additions and utilization of ports in India

09

Page 19: Key risks/challenges in the Indian ports sector

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# Ports

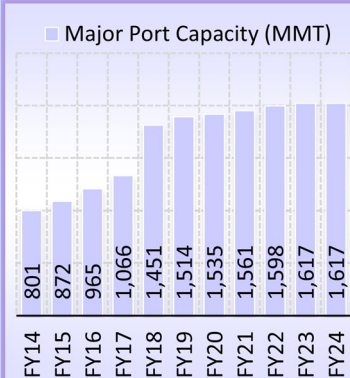


## Anchoring solutions | Navigating success

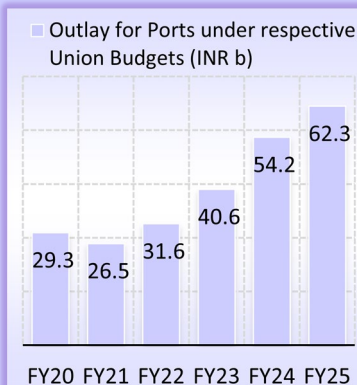
### Growth on a fast-track mode!

- India's ports sector is a vital pillar of its trade and economic framework, managing 95% of the country's export volumes and 70% of its export values. Spanning a coastline of ~7,500km and aided by 20,275km of national waterways across 24 states, the sector benefits from its strategic location in the Indian Ocean. This positioning aligns India with 80% of the global maritime oil trade, underscoring its potential to become a leading maritime player.
- The country's port infrastructure includes 13 major ports and 205 non-major ports, which together handled a cargo volume of 1,539MMT (major ports handled 819MMT in FY24 and 699MMT over Apr'24-Jan'25), backed by an overall capacity of 2,604MTPA.
- The ports operate under diverse management models, such as public-private partnerships in the landlord model, fully state-managed service ports, privately owned service ports, and hybrid tool ports with shared responsibilities.
- The Indian ports sector is poised for significant growth. Between FY23 and FY28, the country's ports are projected to add 500-550MTPA of capacity annually, driven by increased handling of petroleum, oil, lubricants (POL), coal, and containerized cargo. Cargo traffic is expected to grow at a steady annual rate of 3-6%, stabilizing utilization levels at ~55% over the medium term.
- Container traffic growth is anticipated to report an annual growth rate of 4-7% over the next five years, bolstered by rising imports, declining freight costs, and a normalization of global supply chains. Transshipment, which accounts for roughly 25% of India's container throughput, continues to be a crucial segment, with ports like Chennai playing a significant role.
- Adani Ports & SEZ (APSEZ; 15% volume CAGR over FY19-24) and JSW Infrastructure (JSWINFRA; 25% volume CAGR over FY19-24) have outgrown the industry's CAGR of ~5% through aggressive capacity expansion, strategic acquisitions, and integrated logistics solutions. While the industry growth rate is expected to be 4-7% over the next five years, both APSEZ and JSWINFRA are poised for sustained growth of 2-3x the industry, supported by continued organic and inorganic expansions and integrated logistics solutions. Both of these companies are likely to gain market share. Hence, we reiterate our BUY rating on APSEZ and JSWINFRA. JSWINFRA is our top pick in the ports domain.

### Major Ports Capacity (MMT)



### Budget outlay for ports sector



### Major/non-major ports to play pivotal roles in the overall development of the sector

India's port ecosystem comprises major and non-major ports, each playing distinct roles. Major ports, managed by the central government, are primarily located near industrial hubs and handle diverse cargo types based on regional demands. For instance, Paradip and Mormugao handle substantial volumes of coal and iron ore, while Kandla focuses on petroleum products. However, major ports face congestion challenges due to shared access channels.

In contrast, non-major ports, governed by state governments or private operators through public-private partnerships, manage nearly half of India's cargo. These ports benefit from greater flexibility, operational efficiency, and lower congestion. In FY23, non-major ports reported a 7.6% increase in cargo traffic, outperforming the 4.7% growth recorded at major ports.

### Policy support and initiatives such as the Sagarmala project bode well for the sector

The Indian government has introduced several policies and initiatives to enhance port capacity and operational efficiency. The Sagarmala Programme, launched in 2016, is a flagship initiative aimed at reducing logistics costs for export-import (EXIM) and domestic cargo. The program seeks to increase port capacity to 3,300 MTPA by 2025, supported by investments totaling INR 6t across 800 projects. It is expected to save INR 350-400b annually by optimizing logistics efficiency and reducing transportation time.

Another transformative initiative, the Maritime Amrit Kaal Vision 2047, aims to develop six mega ports with world-class infrastructure and boost India's total port handling capacity from 2,500 MTPA to 10,000 MTPA by 2047. This vision includes achieving 100% cargo handling at public-private partnership (PPP) berths and integrating advanced digital technologies into port operations.

### Valuation and view: Outlook remains bright

India's ports sector is crucial to its trade ambitions and economic growth. With focused policy support, private investments, and infrastructure development under initiatives such as Sagarmala and the Maritime Amrit Kaal Vision 2047, India is well-positioned to emerge as a global maritime hub. However, addressing challenges related to policy delays, connectivity gaps, and environmental concerns will be the key to unlocking the sector's full potential.

India's extensive coastline and increased investments in inland waterways, coastal shipping, and port privatization initiatives by the government are expected to benefit companies like APSEZ and JSWINFRA, enabling them to handle a larger share of volume at Indian ports.

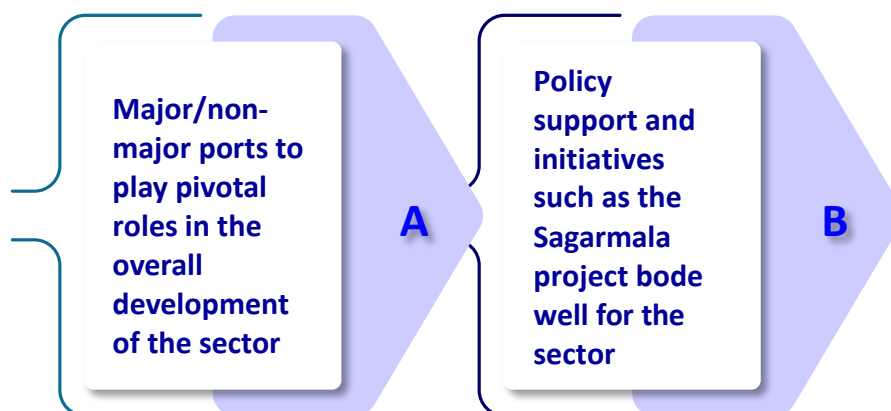
- **APSEZ (BUY) – The largest private port operator in India:** APSEZ continues to gain market share while generating strong cash flows and retaining its leverage position, with a net debt-to-EBITDA ratio of 2x as of Sep'24. We expect APSEZ to register 10% volume growth and a CAGR of 14%/15%/19% in revenue/EBITDA/PAT over FY24-27. With consistent outperformance in cargo volumes, **we reiterate our BUY rating with a TP of INR1,400 (based on 15x Sep'26 EV/EBITDA).**
- **JSWINFRA (BUY) – Scouting for organic and inorganic expansions:** Considering stable growth levers at its existing ports and terminals, a higher share of third-party customers, sticky cargo volume from JSW Group companies, and an expanding portfolio, we expect JSWINFRA to strengthen its market dominance, leading to a 14% volume CAGR over FY24-27. This should drive a 22% CAGR in revenue and a 21% CAGR in EBITDA. **We reiterate our BUY rating with a revised TP of INR330 (premised on 22x Sep'26 EV/EBITDA). JSWINFRA is also our top pick in the ports domain.**

### Key risks

- Despite its growth potential, the sector faces several challenges. Policy uncertainty, such as delays in the National Ports Policy, has hindered investment. Infrastructure gaps, including inadequate last-mile connectivity and insufficient dredging, have limited port efficiency and scalability. Environmental and social concerns, such as land acquisition delays and ecological impacts, have slowed project execution.
- Additionally, global economic volatility and commodity price fluctuations pose risks to port traffic, while privatization has raised concerns over revenue-sharing disputes and potential monopolization by large private players.

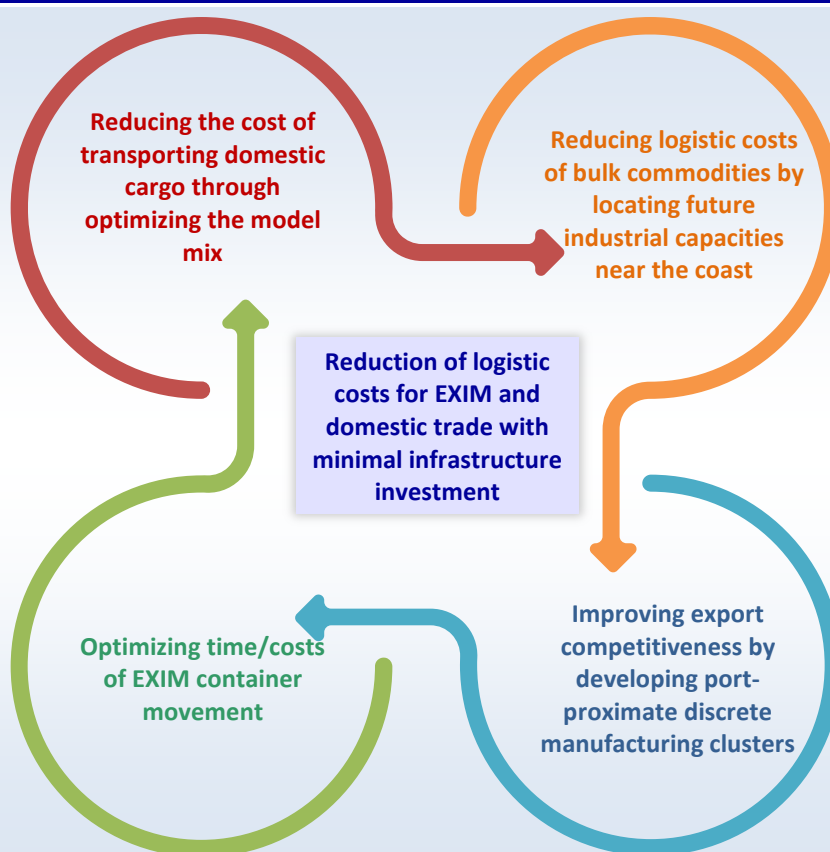
## STORY IN CHARTS

### Investment argument



Enhancing connectivity between ports and hinterland via road, rail, and inland waterways to ensure smooth cargo movement

### Key Focus Areas



Source: MOFSL

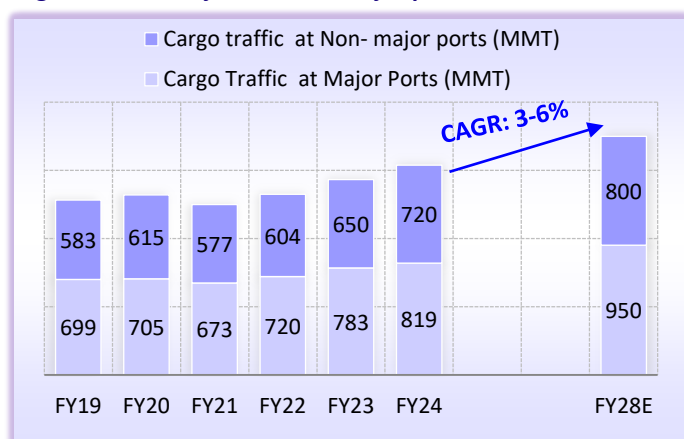
## STORY IN CHARTS

### Major ports in India

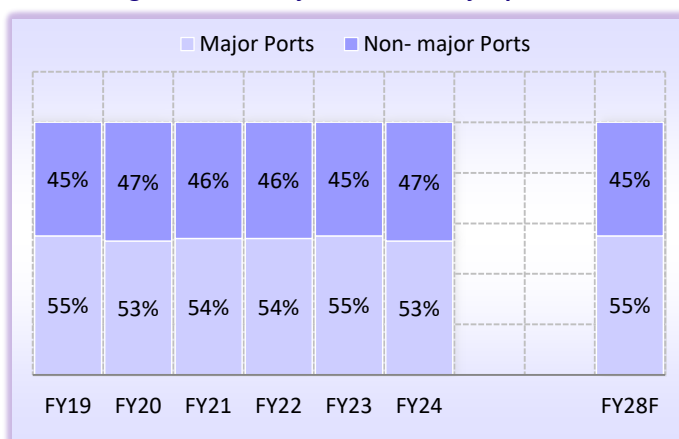


Source: IBEF, MOFSL

### Cargo traffic at major and non-major ports in India



### Share of cargo traffic at major and non-major ports in India

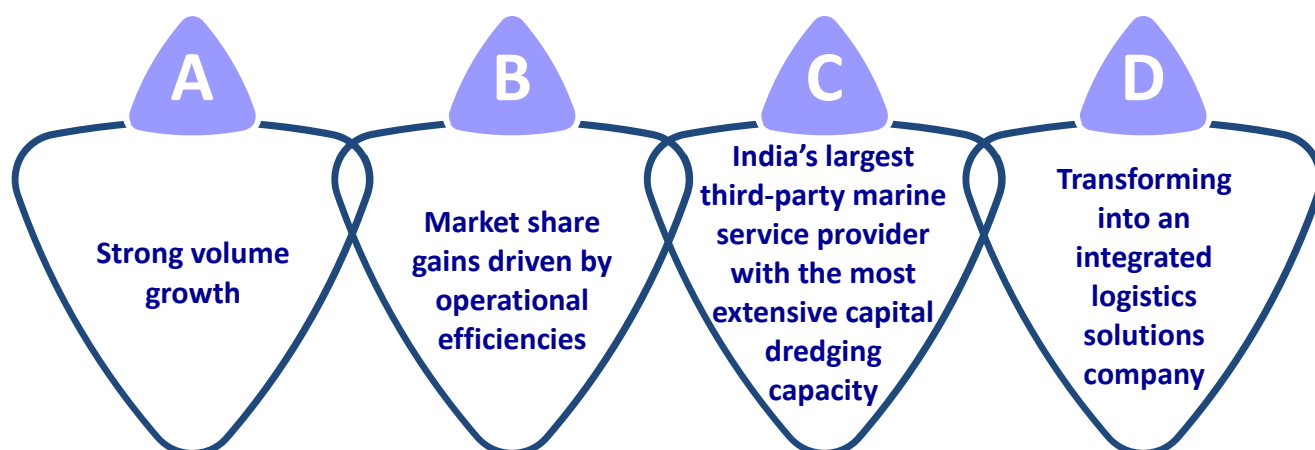


### Business model of the domestic port sector



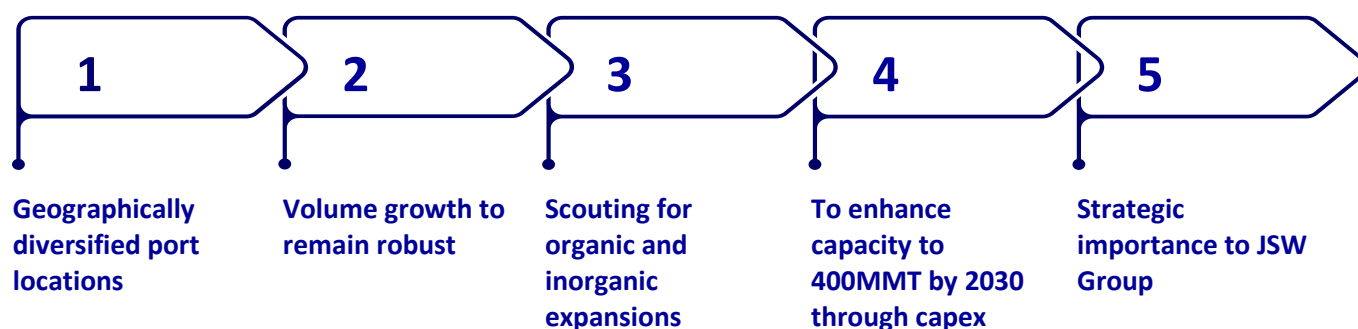
## Investment argument

### Adani Ports & SEZ



## Investment argument

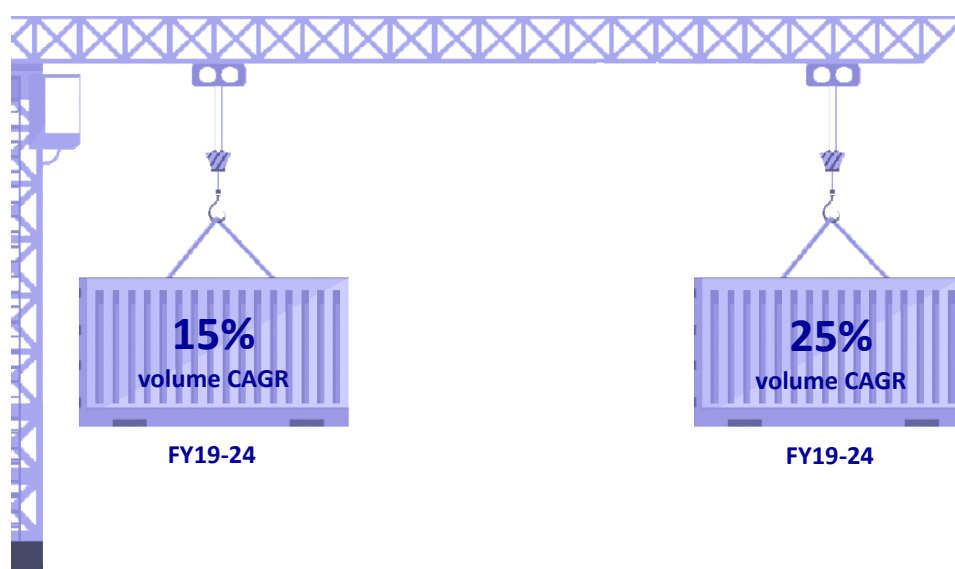
### JSW Infrastructure



## VOLUME CAGR OF ADANI PORT & SEZ AND JSW INFRASTRUCTURE

### Adani Ports & SEZ

### JSW Infrastructure





## Overview of the ports sector in India

The port infrastructure plays a pivotal role in a country's economic success. India, with a coastline spanning ~7,500kms, relies on ports to handle nearly 95% of its export volume and 70% of its export value. Essential commodities such as iron ore, coal, crude petroleum, and other goods are imported via sea routes.

India also has 20,275kms of national waterways across 24 states. Positioned in the Indian Ocean, which supports 80% of global maritime oil trade, India is well-placed to leverage its growing maritime trade. As India targets a USD5t economy, ports will be key to its growth.

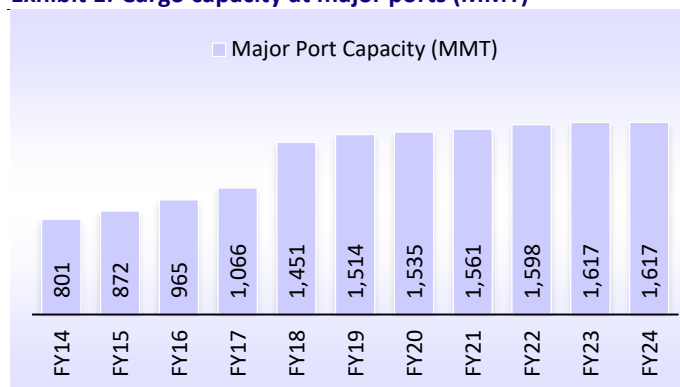
### Business model of the domestic port sector

There are four important port management and administrative models:

- **Landlord port model:** The landlord port model involves public-private participation, with the port authority acting as a regulator and landlord while private companies handle operations like cargo handling. It is common in medium and large ports, offering significant opportunities for private players. Indian ports increasingly follow the landlord port model, where private operators are granted concessions to operate ports for periods, typically 30 years.
- **Service port model:** Under this model, the port authority, governed by the state or central jurisdiction, owns the land and assets, performs regulatory functions, and employs all cargo-handling labor.
- **Private service port model:** In this model, private companies own the land and handle all regulatory and operational activities, with no direct government involvement.
- **Tool port model:** This model splits responsibilities between the port authority and private operators. The port authority owns, maintains, and operates infrastructure and equipment, while private operators handle other operations like stevedoring.

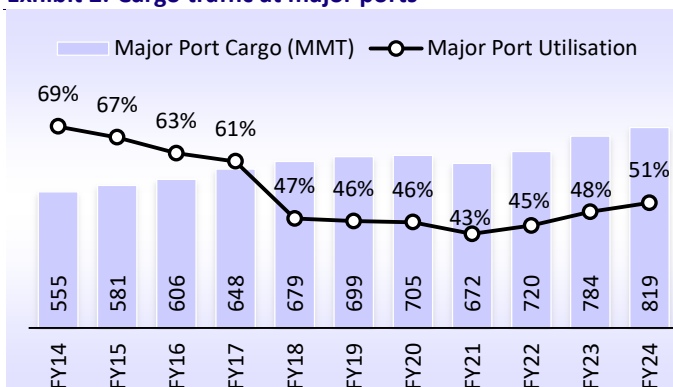
India has 13 major ports. Under the national perspective plan for Sagarmala, six new mega ports will be developed in the country. As of FY24, India's key ports have a capacity of 1,617 MTPA. Total cargo handled at major ports in India was 819 MMT in FY24 (699MMT of cargo handled over Apr'24-Jan'25).

Exhibit 1: Cargo capacity at major ports (MMT)



Source: IPA, MOFSL

Exhibit 2: Cargo traffic at major ports



Source: IPA, MOFSL



The Government of India (GoI) has launched several policy initiatives to enhance the efficiency of water and port transportation, notably the Maritime Amrit Kaal 2047 vision and the Sagarmala project

### Favorable policies assisting port operations

- The government has allowed FDI of up to 100% under the automatic route for projects related to the construction and maintenance of ports and harbors.
- The cumulative FDI equity inflow in Indian ports was USD1.6b from Apr'00 to Sep'23.
- Private ports enjoy price flexibility as the government allows non-major ports to determine their tariffs in consultation with the State Maritime Boards. At major ports, tariffs are regulated by the Tariff Authority for Major Ports (TAMP).

### Maritime Amrit Kaal Vision 2047

India aims to develop six mega-ports with a capacity of over 500 MTPA each by 2047 as part of its ambitious maritime expansion plans, significantly increasing its cargo handling capacity as outlined in the Amrit Kaal Vision 2047. Presently, the nation's port handling capacity is over 2,500 MTPA, with 51% of cargo handled at PPP berths of major ports. The focus is on increasing the port handling capacity to over 10,000 MTPA by 2047 and ensuring 100% of cargo is handled at PPP berths.

### Development of Waterways: The Sagarmala Program

The "Sagarmala" initiative was rolled out in Apr'16 by the GoI to reduce logistics costs for both domestic and export-import cargo with optimized infrastructure investment. The Sagarmala Program aims at enhancing India's port capacity to over 3,300 MTPA by 2025. According to the Ministry of Shipping, this would include 2,219 MTPA of capacity at major ports and 1,132 MTPA at non-major ports by 2024-25. As part of this program, more than 574 projects worth INR6t have been identified for implementation during CY15-35.

Sagarmala is aimed at reducing logistics costs for EXIM and domestic cargo, leading to overall cost savings of INR350-400b. Some of this will be direct cost savings, while others are savings from inventory-handling costs, resulting from time and reduced variability in the transportation of goods, particularly containers.

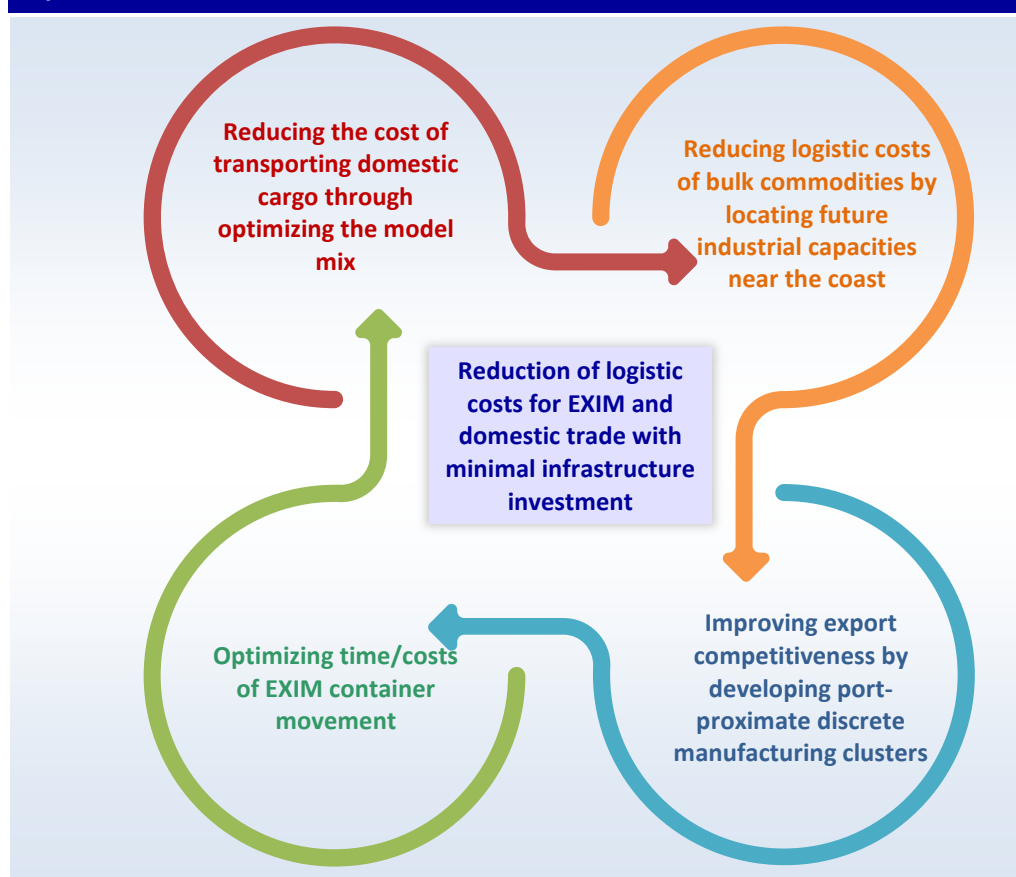
**Exhibit 3: The Sagarmala Project – status (as of Apr'24)**

Particulars	Completed		Under Implementation		Under Development		Total	
	Number of Projects	Project Cost (INR b)	Number of Projects	Project Cost (INR b)	Number of Projects	Project Cost (INR b)	Number of Projects	Project Cost (INR b)
Port Modernization	98	321	62	757	74	1826	234	2904
Port Connectivity	91	580	57	680	131	804	279	2064
Port-led Industrialization	9	459	3	93	2	8	14	560
Coastal Community Development	21	16	32	62	28	38	81	116
Coastal Shipping and IWT	43	30	63	47	125	70	231	147
<b>Total</b>	<b>262</b>	<b>1,406</b>	<b>217</b>	<b>1,639</b>	<b>360</b>	<b>2,746</b>	<b>839</b>	<b>5,791</b>

Source: Ministry of Ports, Shipping and Waterways, MOFSL

Enhancing connectivity between ports and hinterland via road, rail, and inland waterways to ensure smooth cargo movement

### Key Focus Areas



Source: MOFSL

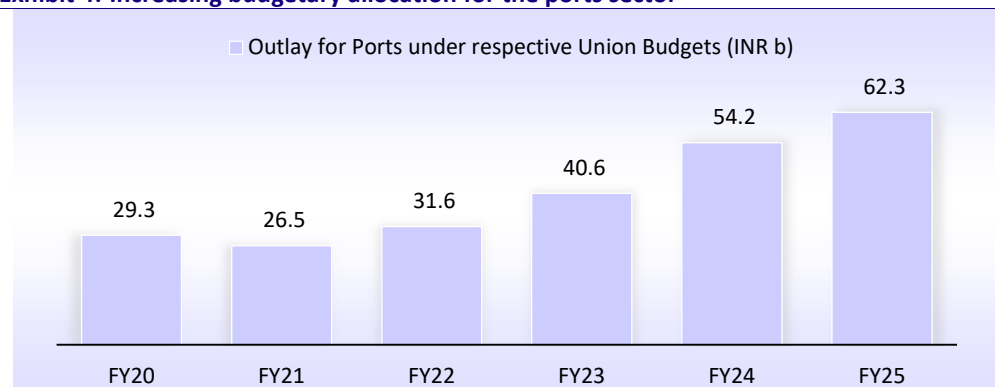
## Infra development the key to growth for the ports sector

The GoI is boosting budgetary support to enhance maritime infrastructure, focusing on ports, waterways, connectivity, and the Sagarmala Program.

The GoI has been consistently increasing budgetary support for the Ministry of Ports, Shipping, and Waterways to strengthen maritime infrastructure and enhance India's logistics and trade efficiency. Key focus areas for these investments include:

1. **Development of port infrastructure:** Enhancing capacity and operational efficiency of major and minor ports.
2. **Modernization of inland waterways:** Promoting inland water transport for cost-effective and sustainable logistics.
3. **Maritime connectivity:** Integrating ports with rail and road networks to boost seamless cargo movement.
4. **Support for the Sagarmala Program:** Aligning budget outlay with long-term initiatives under the Sagarmala project to reduce logistics costs and promote coastal economic zones.

**Exhibit 4: Increasing budgetary allocation for the ports sector**



Source: Union Budget 2025, MOFSL

The increasing budgetary allocations underscore India's commitment to becoming a global maritime hub and improving its ranking in the global logistics performance index.

## Major ports vs. non-major ports

Major and minor ports are the two types of ports in India. Major ports are owned and operated by the Central government, while minor ports are owned and operated by respective state governments/State Maritime Boards.

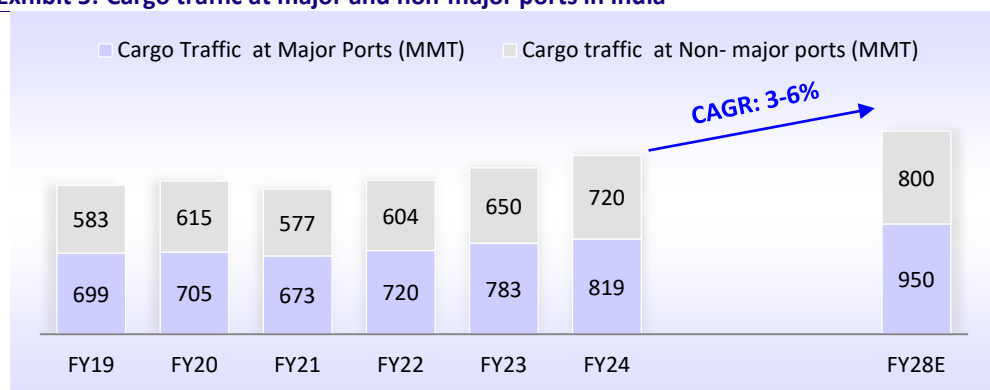
India has 13 major ports (12 government-owned, one private) and 205 minor/intermediate ports

India has 205 designated minor and intermediate ports that handle a significant amount of cargo, in addition to 13 major (12 government-owned and one private) seaports.

All the 13 major ports are functional. Of the 205 non-major ports, around 65 ports are handling cargo, and the others are “Port Limits” where no cargo is handled. These are used by fishing vessels and by small ferries to carry passengers across the creeks, etc.

Non-major ports typically have lesser congestion levels vis-à-vis major ports, as for major ports the access channel is shared by multiple berths. The cargo ramp-up possibility at non-major ports is also higher as infrastructure can be created as per business planning and strategic partnerships.

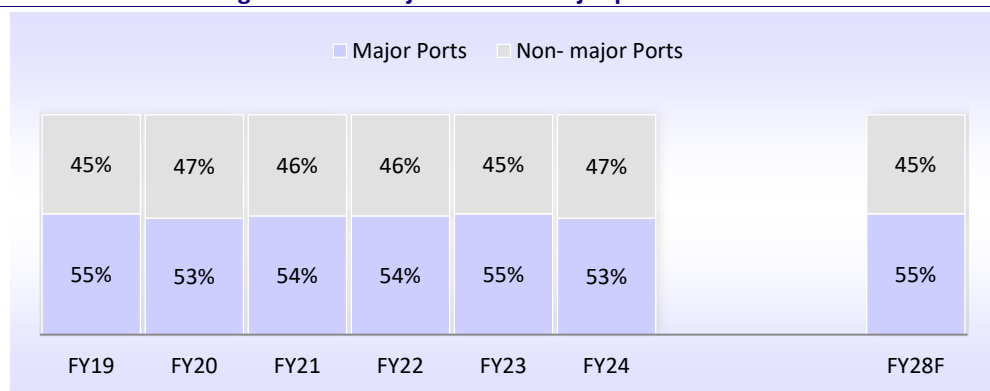
**Exhibit 5: Cargo traffic at major and non-major ports in India**



Source: IBEF, MOFSL

Cargo traffic at major and non-major ports is expected to grow in the range of 3-6% over FY24-28

**Exhibit 6: Share of cargo traffic at major and non-major ports in India**



Source: IBEF, MOFSL



## Overview of the major ports in India

Major ports primarily generate revenue through port services, royalties, and revenue shares from terminal operators.

Hinterland consumption patterns heavily influence cargo types handled at ports. For example, ports near industrial hubs in Maharashtra, Tamil Nadu, and Karnataka manage diverse cargo, while those near refineries, such as Kandla and Cochin, handle Petroleum, Oil, and Liquid (POL) traffic. Ports near mining areas, such as Paradip and Mormugao, experience significant coal and iron ore volumes.

Exhibit 7: Major ports in India



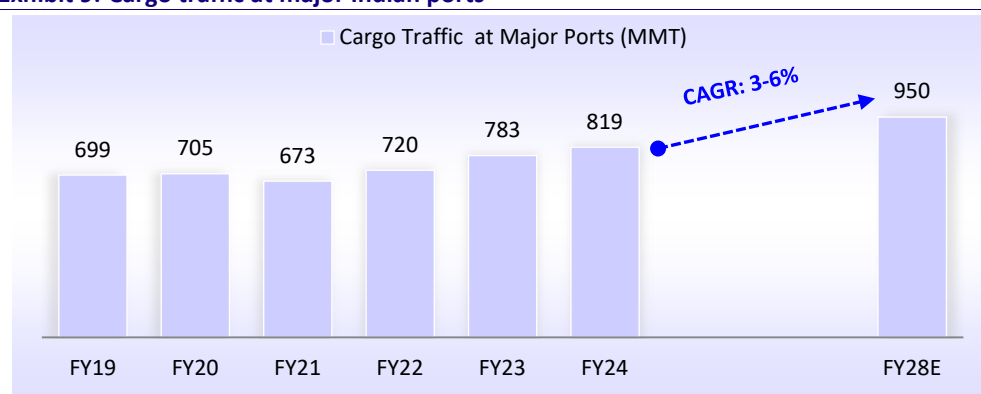
Source: IBEF, MOFSL

**Exhibit 8: Details of the major Indian ports**

Port	State	Year of Incorporation	Type
<b>East Coast</b>			
Kolkata / Haldia	West Bengal	1970	❖ All weather - riverine port
Paradip	Orissa	1966	❖ All weather - artificial lagoon port
Vizag	Andhra Pradesh	1933	❖ All weather - natural harbor
Chennai	Tamil Nadu	1875	❖ All weather - artificial harbor with wet docks
Tuticorin	Tamil Nadu	1974	❖ All weather - artificial deep sea harbor
Ennore	Tamil Nadu	2001	❖ All weather - artificial harbor
Port Blair	Andaman Island	2010	❖ All weather - natural harbor
<b>West Coast</b>			
Cochin	Kerala	1936	❖ All weather - natural harbor
New Mangalore	Karnataka	1974	❖ All weather - artificial lagoon port
Mormugao	Goa	1963	❖ All weather - open protected harbor
Mumbai	Maharashtra	1873	❖ All weather - natural harbor
JNPA	Maharashtra	1989	❖ All weather - tidal port
Kandla	Gujarat	1952	❖ All weather - natural harbor

Source: IPA, MOFSL

**Exhibit 9: Cargo traffic at major Indian ports**



Source: IPA, IBEF, MOFSL

## Overview of the non-major ports in India

Non-major ports in India, managed by state governments, play a vital role in the country's maritime trade, handling nearly half of the total cargo traffic. They complement major ports by catering to regional industries and specialized cargo like coal, petroleum, and agricultural products.

Non-major ports, managed by states, handle nearly half of India's cargo, supporting regional industries with PPP-driven efficiency

Most of the non-major ports operate under public-private partnership (PPP) models or private ownership, offering greater flexibility and efficiency. Strategically located near industrial hubs and mineral-rich regions, they support regional economic development. However, challenges like smaller capacities, infrastructure gaps, and varying state policies persist. The Sagarmala Programme aims to modernize these ports, enhancing their contribution to India's growing trade ecosystem.

**Exhibit 10: Key non-major ports across states**

State	Number of non-major ports
Maharashtra	15
Gujarat	19
Andaman & Nicobar	11
Kerala	4
Tamil Nadu	5
Andhra Pradesh	5
Odisha	2
Karnataka	7
Goa	1
Pondicherry	2

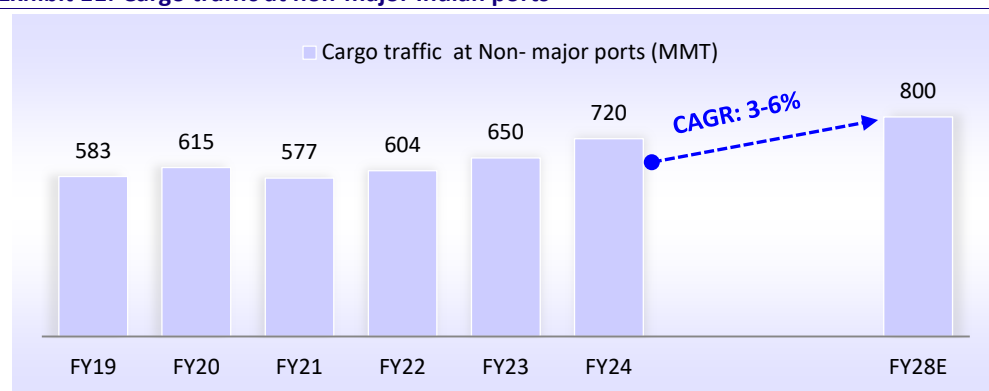
Source: IBEF, MOFSL

The key entry barriers in the port sector include high capital requirements, with greenfield projects demanding significant investments (e.g., INR10-15b for a one-million TEU terminal). Projects also have long gestation periods, often exceeding five years, and require robust hinterland connectivity. Strict regulatory criteria and the dominance of a few established players further limit new entrants, emphasizing the need for technical expertise and operational efficiency.

High entry barriers in the sector pose a significant advantage to existing players

These 205 non-major ports handle ~45-50% of the nation's total cargo volume, managing diverse commodities such as coal, petroleum, iron ore, and agricultural products.

**Exhibit 11: Cargo traffic at non-major Indian ports**



Source: IBEF, MOFSL

## Capacity additions and utilization of ports in India

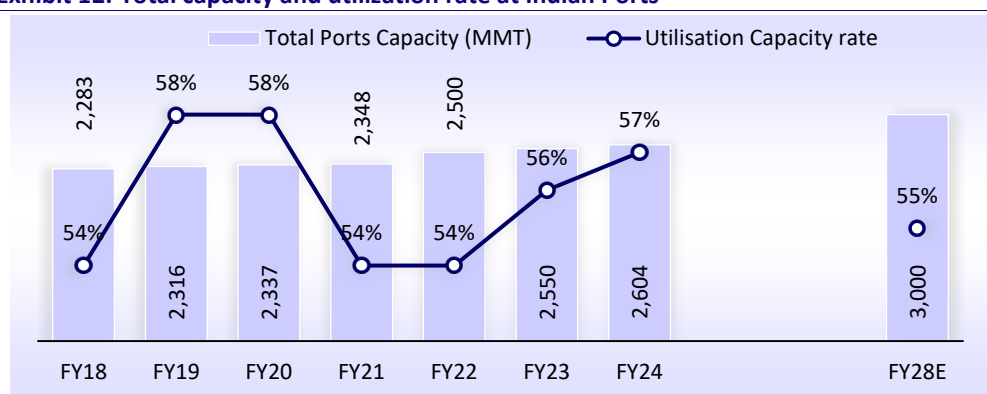
In FY24, port utilization levels remained stable at around 50. Deferred port capacity expansion and capital expenditure from FY21 due to COVID-19 are expected to recover, with capacity additions projected at 2-4% annually over the next five years.

Indian ports will add 500-550MMT of capacity during this period, driven primarily by the POL (including LNG and LPG) segment, followed by coal and containers.

Major ports, such as Visakhapatnam, Paradip, Kandla, Ennore, Mumbai, Tuticorin, and JNPT, will contribute 65-70% of the new capacity, with the remainder coming from non-major ports in Odisha, Karnataka, Andhra Pradesh, and Kerala. Utilization is likely to stabilize around 54-58% as capacity expansion aligns with traffic growth.

Port traffic is driven by mineral, steel, cement, power, and manufacturing clusters, with key mineral hubs in Odisha, Jharkhand, Chhattisgarh, and Karnataka, and major industries strategically located near resources or ports

**Exhibit 12: Total capacity and utilization rate at Indian Ports**



Source: IPA, IBEF, MOFSL

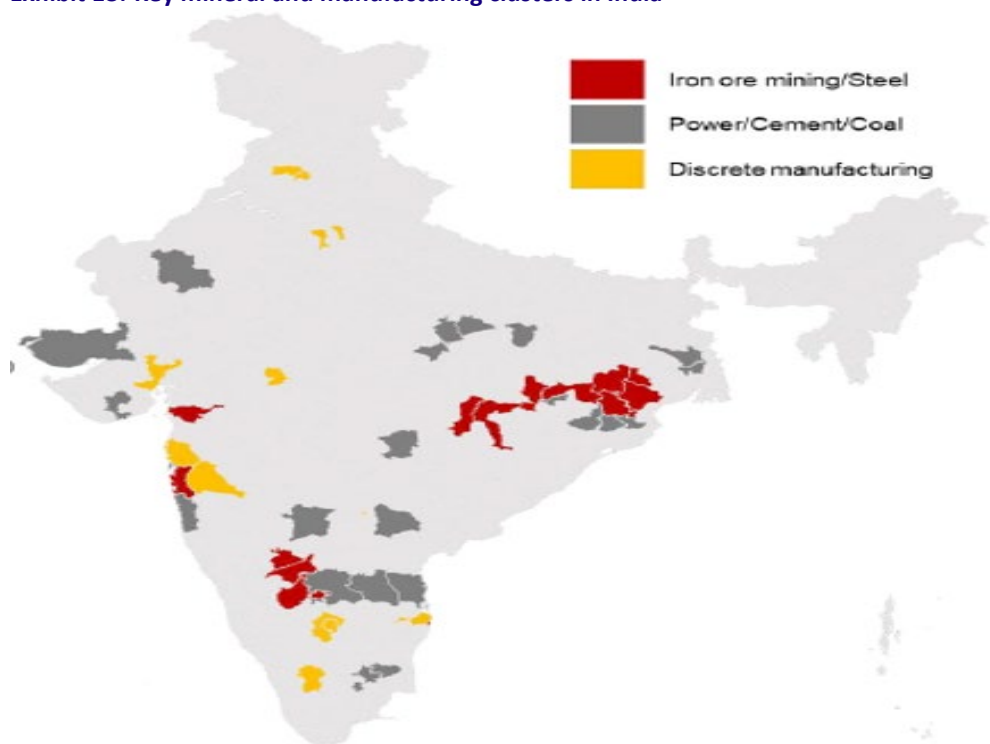
## Key industrial clusters drive cargo traffic at Indian ports

Port traffic is primarily driven by mineral, steel, cement, power, and discrete manufacturing clusters. Key mineral clusters are in Odisha, Jharkhand, Chhattisgarh, and Karnataka, while major steel capacities are located near these mineral sources or end-user markets.

Cement and power plants are positioned based on the availability of limestone and coal. Some coal-import-based power plants are near ports, such as Mundra, Krishnapatnam, and Jaigarh. Discrete manufacturing clusters are mainly situated in Northern and Western India.



Exhibit 13: Key mineral and manufacturing clusters in India



Source: JSWINFRA DRHP, MOFSL

### Privatization of Indian ports

The Indian government has been actively promoting the privatization of ports to enhance efficiency, attract private investment, and modernize infrastructure under the **Maritime India Vision 2030**. By transitioning major ports to a landlord model, the government aims to improve private sector participation in operations while retaining ownership of land and strategic assets.

This policy shift is intended to improve cargo handling efficiency, reduce logistics costs, and boost India's competitiveness in global trade. Privatization initiatives also align with the larger goal of developing world-class infrastructure, fostering economic growth, and increasing capacity to meet the growing demand for cargo handling driven by rising exports and imports.

Exhibit 14: Privatization of ports in India

PORT	Total no. of projects	FY22	FY23	FY24	FY25E
Paradip Port	4	2			2
Deendayal Port (Kandla)	4	2	2		
JNPT(Mumbai)	3	1	2		
Mormugao Port	3	1	2		
Mumbai Port	2	2			
Shyama Prasad Mookerjee Port Kolkata (Khidderpore)	4	1		1	2
Shyama Prasad Mookerjee Port Kolkata (Haldia)	3	1	1	1	
Visakhapatnam Port	4	1	2	1	
V. O. Chidambaram Port (formerly Tuticorin)	3	2	1		
New Mangalore Port	1				1
<b>Total</b>	<b>31</b>	<b>13</b>	<b>10</b>	<b>3</b>	<b>5</b>

Source: IBEF, Industry Reports, MOFSL

A total of 31 privatization projects are planned, with 13 projects completed in FY22, 10 in FY23, and the remaining eight being split across FY25 and FY26. Paradip and Visakhapatnam ports each have four projects planned, with significant progress observed. This reflects India's continued efforts to enhance efficiency and investment in its port infrastructure through privatization.

### Regulatory framework of the ports sector in India

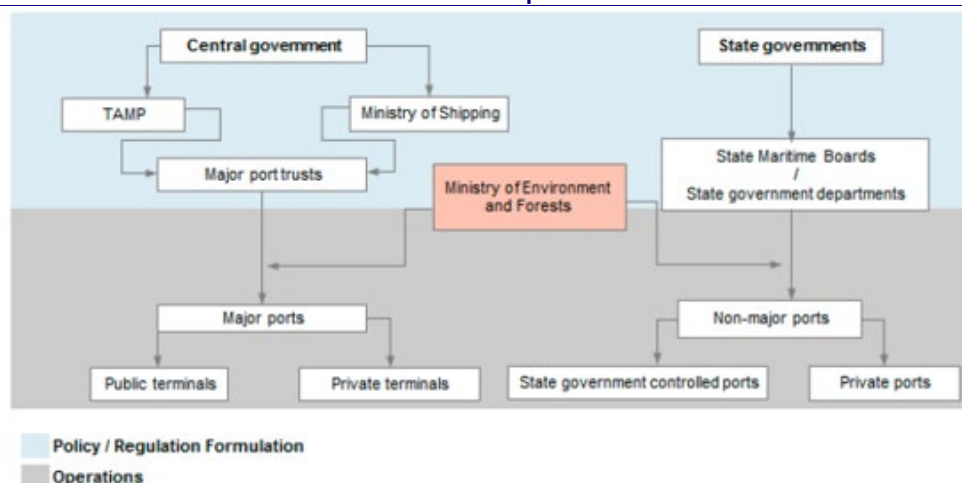
The **Major Port Authorities Act, 2021** replaced the **Major Ports Trust Act, 1963**, bringing significant reforms to the governance of major ports in India. Under the new Act, the **Port Authority Board** holds several key powers. First, the composition and list of board members must be submitted to the central government every five years. The Board is also considered the successor to the previous Board of Trustees of Major Ports.

The Indian government is promoting port privatization under Maritime India Vision 2030, shifting to a landlord model to enhance efficiency, attract investment, and boost global trade competitiveness

Additionally, the Act mandates the formation of an **Adjudicatory Board** within the Port Authority to resolve disputes between ports and PPP concessionaires, taking over the functions of the former **Tariff Authority for Major Ports (TAMP)**. The Port Authority Board is also empowered to manage port assets and funds, develop infrastructure such as new ports and jetties, and grant exemptions from charges on goods or vessels.

Further, the repeal of **TAMP** allows port authorities to set tariffs based on market conditions, improving the competitive positioning of major port terminals relative to non-major ports, which already had this flexibility. In summary, the Act modernizes port governance, enhances dispute resolution, and boosts the attractiveness of the port sector by granting port authorities greater autonomy and enabling competitive tariff-setting.

### Exhibit 15: The institutional framework of Indian ports



Source: JSWINFRA DRHP, MOFSL

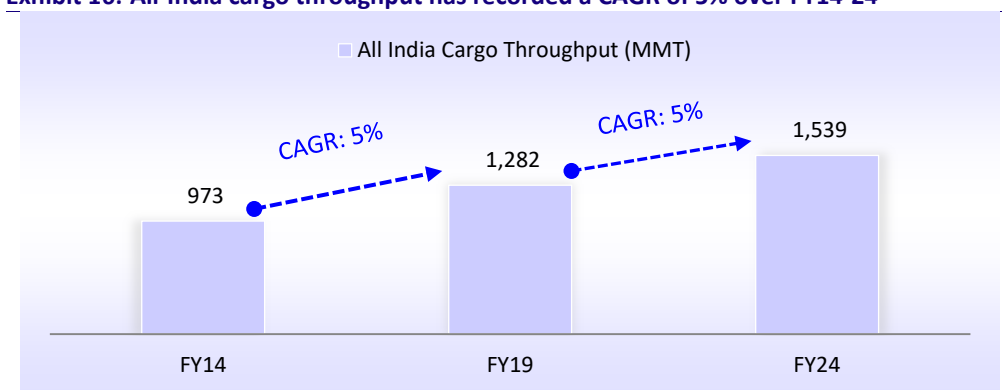
Key challenges for Indian ports include policy uncertainty, infrastructure gaps, environmental hurdles, and global trade volatility, affecting investment, connectivity, and cargo throughput.

## Key risks/challenges in the Indian ports sector

- **Policy and regulatory uncertainty:** Frequent changes in government policies and regulations can create uncertainty for private port operators. Delay in finalizing key policies, such as the National Ports Policy and regulatory frameworks for tariff rationalization, hinders investment decisions.
- **Infrastructure gaps:** Poor last-mile connectivity to ports, including inadequate road and rail infrastructure, hampers seamless cargo movement. Insufficient dredging and maintenance result in shallow drafts at many ports, limiting their ability to handle large vessels.
- **Environmental and social challenges:** Coastal projects face delays due to environmental clearances and social opposition, particularly concerning land acquisition and ecological impact. Rising sea levels and extreme weather events pose long-term risks to port infrastructure.
- **Global economic volatility:** Fluctuations in global trade volumes due to economic downturns, geopolitical tensions, or protectionist policies can impact cargo throughput. Dependence on certain commodities (e.g., coal, crude oil) makes ports vulnerable to changes in trade dynamics and shifting energy policies.
- **Operational efficiency:** Major ports often lag in adopting modern technologies, such as automation and digitalization, compared to global counterparts. Bureaucratic inefficiencies and outdated labor practices in some ports reduce competitiveness.
- **Concerns regarding port privatization:** While privatization has attracted investments, disputes over revenue-sharing models and concession agreements have created friction between the government and private operators. Concerns about monopolization by large private players could affect fair competition.
- **Geopolitical risks:** Proximity to politically sensitive areas (e.g., the Indian Ocean) exposes ports to risks from geopolitical instability. Increasing competition from regional ports in Sri Lanka, Bangladesh, and the Middle East could adversely affect India's share in transshipment cargo.

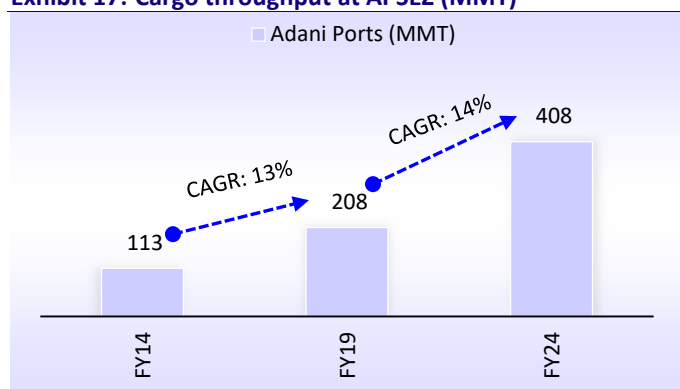
## Market leaders, such as APSEZ and JSWINFRA, well-placed to outpace industry growth

- The all-India cargo throughput has posted a CAGR of 5% over FY14-24. APSEZ and JSWINFRA are emerging as dominant players in the Indian port sector, significantly outpacing the overall industry growth.

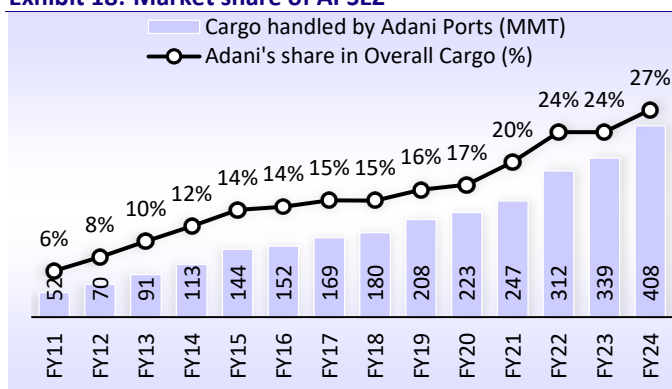
**Exhibit 16: All-India cargo throughput has recorded a CAGR of 5% over FY14-24**


Source: Company, MOFSL

- APSEZ has exhibited a CAGR of 14% in domestic cargo volumes between FY14 and FY24, substantially surpassing India's cargo throughput CAGR of 5% during the same period. This growth trajectory has elevated its market share in cargo handling from 10% in FY14 to 27% as of Dec'24. Such growth is fueled by a combination of aggressive capacity expansions—both organic and inorganic. The company's acquisitions of ports on India's west and east coasts, coupled with greenfield and brownfield developments, have cemented its position as a market leader. Additionally, APSEZ's focus on integrating logistics services—spanning container train operations (CTO), warehousing, last-mile delivery, and inland container depots (ICDs)—positions it as a holistic transport utility. This strategy not only captures a greater share of customers' logistics needs but also fosters customer loyalty by making cargo handling more streamlined and efficient.

**Exhibit 17: Cargo throughput at APSEZ (MMT)**


Source: Company, MOFSL

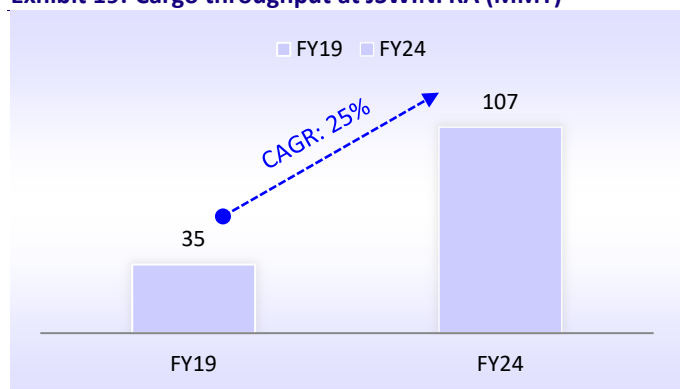
**Exhibit 18: Market share of APSEZ**


Source: Company, MOFSL

- JSWINFRA has also demonstrated exceptional growth, achieving a CAGR of 25% in cargo volumes from FY19 to FY24, well above India's growth rate of 5%. This surge has allowed JSWINFRA to command a 7% market share in the Indian port sector. The company's focus on capacity enhancement is evident from its ambitious roadmap to increase capacity to 400MMT by FY30 from 174MMT at present. Further, JSWINFRA's acquisition of a 70% stake in Navkar Corporation highlights its commitment to providing end-to-end logistics solutions, leveraging large land resources and last-mile connectivity. This diversified approach to logistics complements its port operations, ensuring robust growth and sustained competitiveness.

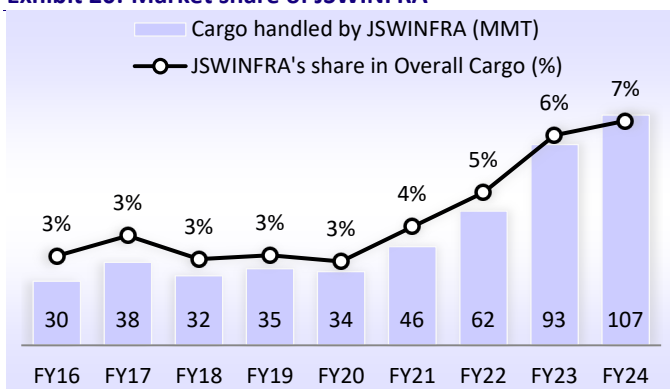


Exhibit 19: Cargo throughput at JSWINFRA (MMT)



Source: Company, MOFSL

Exhibit 20: Market share of JSWINFRA



Source: Company, MOFSL

Exhibit 21: Valuation assessment

	APSEZ	JSWINFRA
M-cap (INR b)	2,400	500
Rating	BUY	BUY
CMP	1,112	238
EPS FY27E	70	9.8
P/E FY27E	15.9	24.6
Target multiple (x)	15	22
Target	1,400	330
Upside (%)	26%	37%

Exhibit 22: Relative performance comparison

	APSEZ	JSWINFRA
Revenue CAGR (FY24-27E)	14%	22%
EBITDA CAGR (FY24-27E)	15%	21%
PAT CAGR (FY24-27E)	19%	20%
Average RoE (FY24-27E)	19%	17%
Average RoCE (FY24-27E)	13%	14%
EV/EBITDA FY27E	11	14



**PG23**

**Adani Ports & SEZ**

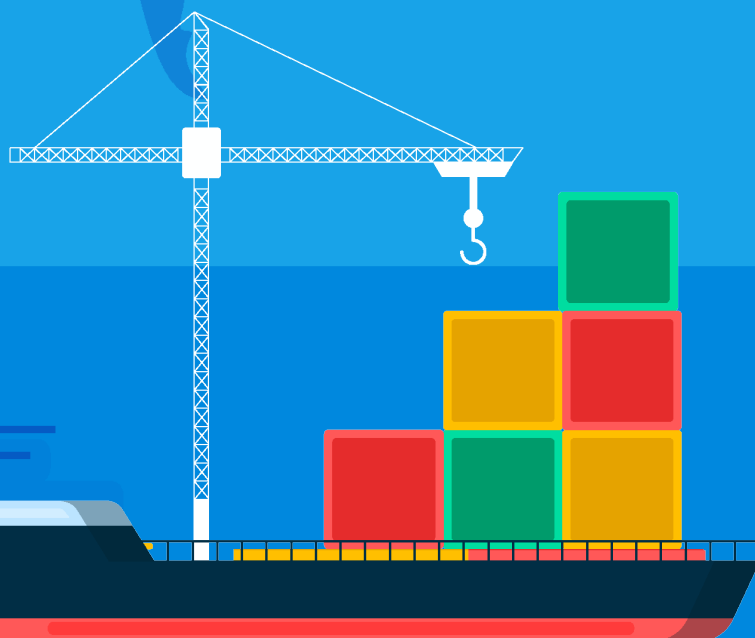
Largest private port operator in India



**PG27**

**JSW Infrastructure**

Scouting for organic and inorganic expansions



## Adani Ports &amp; SEZ

BSE SENSEX  
75,736S&P CNX  
22,913

Bloomberg	ADSEZ IN
Equity Shares (m)	2160
M.Cap.(INRb)/(USDb)	2401.4 / 27.7
52-Week Range (INR)	1621 / 994
1, 6, 12 Rel. Per (%)	-1/-18/-18
12M Avg Val (INR M)	5813

## Financials &amp; Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	298.2	341.9	396.2
EBITDA	181.0	209.7	242.0
Adj. PAT	102.9	126.3	151.3
EBITDA Margin (%)	60.7	61.3	61.1
Adj. EPS (INR)	47.7	58.5	70.0
EPS Gr. (%)	15.5	22.7	19.8
BV/Sh. (INR)	286.8	336.5	396.0

## Ratios

Net D:E	0.6	0.5	0.4
RoE (%)	17.9	18.8	19.1
RoCE (%)	11.8	12.8	13.6
Payout (%)	15.4	12.6	10.5

## Valuations

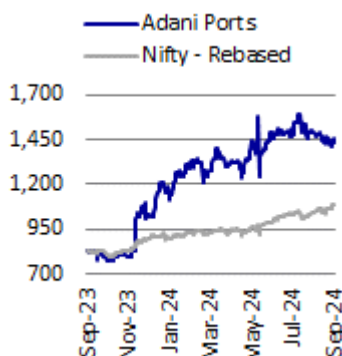
P/E (x)	23.3	19.0	15.9
P/BV (x)	3.9	3.3	2.8
EV/EBITDA(x)	15.3	13.1	11.2
EV/ton (USD)	0.7	0.7	0.7
Div. Yield (%)	2.7	3.4	4.4
FCF Yield (%)	23.3	19.0	15.9

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	65.9	65.9	62.9
DII	12.5	11.8	12.4
FII	15.2	15.0	17.0
Others	6.4	7.3	7.7

FII Includes depository receipts

## Stock's performance (one-year)



CMP: INR1,112

TP: INR1,400 (+26%)

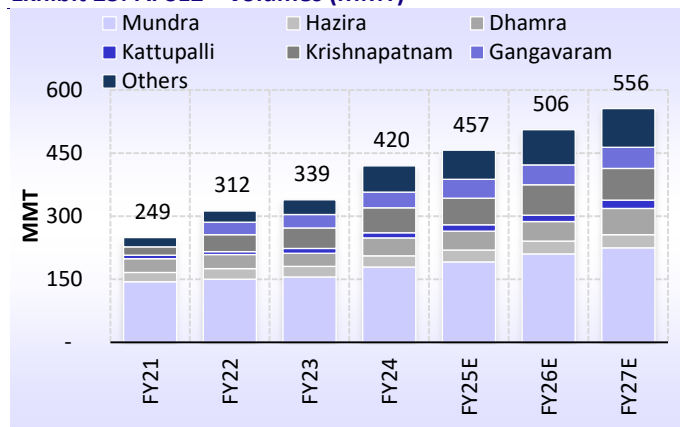
Buy

## Largest private port operator in India

APSEZ is the largest port developer and operator in India by volume, with an annual capacity of ~633MMT in India. It commenced operations with the Mundra Port in Gujarat under a 30-year concession agreement with the Gujarat Maritime Board (GMB). Since then, the port company has rapidly grown to become the largest in the country in terms of cargo handling capacity, with 15 operational ports/terminals. The ports offer handling services for all kinds of cargo, viz., dry bulk, liquid bulk, crude, and containers. Further, through Adani Logistics (ALL), the company is present in the logistics business, offering container trains, inland container depots (ICDs), warehousing, etc., which it has been expanding to become an integrated transport utility company.

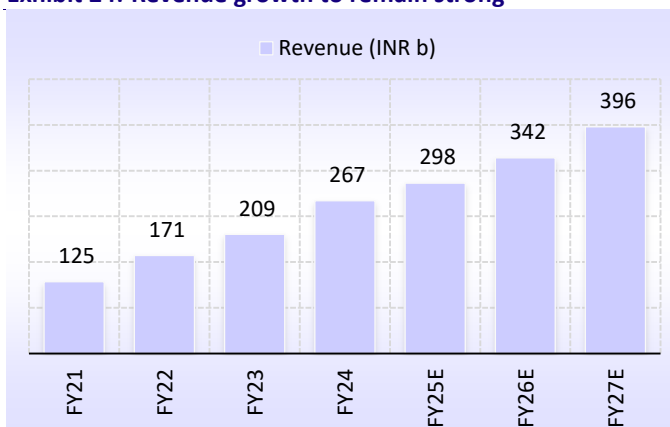
- **Strong volume growth:** APSEZ ended FY24 with 24% volume growth in FY24 volumes, taking the total volumes to 420 MMT (YTDFY25 volumes registered growth of 7% YoY at 372MMT). About 27% of the all-India cargo volume was routed through APSEZ ports in FY24 and 9MFY25. For FY25, the company is targeting cargo volumes of 460-470 MMT.
- **Market share gains driven by operational efficiencies:** APSEZ achieved 3x higher growth than the industry, growing its market share to ~27% as of Dec'24 from 10% in FY13. This growth was driven by the incorporation of new cargo classes at Mundra and Dhamra ports and a pickup in coal & coastal coal cargo at Gangavaram and Dhamra (aided by robust economic growth). Additionally, the advantages of an integrated port-cum-logistics service have significantly helped gain market share.
- **Transforming into an integrated logistics solutions company:** ALL has expanded its services to cover container train operations, container handling in logistic parks, and warehouses offering storage and trucking solutions. With 12 multi-modal logistics parks, 132 trains, 3.1m sq. ft. of warehousing space, and 1.2mmt of grain silos, ALL aims to establish a nationwide presence by further developing logistic parks and warehouses.
- **India's largest third-party marine service provider with the most extensive capital dredging capacity:** APSEZ is the largest marine service provider in the country and has recently acquired an 80% stake in Astro for USD185m. Founded in 2009, Astro is a leading global offshore support vessel (OSV) operator with a fleet of 26 vessels, providing services across the Middle East, India, Far East Asia, and Africa.
- **Volume growth trajectory to continue; reiterate BUY:** APSEZ continues to gain market share while generating strong cash flows and maintaining its leverage position, with a net debt-to-EBITDA ratio of 2x as of Sep'24. We expect APSEZ to register 10% volume growth and a CAGR of 14%/15%/19% in revenue/EBITDA/PAT over FY24-27. **With consistent outperformance in cargo volumes, we reiterate our BUY rating with a TP of INR1,400 (based on 15x Sep'26 EV/EBITDA).**

**Exhibit 23: APSEZ – volumes (MMT)**



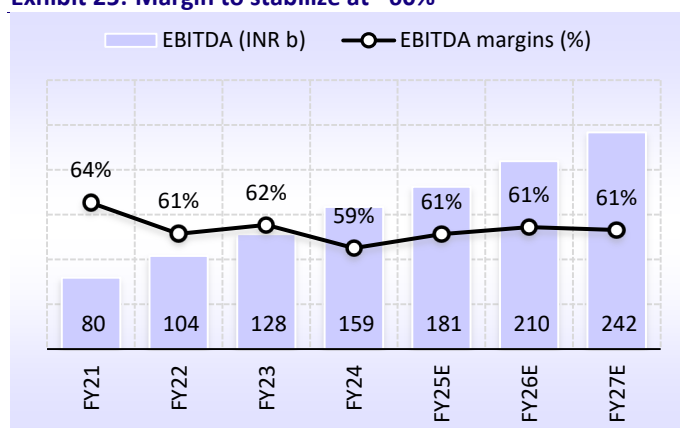
Source: Company, MOFSL

**Exhibit 24: Revenue growth to remain strong**



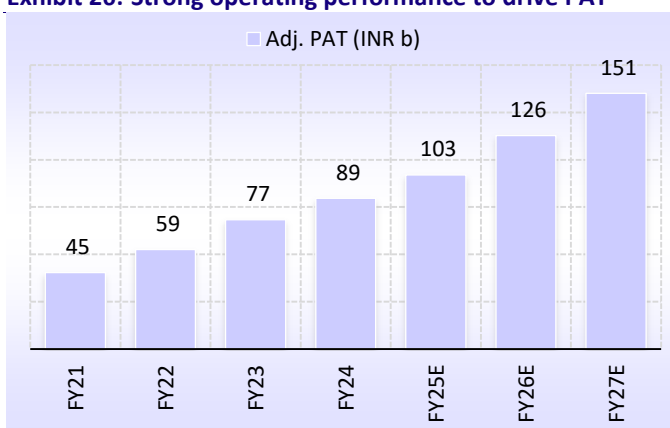
Source: Company, MOFSL

**Exhibit 25: Margin to stabilize at ~60%**



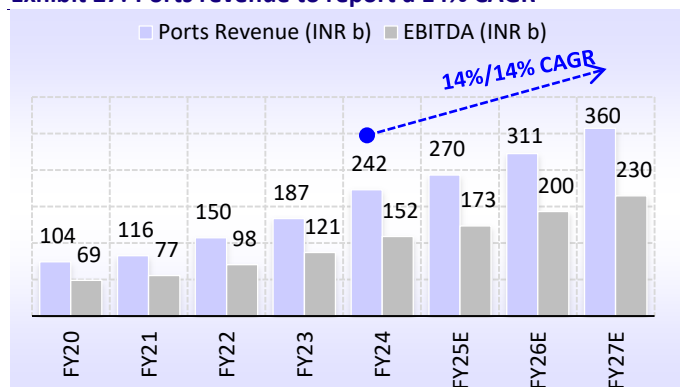
Source: Company, MOFSL

**Exhibit 26: Strong operating performance to drive PAT**



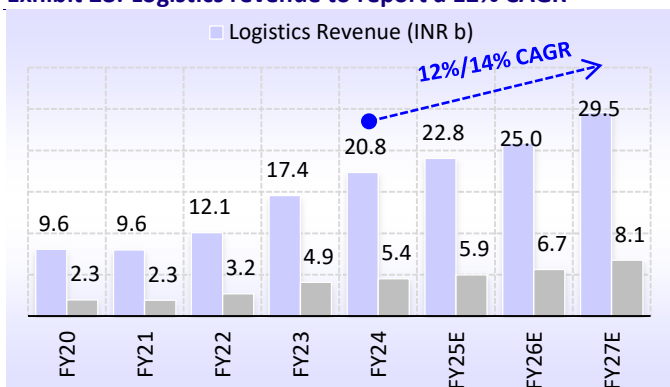
Source: Company, MOFSL

**Exhibit 27: Ports revenue to report a 14% CAGR**



Source: Company, MOFSL

**Exhibit 28: Logistics revenue to report a 12% CAGR**



Source: Company, MOFSL



## Financials and valuation

### Consolidated Income Statement

Y/E March (INR b)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>125</b>	<b>171</b>	<b>209</b>	<b>267</b>	<b>298</b>	<b>342</b>	<b>396</b>
Change in Net Sales (%)	5.7	36.4	21.8	28.1	11.6	14.7	15.9
Total Expenses	46	67	80	108	117	132	154
<b>EBITDA</b>	<b>80</b>	<b>104</b>	<b>128</b>	<b>159</b>	<b>181</b>	<b>210</b>	<b>242</b>
Margin (%)	63.6	60.7	61.5	59.4	60.7	61.3	61.1
Depn. & Amortization	21	31	34	39	43	47	52
<b>EBIT</b>	<b>59</b>	<b>73</b>	<b>94</b>	<b>120</b>	<b>138</b>	<b>163</b>	<b>190</b>
Net Interest	21	26	26	28	29	27	27
Other income	20	22	16	15	13	15	16
<b>PBT</b>	<b>57</b>	<b>70</b>	<b>84</b>	<b>107</b>	<b>122</b>	<b>150</b>	<b>180</b>
EO expense	-6	13	29	4	-4	0	0
PBT after EO	63	57	54	103	126	150	180
Tax	12	8	1	20	20	24	29
Rate (%)	19.7	13.4	1.8	19.4	16.0	16.0	16.0
<b>PAT before JV, MI</b>	<b>51</b>	<b>49</b>	<b>53</b>	<b>83</b>	<b>106</b>	<b>126</b>	<b>151</b>
Share of loss from JV, MI	-1	0	0	-2	-0.1	-0.1	0.0
<b>Reported PAT</b>	<b>50</b>	<b>49</b>	<b>53</b>	<b>81</b>	<b>106</b>	<b>126</b>	<b>151</b>
<b>Adjusted PAT</b>	<b>45</b>	<b>59</b>	<b>77</b>	<b>89</b>	<b>103</b>	<b>126</b>	<b>151</b>
Change (%)	-9.6	30.3	29.8	16.5	15.5	22.7	19.8
Margin (%)	36.0	34.4	36.7	33.4	34.5	36.9	38.2

Source: MOFSL, Company

### Consolidated Balance Sheet

Y/E March (INR b)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	4	4	4	4	4	4	4
Reserves	302	416	452	525	615	723	851
<b>Net Worth</b>	<b>306</b>	<b>420</b>	<b>456</b>	<b>529</b>	<b>620</b>	<b>727</b>	<b>856</b>
Minority Interest	15	4	13	16	17	18	19
Total Loans	344	455	498	463	458	448	438
Deferred Tax Liability	3	17	10	23	23	23	23
<b>Capital Employed</b>	<b>668</b>	<b>895</b>	<b>977</b>	<b>1,031</b>	<b>1,117</b>	<b>1,215</b>	<b>1,335</b>
Gross Block	552	700	782	848	938	1,033	1,128
Less: Accum. Deprn.	111	142	148	179	222	269	321
<b>Net Fixed Assets</b>	<b>441</b>	<b>558</b>	<b>634</b>	<b>669</b>	<b>715</b>	<b>763</b>	<b>807</b>
Capital WIP	37	40	68	109	109	109	109
Investments	22	32	101	56	76	106	136
<b>Curr. Assets</b>	<b>244</b>	<b>353</b>	<b>324</b>	<b>335</b>	<b>353</b>	<b>377</b>	<b>427</b>
Inventories	10	4	5	4	5	6	6
Account Receivables	24	22	32	37	45	56	71
Cash and Bank Balance	47	107	42	76	84	95	129
-Cash and cash equivalents	42	87	9	16	24	34	68
-Bank balance	5	20	33	61	61	61	61
Loans & advances	21	19	20	3	3	4	4
Other current assets	143	201	225	215	216	216	217
<b>Curr. Liability &amp; Prov.</b>	<b>76</b>	<b>88</b>	<b>150</b>	<b>139</b>	<b>138</b>	<b>141</b>	<b>144</b>
Account Payables	10	12	18	22	20	23	27
Provisions	1	1	17	13	13	13	13
Other current liabilities	65	75	114	105	105	105	105
<b>Net Curr. Assets</b>	<b>168</b>	<b>265</b>	<b>175</b>	<b>196</b>	<b>216</b>	<b>236</b>	<b>282</b>
<b>Appl. of Funds</b>	<b>668</b>	<b>895</b>	<b>977</b>	<b>1,031</b>	<b>1,117</b>	<b>1,215</b>	<b>1,335</b>

Source: MOFSL, Company

## Financials and valuation

### Ratios

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>							
EPS	22.3	27.9	35.4	41.3	47.7	58.5	70.0
EPS Growth	-9.6	25.4	26.9	16.5	15.5	22.7	19.8
Cash EPS	32.6	42.6	51.3	59.3	67.8	80.2	93.9
BV/Share	150.7	198.8	211.0	245.1	286.8	336.5	396.0
Payout (%)	22.5	17.9	14.1	14.5	15.4	12.6	10.5
Dividend yield (%)	0.5	0.5	0.5	0.6	0.7	0.7	0.7
<b>Valuation (x)</b>							
P/E	49.9	39.8	31.4	26.9	23.3	19.0	15.9
Cash P/E	34.0	26.1	21.7	18.7	16.4	13.9	11.8
P/BV	7.4	5.6	5.3	4.5	3.9	3.3	2.8
EV/EBITDA	33.5	25.6	21.5	17.2	15.3	13.1	11.2
Dividend Yield (%)	0.5	0.5	0.5	0.5	0.7	0.7	0.7
<b>Return Ratios (%)</b>							
RoE	16.1	16.2	17.5	18.1	17.9	18.8	19.1
RoCE (post-tax)	10.3	10.4	10.9	11.1	11.8	12.8	13.6
RoIC (post-tax)	9.5	9.9	12.5	12.4	14.1	15.6	17.2
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Asset Turnover (x)	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Debtor (Days)	69	47	57	50	55	60	65
Creditors (Days)	29	25	32	30	25	25	25
Inventory (Days)	29	8	8	6	6	6	6
<b>Leverage Ratio (x)</b>							
Current Ratio	3.2	4.0	2.2	2.4	2.6	2.7	3.0
Interest Cover Ratio	3.7	3.7	4.2	4.8	5.3	6.5	7.8
Net Debt/EBITDA	3.7	3.3	3.6	2.4	2.1	1.7	1.3
Net Debt/Equity	1.0	0.8	1.0	0.7	0.6	0.5	0.4

### Cash Flow Statement (INR b)

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>OP/(Loss) before Tax</b>	<b>63</b>	<b>57</b>	<b>55</b>	<b>101</b>	<b>127</b>	<b>151</b>	<b>181</b>
Depreciation	21	31	34	39	43	47	52
Direct Taxes Paid	-9	-10	-8	-13	-20	-24	-29
(Inc)/Dec in WC	4	8	-9	0	-11	-10	-13
Other Items	-4	18	47	23	15	12	10
<b>CF from Operations</b>	<b>76</b>	<b>104</b>	<b>119</b>	<b>150</b>	<b>154</b>	<b>177</b>	<b>202</b>
(Inc)/Dec in FA	-19	-36	-89	-74	-90	-95	-95
<b>Free Cash Flow</b>	<b>56</b>	<b>68</b>	<b>30</b>	<b>76</b>	<b>64</b>	<b>82</b>	<b>107</b>
Acquisitions/Divestment	-150	-7	-144	-31	0	0	0
Change in Investments	6	-28	23	-5	-20	-30	-30
Others	22	18	15	41	13	15	16
<b>CF from Investments</b>	<b>-141</b>	<b>-53</b>	<b>-196</b>	<b>-69</b>	<b>-97</b>	<b>-110</b>	<b>-109</b>
Share issue	0	9	9	2	0	0	0
Inc/(Dec) in Debt	55	75	3	-41	-5	-10	-10
Interest	-20	-26	-24	-28	-29	-27	-27
Dividend	0	-10	-11	-11	-16	-19	-23
Others	0	-54	-6	0	0	0	0
<b>Cash from financing activity</b>	<b>35</b>	<b>-6</b>	<b>-27</b>	<b>-78</b>	<b>-49</b>	<b>-56</b>	<b>-59</b>
Net change in cash & equi.	-31	46	-104	3	8	10	34
Opening cash balance	72	43	87	11	16	24	34
change in control of subs.	1	-2	27	2	0	0	0
<b>Closing cash balance</b>	<b>42</b>	<b>87</b>	<b>9</b>	<b>16</b>	<b>24</b>	<b>34</b>	<b>68</b>

Source: MOFSL, Company

# JSW Infrastructure

BSE SENSEX  
75,736S&P CNX  
22,913

Bloomberg	JSWINFRA IN
Equity Shares (m)	2100
M.Cap.(INRb)/(USDb)	500.4 / 5.8
52-Week Range (INR)	361 / 211
1, 6, 12 Rel. Per (%)	-18/-17/-3
12M Avg Val (INR M)	1050

## Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	45.3	55.0	67.8
EBITDA	23.0	28.2	35.0
Adj. PAT	14.0	16.2	20.5
EBITDA Margin (%)	50.7	51.4	51.5
Adj. EPS (INR)	6.7	7.7	9.8
EPS Gr. (%)	15.3	15.5	26.5
BV/Sh. (INR)	43.2	49.0	56.3

### Ratios

Net D:E	-0.0	0.0	-0.0
RoE (%)	16.4	16.7	18.5
RoCE (%)	12.9	13.3	15.0
Payout (%)	0.0	0.0	0.0

### Valuations

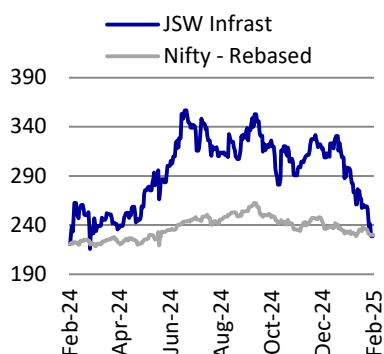
P/E (x)	35.9	31.1	24.6
P/BV (x)	5.6	4.9	4.3
EV/EBITDA(x)	21.9	17.9	14.4
EV/ton (USD)	0.0	0.0	0.0
Div. Yield (%)	51.0	0.1	64.9
FCF Yield (%)	35.9	31.1	24.6

## Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	85.6	85.6	85.6
DII	2.7	2.5	4.1
FII	5.4	5.6	5.1
Others	6.3	6.3	5.2

FII Includes depository receipts

## Stock's performance (one-year)



CMP: INR238

TP: INR330 (+37%)

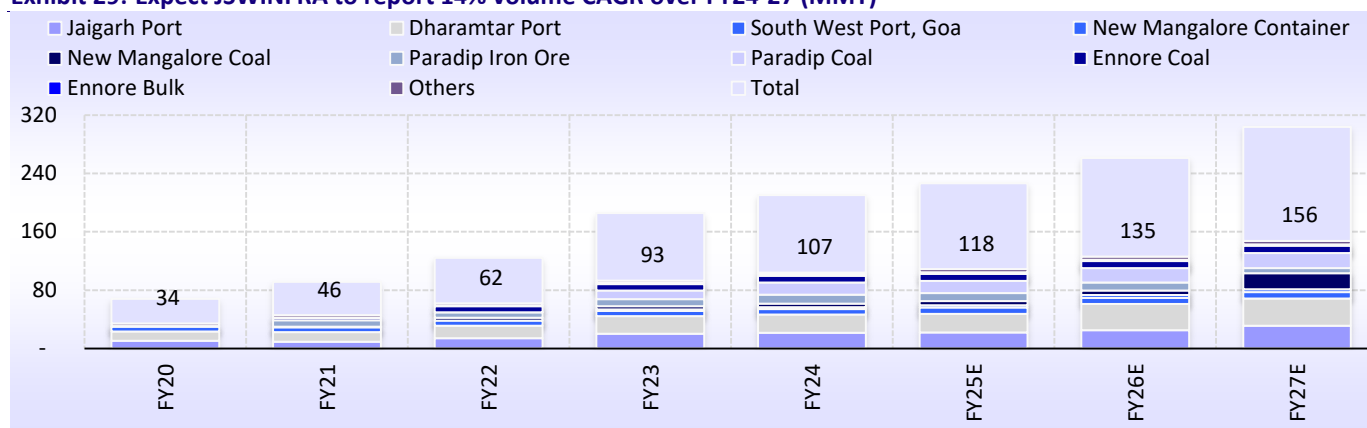
Buy

## Scouting for organic and inorganic expansions

JSWINFRA, incorporated in 2006, is a part of the JSW Group and is engaged in the business of developing infrastructure and operations for ports across India. As of Dec'24, JSWINFRA has a total operational capacity of around 174 MMTPA. It has also entered into an agreement with the Port of Fujairah for the operation and maintenance of the bulk handling system for cargo at two berths in the Fujairah Port. In Oct'23, JSWINFRA completed its IPO of INR28b.

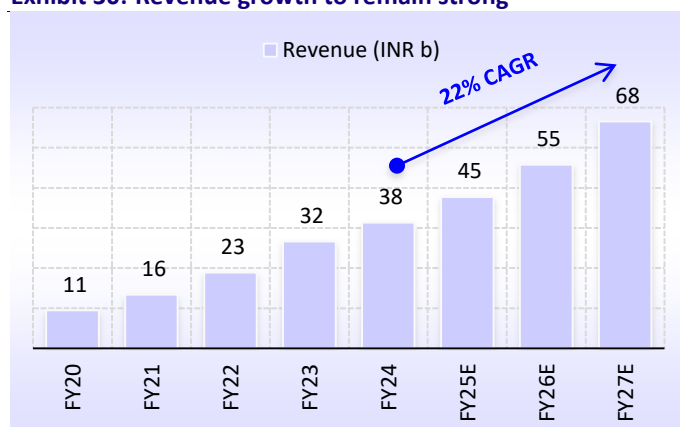
- **Geographically diversified port locations:** JSWINFRA has two minor ports (Jaigarh and Dharamtar) on the western coast, while it has seven operational terminals on major ports. Among seven port terminals, four are located on the eastern coast and three on the western coast, leading to a geographically diverse presence for JSWINFRA. The ports are located in the vicinity of JSW Group companies.
- **Volume growth to remain robust:** Cargo volumes grew 15% YoY in FY24 to 106.5MMT from 93MMT in FY23 (three-year CAGR of 33% over FY21-24). With capacity ramp-up at existing ports, along with a higher share of volumes from third-party customers, we expect the growth momentum to continue.
- **Scouting for organic and inorganic expansions:** JSWINFRA has been actively scouting for growth opportunities (organic/inorganic) as the management aims to maintain a ~15% CAGR in volume over the long term. In FY24, JSWINFRA signed a concession agreement with the Karnataka Maritime Board to develop a 30 MTPA greenfield port in Keni, Karnataka. Additionally, it emerged as the winning bidder for a 7MTPA dry bulk terminal in Tuticorin through a PPP model. Furthermore, JSWINFRA signed a concession agreement with JNPA for two liquid berths with a capacity of 4.5MTPA.
- **To enhance capacity to 400MMT by 2030 through capex:** In line with its long-term growth outlook, the management has guided a capex of INR300b over FY24-30E, which will increase overall capacity by 85MMT in the next three years, and to 400MMT by 2030 (current capacity is 174MMT).
- **On track to deliver robust performance; reiterate BUY:** Considering stable growth levers at its existing ports and terminals, a higher share of third-party customers, sticky cargo volume from JSW Group companies, and an expanding portfolio, we expect JSWINFRA to strengthen its market dominance, leading to a 14% volume CAGR over FY24-27. This should drive a 22% CAGR in revenue and a 21% CAGR in EBITDA. **We reiterate our BUY rating with a revised TP of INR330 (premised on 22x Sep'26 EV/EBITDA).**

**Exhibit 29: Expect JSWINFRA to report 14% volume CAGR over FY24-27 (MMT)**



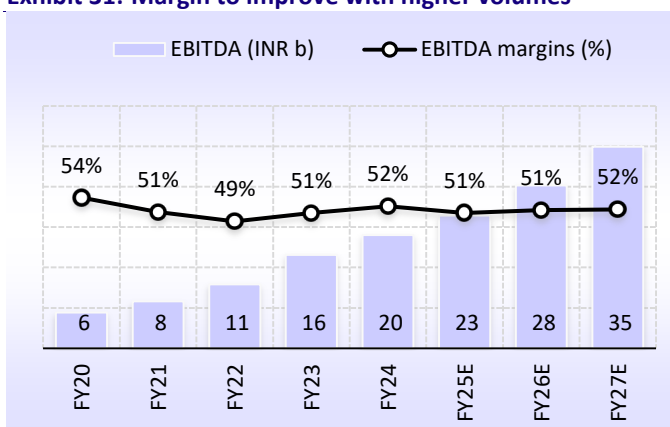
Source: Company, MOFSL

**Exhibit 30: Revenue growth to remain strong**



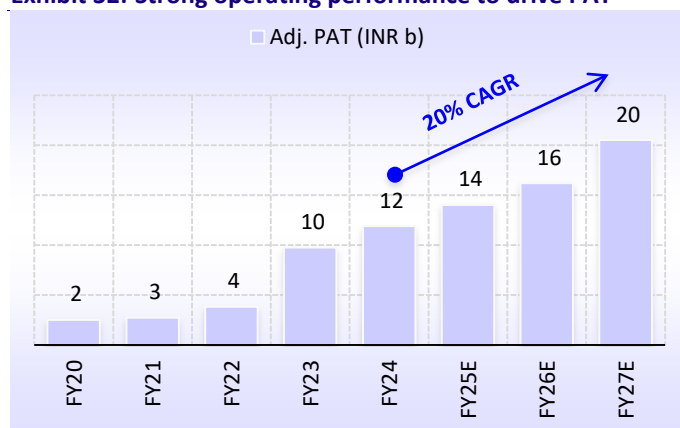
Source: Company, MOFSL

**Exhibit 31: Margin to improve with higher volumes**



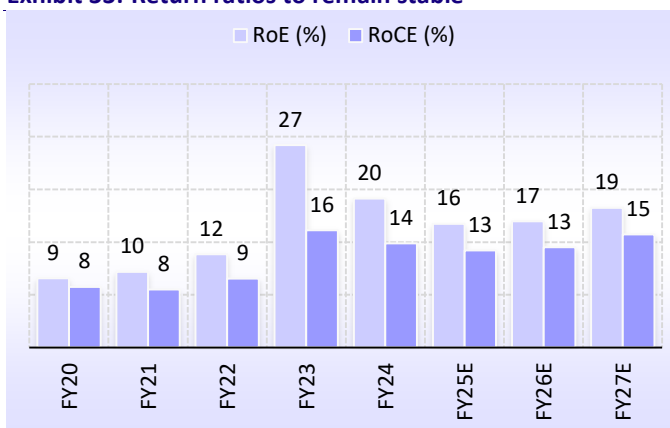
Source: Company, MOFSL

**Exhibit 32: Strong operating performance to drive PAT**



Source: Company, MOFSL

**Exhibit 33: Return ratios to remain stable**



Source: Company, MOFSL



## Financials and valuation

### Consolidated Income Statement

Y/E March (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>16,036</b>	<b>22,731</b>	<b>31,947</b>	<b>37,629</b>	<b>45,297</b>	<b>54,987</b>	<b>67,848</b>
Change in Net Sales (%)	40.3	41.7	40.5	17.8	20.4	21.4	23.4
Total Expenses	7,871	11,636	15,746	17,983	22,309	26,743	32,889
<b>EBITDA</b>	<b>8,164</b>	<b>11,094</b>	<b>16,202</b>	<b>19,646</b>	<b>22,988</b>	<b>28,244</b>	<b>34,960</b>
Margin (%)	50.9	48.8	50.7	52.2	50.7	51.4	51.5
Depn. & Amortization	2,707	3,695	3,912	4,365	5,452	7,797	9,024
<b>EBIT</b>	<b>5,458</b>	<b>7,399</b>	<b>12,290</b>	<b>15,281</b>	<b>17,536</b>	<b>20,447</b>	<b>25,936</b>
Net Interest	2,522	3,480	2,819	2,892	3,248	2,961	2,974
Other income	747	1,057	1,781	2,694	3,314	3,347	3,380
<b>PBT</b>	<b>3,683</b>	<b>4,976</b>	<b>11,252</b>	<b>15,083</b>	<b>17,602</b>	<b>20,832</b>	<b>26,342</b>
EO expense	-244	716	3,142	433	118	0	0
PBT after EO	3,926	4,260	8,110	14,650	17,484	20,832	26,342
Tax	1,080	955	615	3,043	3,497	4,583	5,795
Rate (%)	27.5	22.4	7.6	20.8	20.0	22.0	22.0
<b>PAT before JV, MI</b>	<b>2,846</b>	<b>3,304</b>	<b>7,495</b>	<b>11,607</b>	<b>13,987</b>	<b>16,249</b>	<b>20,547</b>
Share of loss from JV, MI	68	-25	-97	-48	-48	-48	-48
<b>Reported PAT</b>	<b>2,914</b>	<b>3,279</b>	<b>7,398</b>	<b>11,559</b>	<b>13,939</b>	<b>16,201</b>	<b>20,499</b>
<b>Adjusted PAT</b>	<b>2,731</b>	<b>3,817</b>	<b>9,755</b>	<b>11,884</b>	<b>14,022</b>	<b>16,201</b>	<b>20,499</b>
Change (%)	9.3	39.7	155.6	21.8	18.0	15.5	26.5
Margin (%)	17.0	16.8	30.5	31.6	31.0	29.5	30.2

Source: MOFSL, Company

### Consolidated Balance Sheet

Y/E March (INR m)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	599	599	3,596	4,103	4,103	4,103	4,103
Reserves	28,312	32,122	36,350	76,161	86,615	98,766	1,14,140
<b>Net Worth</b>	<b>28,912</b>	<b>32,721</b>	<b>39,946</b>	<b>80,264</b>	<b>90,718</b>	<b>1,02,869</b>	<b>1,18,243</b>
Minority Interest	1,973	1,998	942	2,047	2,094	2,142	2,190
Total Loans	34,807	44,087	42,437	43,807	42,807	41,807	40,807
Deferred Tax Liability	-764	-969	-2,121	-1,916	-1,916	-1,916	-1,916
<b>Capital Employed</b>	<b>64,927</b>	<b>77,837</b>	<b>81,205</b>	<b>1,24,201</b>	<b>1,33,704</b>	<b>1,44,902</b>	<b>1,59,324</b>
Gross Block	45,158	47,405	48,886	64,231	79,231	1,04,231	1,24,231
Less: Accum. Deprn.	6,995	8,693	10,435	13,103	18,554	26,352	35,376
<b>Net Fixed Assets</b>	<b>38,163</b>	<b>38,712</b>	<b>38,451</b>	<b>51,128</b>	<b>60,677</b>	<b>77,879</b>	<b>88,855</b>
Capital WIP	11,239	701	450	1,089	1,089	1,089	1,089
Investments	2,955	2,830	3,070	2,445	2,445	2,445	2,445
<b>Curr. Assets</b>	<b>28,112</b>	<b>48,563</b>	<b>49,029</b>	<b>80,359</b>	<b>82,335</b>	<b>78,279</b>	<b>83,487</b>
Inventories	991	854	1,022	1,117	1,345	1,482	1,643
Account Receivables	4,115	6,013	4,024	6,768	5,585	6,026	7,435
Cash and Bank Balance	3,145	10,382	16,316	40,902	43,819	39,169	42,790
-Cash and cash equivalents	1,514	5,288	6,187	7,234	10,150	5,500	9,122
-Bank balance	1,631	5,094	10,130	33,668	33,668	33,668	33,668
Loans & advances	2,889	2,478	585	74	77	81	85
Other current assets	16,972	28,834	27,082	31,497	31,509	31,521	31,532
<b>Curr. Liability &amp; Prov.</b>	<b>15,542</b>	<b>12,969</b>	<b>9,796</b>	<b>10,819</b>	<b>12,841</b>	<b>14,789</b>	<b>16,551</b>
Account Payables	2,615	2,748	3,016	3,562	5,585	7,532	9,294
Provisions	82	89	79	132	132	132	132
Other current liabilities	12,845	10,132	6,701	7,125	7,125	7,125	7,125
<b>Net Curr. Assets</b>	<b>12,571</b>	<b>35,594</b>	<b>39,234</b>	<b>69,540</b>	<b>69,493</b>	<b>63,489</b>	<b>66,936</b>
<b>Appl. of Funds</b>	<b>64,927</b>	<b>77,837</b>	<b>81,205</b>	<b>1,24,201</b>	<b>1,33,703</b>	<b>1,44,902</b>	<b>1,59,324</b>

Source: MOFSL, Company

## Financials and valuation

### Ratios

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>							
EPS	45.6	63.7	5.4	5.8	6.7	7.7	9.8
EPS Growth	9.3	39.7	-91.5	6.8	15.3	15.5	26.5
Cash EPS	90.7	125.3	7.6	7.9	9.3	11.4	14.1
BV/Share	482.4	546.0	22.2	39.1	43.2	49.0	56.3
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>							
P/E	5.3	3.8	44.2	41.4	35.9	31.1	24.6
Cash P/E	2.6	1.9	31.6	30.3	25.9	21.0	17.1
P/BV	0.5	0.4	10.8	6.1	5.6	4.9	4.3
EV/EBITDA	5.3	4.1	28.1	25.1	21.9	17.9	14.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>							
RoE	10.0	12.4	26.8	19.8	16.4	16.7	18.5
RoCE (post-tax)	7.7	9.1	15.5	13.8	12.9	13.3	15.0
RoIC (post-tax)	9.0	10.3	18.1	17.2	16.9	16.9	18.8
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	0.4	0.5	0.7	0.7	0.7	0.7	0.8
Asset Turnover (x)	0.2	0.3	0.4	0.3	0.3	0.4	0.4
Debtor (Days)	94	97	46	66	45	40	40
Creditors (Days)	60	44	34	35	45	50	50
Inventory (Days)	23	14	12	11	11	10	9
<b>Leverage Ratio (x)</b>							
Current Ratio	1.8	3.7	5.0	7.4	6.4	5.3	5.0
Interest Cover Ratio	2.5	2.4	5.0	6.2	6.4	8.0	9.9
Net Debt/EBITDA	3.9	3.0	1.6	0.1	0.0	0.1	-0.1
Net Debt/Equity	1.1	1.0	0.7	0.0	0.0	0.0	0.0

### Cash Flow Statement (INR m)

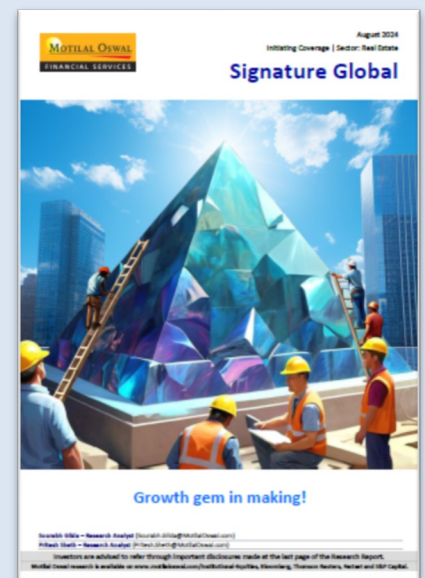
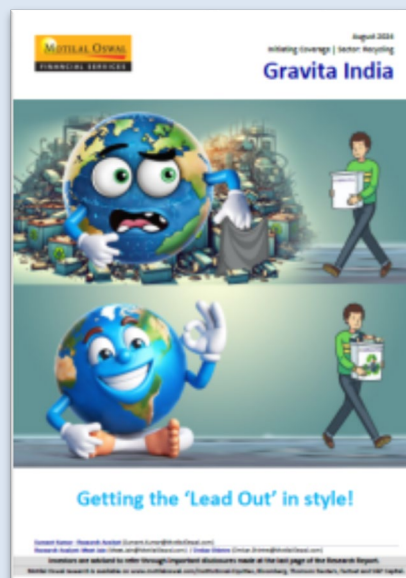
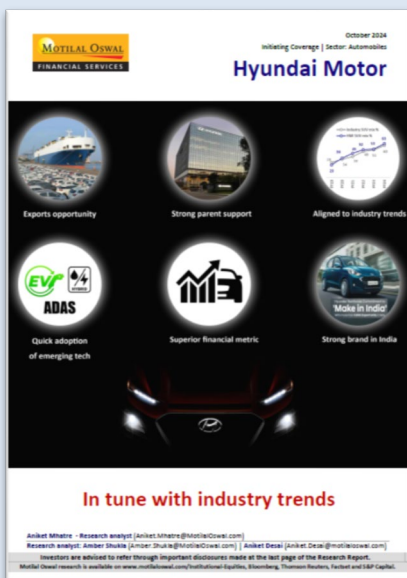
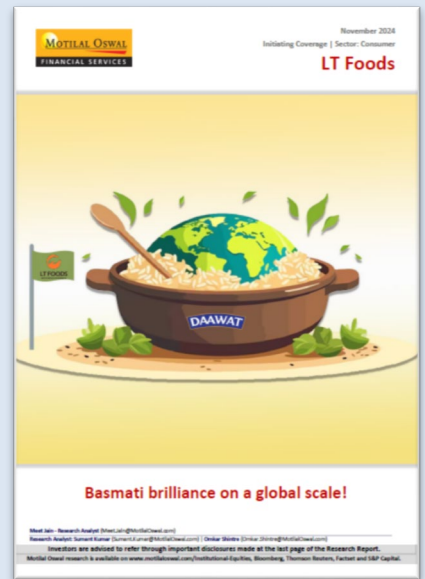
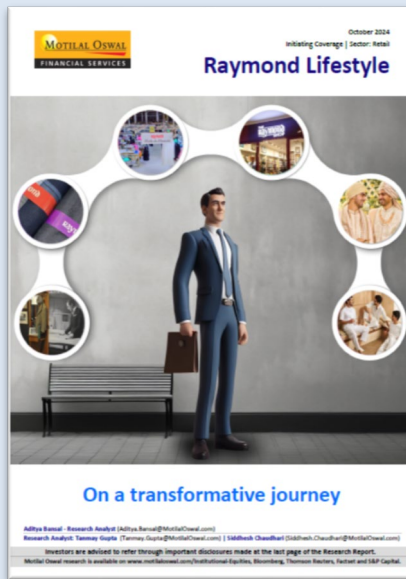
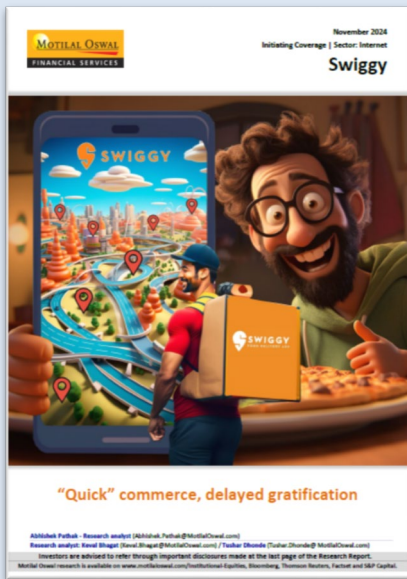
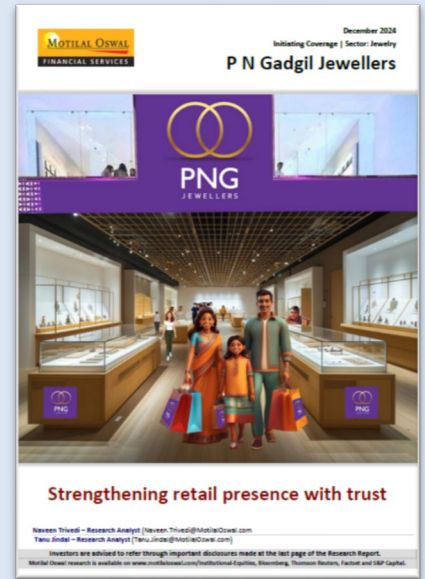
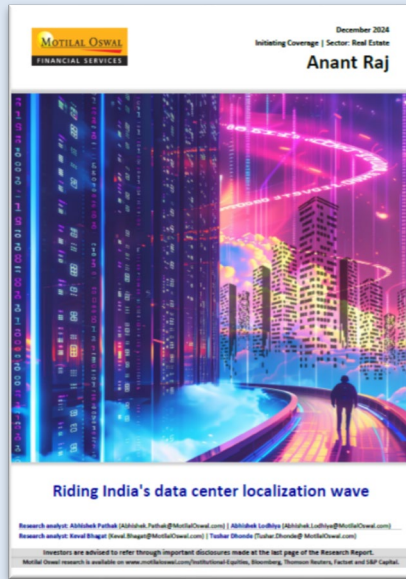
	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>OP/(Loss) before Tax</b>	<b>3,926</b>	<b>4,260</b>	<b>8,110</b>	<b>14,650</b>	<b>17,484</b>	<b>20,832</b>	<b>26,342</b>
Depreciation	2,707	3,695	3,912	4,365	5,452	7,797	9,024
Direct Taxes Paid	-252	-1,222	1,807	-248	-3,497	-4,583	-5,795
(Inc)/Dec in WC	1,630	1,077	1,952	-1,141	2,963	1,354	176
Other Items	2,098	3,953	2,192	406	-66	-385	-406
<b>CF from Operations</b>	<b>10,108</b>	<b>11,762</b>	<b>17,972</b>	<b>18,032</b>	<b>22,336</b>	<b>25,015</b>	<b>29,340</b>
(Inc)/Dec in FA	-15,925	-5,068	-2,690	-2,489	-15,000	-25,000	-20,000
<b>Free Cash Flow</b>	<b>-5,817</b>	<b>6,694</b>	<b>15,282</b>	<b>15,543</b>	<b>7,336</b>	<b>15</b>	<b>9,340</b>
Acquisitions/Divestment	0	0	0	0	0	0	0
Change in Investments	820	125	-168	1,182	0	0	0
Others	-1,262	-3,070	-3,350	-40,739	3,314	3,347	3,380
<b>CF from Investments</b>	<b>-16,368</b>	<b>-8,013</b>	<b>-6,208</b>	<b>-42,047</b>	<b>-11,686</b>	<b>-21,653</b>	<b>-16,620</b>
Share issue	0	0	0	28,000	0	0	0
Inc/(Dec) in Debt	8,676	3,908	-5,054	14	-1,000	-1,000	-1,000
Interest	-2,242	-3,621	2,727	2,479	-3,248	-2,961	-2,974
Dividend	0	0	0	0	-3,485	-4,050	-5,125
Others	-231	-262	-8,539	-5,454	0	0	0
<b>Cash from financing activity</b>	<b>6,202</b>	<b>26</b>	<b>-10,866</b>	<b>25,039</b>	<b>-7,733</b>	<b>-8,012</b>	<b>-9,099</b>
Net change in cash & equi.	-57	3,775	899	1,024	2,917	-4,650	3,622
Opening cash balance	1,571	1,514	5,288	6,210	7,234	10,150	5,500
change in control of subs.	0	0	0	0	0	0	0
<b>Closing cash balance</b>	<b>1,514</b>	<b>5,288</b>	<b>6,187</b>	<b>7,234</b>	<b>10,150</b>	<b>5,500</b>	<b>9,122</b>

Source: MOFSL, Company

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UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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