PL Capital
PRABHUDAS LILLADHER

Ports

Sector Report

Gateways to the global trade

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(All prices as on July 17, 2025)

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Sector Report

July 18, 2025

Adani Port & SEZ (ADSEZ IN)

Rating: BUY | CMP: Rs1,453 | TP: Rs1,777

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	3,10,786	3,74,668	4,29,731	4,99,682
EBITDA (Rs. m)	1,87,438	2,21,587	2,50,970	2,88,492
Margin (%)	*60.3*	*59.1*	*58.4*	*57.7*
PAT (Rs. m)	1,13,037	1,35,404	1,60,507	1,91,546
EPS (Rs.)	52.3	62.7	74.3	88.7
Gr. (%)	*34.4*	*19.8*	*18.5*	*19.3*
DPS (Rs.)	7.0	8.5	9.6	10.7
Yield (%)	*0.5*	*0.6*	*0.7*	*0.7*
RoE (%)	*19.6*	*19.8*	*19.8*	*19.9*
RoCE (%)	*13.8*	*15.3*	*16.2*	*17.2*
EV/Sales (x)	11.2	9.2	7.8	6.5
EV/EBITDA (x)	18.6	15.5	13.4	11.2
PE (x)	27.8	23.2	19.5	16.4
P/BV (x)	5.0	4.2	3.6	3.0

JSW Infrastructure (JSWINFRA IN)

Rating: ACCUMULATE | CMP: Rs310 | TP: Rs344

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	44,761	54,618	65,232	84,756
EBITDA (Rs. m)	22,622	27,181	33,043	44,137
Margin (%)	*50.5*	*49.8*	*50.7*	*52.1*
PAT (Rs. m)	15,031	17,008	20,212	25,886
EPS (Rs.)	7.2	8.2	9.7	12.5
Gr. (%)	*28.7*	*13.2*	*18.8*	*28.1*
DPS (Rs.)	0.6	0.6	0.8	1.1
Yield (%)	*0.2*	*0.2*	*0.3*	*0.4*
RoE (%)	*17.0*	*16.3*	*16.7*	*18.3*
RoCE (%)	*12.8*	*13.3*	*13.3*	*14.0*
EV/Sales (x)	14.8	12.8	11.0	8.8
EV/EBITDA (x)	29.3	25.7	21.8	16.8
PE (x)	42.8	37.8	31.8	24.9
P/BV (x)	6.6	5.7	5.0	4.2

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Gateways to the global trade

Ports industry is a vital enabler of trade and economic growth. As India moves toward its target of becoming a USD10trn economy by FY30, cargo volumes are expected to rise steadily driven by a) rising aspirations of relatively young Indians, b) GoI's strong infrastructure push led by programs like Sagarmala and PM Gati Shakti, c) increasing industrial and manufacturing activities, d) growing containerization and shift toward multimodal logistics, and e) increasing private sector participation in port development. The sector is also witnessing structural transformation through capacity expansion, infusion of technology to reduce turnaround time and standardize loading /unloading, and connectivity improvements.

Though near-term risks are expected to persist due to global trade volatility amid trade wars and geopolitical tensions, long-term trade and India's industrial growth will continue to aid the industry. We initiate coverage on ports sector and recommend 'BUY' rating on Adani Ports & Special Economic Zone Ltd (ADSEZ on 18x Sep'27 EV/EBITDA based TP of Rs1,777) and JSW Infrastructure Ltd (JSWINFRA on 21x Sep'27 EV/EBITDA based TP of RsRs344).

- **Ports demand anchored to India's growing trade and infra development:** Ports and economic growth go hand in hand. The government's focus on infrastructure development, making India a manufacturing hub and increasing exports, is expected to drive growth in ports and logistics. Cargo volumes grew at a CAGR of 6.2% over FY02-25 aided by non-major ports where volumes grew at 9.1% CAGR while major ports volumes grew at 4.7%. we believe, despite ongoing geopolitical tensions and global uncertainty, India's ports sector is expected to grow faster than other major economies driven by an increase in consumption and government-led projects.

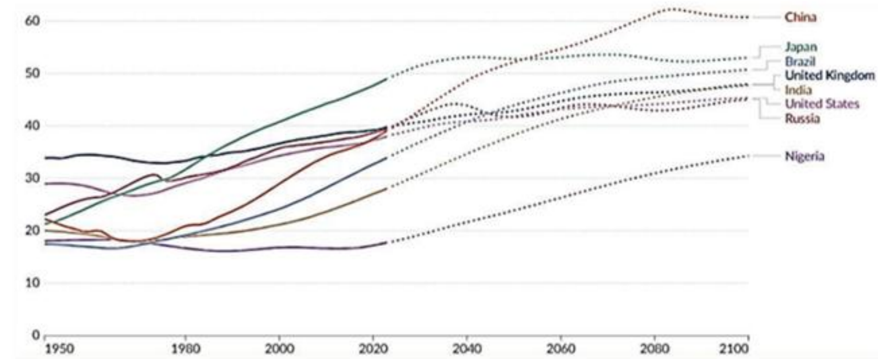
- **Increase in private sector participation:** Of the total cargo traffic at Indian ports, ~46% is handled by private players. Private sector participation has been rising over the years driven by the need for higher efficiency, advanced infrastructure, and increased cargo handling capacity. Efforts are underway to raise the share to ~80% over the next few decades. The Ministry of Ports, Shipping and Waterways has a robust pipeline of 81 projects, worth more than Rs424bn, to be awarded on public-private partnership (PPP).

- **Logistics efficiency to boost ports business:** An efficient logistics network is the key to successful port operations, by enabling seamless cargo movement, expanding hinterland reach, and enhancing efficiency through multimodal connectivity, including rail, road, inland waterways, and dedicated freight corridors (DFCs). Value-added services and infrastructure like free trade warehousing zones and bonded warehouses further support re-exports and strengthen India's global trade positioning. The Indian logistics market size is projected to grow at healthy 8% CAGR to USD357bn by 2030 from USD228bn in 2024. However, with logistics costs high at 13-14% of GDP, India needs to invest around USD3trn to bring this down to 8-9% of GDP for the sector to drive economic growth.

India: Fastest growing major economy

Over the last few decades, India has evolved into one of the fastest growing (infrastructure and consumption driven) diversified major economies and is expected to touch USD5trn mark in the near term. India's sustainable and inclusive economic growth is fueled by a strong demographic dividend (median age: 28 years), rising incomes and aspirations of 1.46bn people, better monsoon, government's sustained focus on domestic infrastructure, and structural transformation from farm to non-farm jobs. Inclusive growth targeted by GoI has also aided reducing extreme poverty. With ~26% of the population in the age group 10-24 years, India stands at the cusp of a once-in-a-lifetime demographic opportunity.

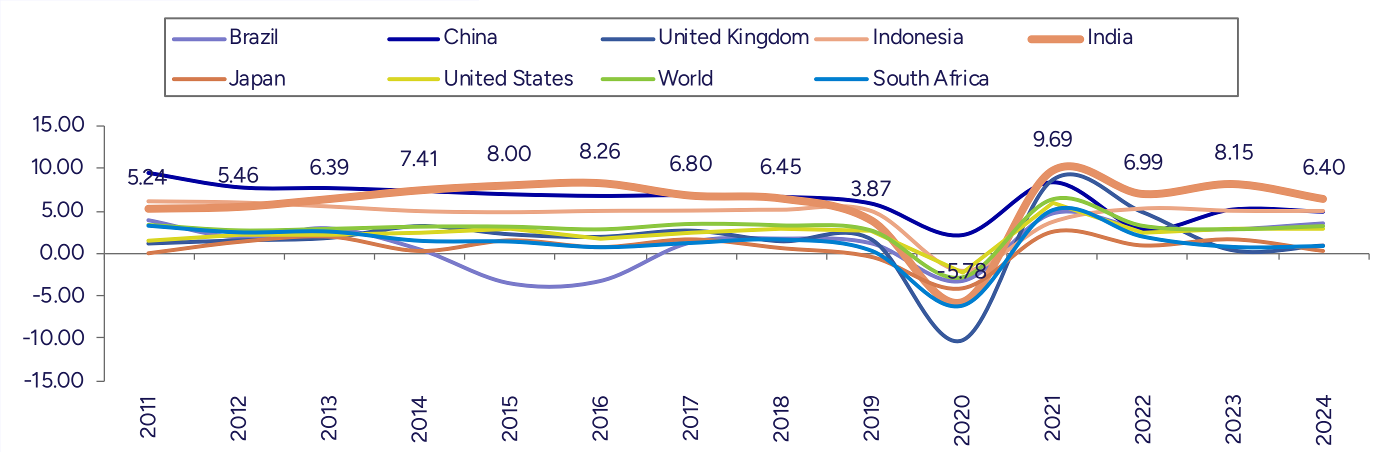
Exhibit 1: India's relatively young population (Median age comparison)



Source: UN world population prospects, 2024

As per IMF, Indian GDP is expected to grow steadily at 6.2%/ 6.3% in 2025/26 and outpace emerging market peers such as Indonesia, Malaysia and China in the near term. Fiscal policies of The Government of India (GoI) are playing a key role in reshaping income distribution, inter-alia, through the provision of subsidies, pensions, and other direct transfers, as well as public spending on social services such as education and health. Various government welfare schemes are lifting household incomes. These fiscal transfers help to provide additional resources to the financially deprived sections and, thus, favorably impact people's standard of living.

Exhibit 2: India is one of the fastest-growing major economies (%)



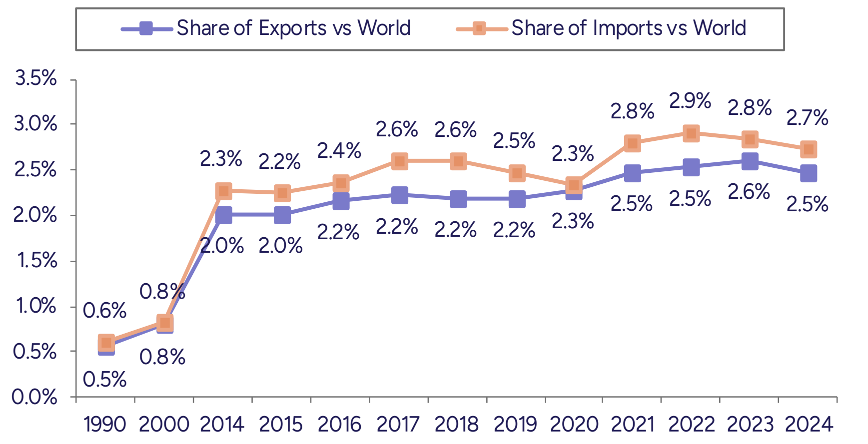
Source: World Bank, PL

GoI has been proactively working to improve the competitiveness of companies to transform the country into an export hub. Several reforms have been introduced to boost the export potential of India, such as production linked incentive (PLI) schemes, reducing compliance burden, lowering corporate tax rates, and *Make in India*.

Since the inception of these initiatives in 2014, India has attracted a cumulative FDI inflow of USD667.4bn. FDI for the manufacturing sector increased to USD165bn in 2014-24 from USD97.7bn in the prior decade. PLI schemes led to investments worth USD16bn, especially in industries like electronics, automobiles, and renewable energy. Incentivized by these schemes, several companies have set up production facilities in India, bolstering job creation, technological advancement, and export potential.

India's trade has been on the rise, with both exports and imports growing steadily. More exports mean Indian industries are reaching new markets, while rising imports reflect increasing demand and economic expansion.

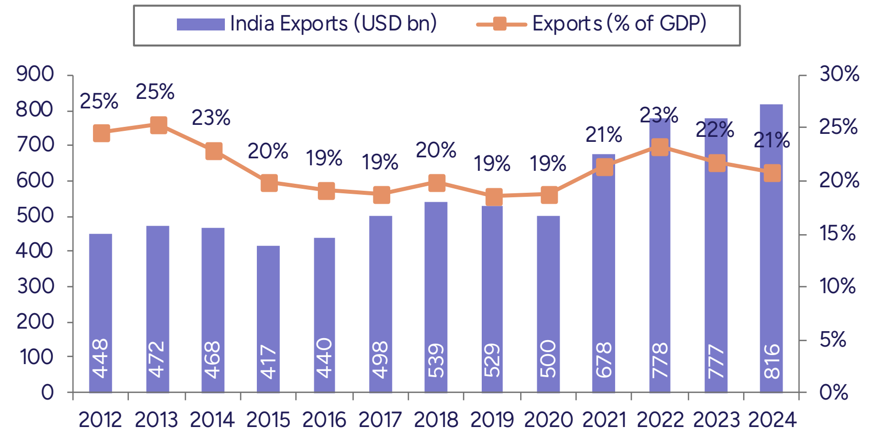
Exhibit 3: Share of Indian exports and imports vs world



Source: World Bank, Industry, PL

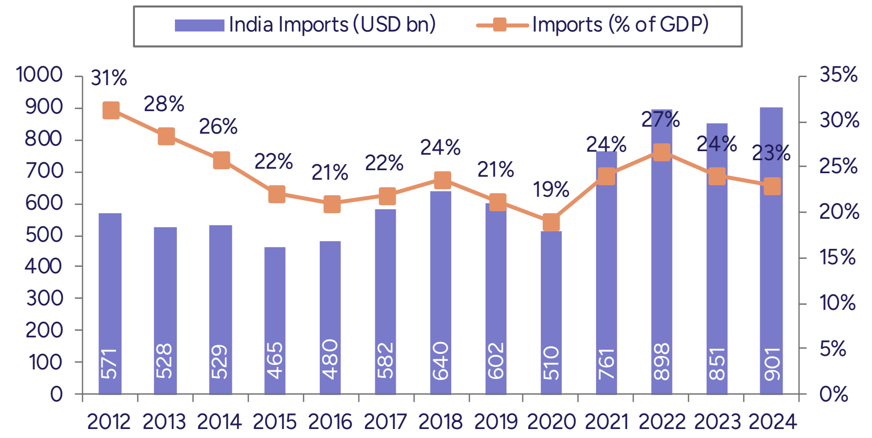
This growth is great news for the ports sector, which forms the backbone of trade. With more goods moving in and out, ports will need to expand, modernize, and become more efficient. Better infrastructure, smarter logistics, and improved connectivity will not only support this trade boom but also create jobs and strengthen India's position in global commerce. The coming years could see India's ports becoming busier and more advanced than ever.

Exhibit 4: India's exports and exports as % of GDP



Source: World Bank, Industry, PL

Exhibit 5: India's imports and imports as % of GDP



Source: World Bank, Industry, PL

Both Exports and imports have shown signs of recovery and growth in recent years. This is a positive sign for India, as rising exports indicate stronger global demand for Indian goods, while stable imports reflect a growing economy with increasing industrial and consumer needs. India is moving toward becoming a stronger global trade player, ultimately benefiting businesses and industries across the country.

Sector-wise EXIM data: From FY17 to FY25, total exports grew at a CAGR of 8%, and total imports at a CAGR of 10%. Categories like electronics, engineering, gems and jewellery marine, and pharma products showed exceptional growth, showing 10-30% CAGR. India's total trade value (exports + imports) has more than doubled during this period. With global supply chains shifting and India aiming to be a manufacturing and export hub, port efficiency and capacity will be the backbone of this growth.

Exhibit 6: Sector-wise export and import data – FY17-25 (Rs bn)

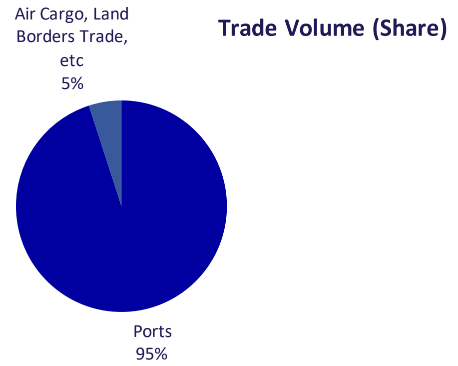
		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR FY17-25
Agriculture Products	Exports	2,232	2,477	2,706	2,493	3,059	3,698	4,215	3,987	4,338	9%
	Imports	1,680	1,566	1,422	1,512	1,579	2,379	2,811	2,674	3,209	8%
Chemicals & Allied Products	Exports	2,465	2,916	3,772	3,691	3,832	4,987	4,957	4,914	4,419	8%
	Imports	4,506	5,594	6,718	5,943	5,152	8,552	11,310	9,360	8,413	8%
E&SW Products	Exports	381	391	589	796	786	1,117	1,830	2,337	3,194	30%
	Imports	2,812	3,322	3,881	3,718	3,888	5,310	5,901	6,949	8,016	14%
Engineering Products	Exports	4,358	4,902	5,647	5,385	5,472	8,068	8,287	8,745	9,537	10%
	Imports	5,167	5,766	7,231	7,065	5,859	7,846	10,494	11,373	12,500	12%
Gems & Jewelry	Exports	2,909	2,678	2,814	2,541	1,919	2,915	3,045	2,709	2,524	-2%
	Imports	3,601	4,814	4,512	3,849	4,059	6,087	5,923	6,498	7,522	10%
Leather Goods	Exports	379	370	398	360	272	363	422	389	408	1%
	Imports	82	89	98	97	58	84	118	99	99	2%
Marine Products	Exports	396	476	477	476	442	579	649	610	626	6%
	Imports	6	8	11	13	17	17	20	21	26	19%
Pharma Products	Exports	1,125	1,114	1,339	1,468	1,813	1,833	2,041	2,306	2,580	11%
	Imports	335	353	444	457	517	675	651	683	756	11%
Textile Products	Exports	2,496	2,409	2,671	2,483	2,341	3,319	2,941	2,976	3,208	3%
	Imports	418	467	523	577	429	605	835	732	803	8%
Total Exports		**16,741**	**17,736**	**20,413**	**19,693**	**19,937**	**26,880**	**28,386**	**28,973**	**30,834**	**8%**
Total Imports		**18,607**	**21,980**	**24,840**	**23,231**	**21,558**	**31,555**	**38,063**	**38,388**	**41,346**	**10%**

Source: Ministry of Commerce and Industry, PL

Indian ports sector

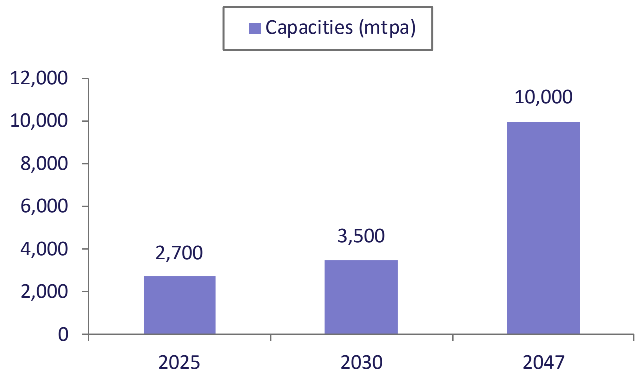
India has 11,099km of coastline and 20,275km of national waterways spread across 24 states. The Indian Ocean encompasses 1/5th of the world's sea area and supports 80% of global maritime oil trade. Ports in India handle 95% by volume and 70% by value of the country's external trade, involving critical goods like crude petroleum, iron ore, textiles, food items or coal. The total length of national waterways is 20,275km spread across 24 states.

Exhibit 7: Ports handle 95% volume & 70% value of trade



Source: Company, PL

Exhibit 8: Port capacities to quadruple by 2047



Source: Amrit Kaal vision document, PL

India has 12 major seaports and 200+ non-major ports, with a total capacity of ~2,700mmt. The sector is bifurcated into major ports (which fall under central government jurisdiction) and non-major ports (under state government jurisdiction). India aspires to quadruple its port capacity to 10,000mmt by 2047. Increasing trade activities and private participation in port infrastructure are set to support port infrastructure activity in India.

Exhibit 9: Major vs non-major ports

Feature	Major ports	Non-major ports
Management & operational model	Run by port authorities on a landlord model, where terminals are bid out through a PPP model	Awarded directly to operators/PPP partners
Congestion levels	Higher congestion as access channels are shared by multiple berths	Lesser congestion due to dedicated access channels
Cargo ramp-up potential	Limited cargo ramp-up due to predefined infrastructure	Higher cargo ramp-up potential as infrastructure can be developed strategically
Infrastructure & development	Fully operational with supporting infrastructure under the landlord model	Greenfield development involves higher risks due to long gestation periods for marine and connectivity infrastructure

Source: Company, PL

Exhibit 10: Ports in India

Source: Industry

Overview of Major ports

Major ports fall under central government jurisdiction and generate most of their revenue from port-related activities, including port services and revenue share from terminal operators. The type of cargo handled at ports is influenced by the consumption patterns in their hinterland. Industrial hubs in Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh contribute to cargo movement, while mineral-rich states like Chhattisgarh, Jharkhand and Odisha drive coal and iron ore shipments. Similarly, ports near refineries such as Cochin, Kandla, Mumbai and Mangalore see high volumes of petroleum traffic, whereas Paradip and Mormugao primarily handle coal and iron ore from nearby mines.

Private sector participation in major ports is permitted for specific projects, berths, or terminals through the Public-Private Partnership (PPP) model. These are awarded via a globally open competitive bidding process based on revenue sharing or royalty agreements between the major port authority and the concessionaire, with a fixed concession period. Upon expiry of this period, the asset is transferred back to the major port authority. There are 213 non-major ports managed by and under the control of the respective State Maritime Board / State Government.

JSW has non-major ports: Dharamtar, Jaigarh

Adani has ports at Mundra, Dahej, Hazira, Vizhinjam, Krishnapatanam, Gangavaram, Dhamra, Karikal

Exhibit 11: Major ports across the country

Port	State	Cargo handling capacity (mmt)	Cargo type
East Coast			
Kolkata/Haldia	West Bengal	93.02	All-weather, riverine port
Paradip	Odisha	289.75	All-weather, artificial lagoon port
Vizag (Visakhapatnam Port)	Andhra Pradesh	148.18	All-weather, natural harbor
Chennai	Tamil Nadu	136.0	All-weather, artificial harbor with wet dock
VO Chidambaranar Port (Tuticorin)	Tamil Nadu	111.46	All-weather, artificial deep sea harbor
Ennore	Tamil Nadu	94.0	All-weather, artificial harbor
West Coast			
Cochin	Kerala	79.9	All-weather, natural harbor
New Mangalore	Karnataka	114.96	All-weather, artificial lagoon port
Mormugao	Goa	63.4	All-weather, open protected harbor
Mumbai	Maharashtra	84.0	All-weather, natural harbor
JNPT (Jawaharlal Nehru)	Maharashtra	145.87	All-weather, artificial deep sea harbor
Deendayal (Kandla)	Gujarat	269.32	All-weather, tidal port

Source: PIB, PL

In Sep'24, Galathea Bay port in the Andaman and Nicobar Islands was notified as the 13th major port by the Ministry of Ports, Shipping and Waterways. However, its first phase is expected to be commissioned only by 2028.

Also, in Jun'24, the Union Cabinet approved the setting up of a major port at Vadhavan, near Dahanu, in Maharashtra, at a total project cost of Rs762bn with major portion on the PPP mode.

Non-major ports

Non-major ports, including minor and intermediate ports, are those not classified as major ports under the Indian Ports Act, 1963. They are governed by respective state governments and regulated through state departments or maritime boards.

Exhibit 12: Non-major ports in India

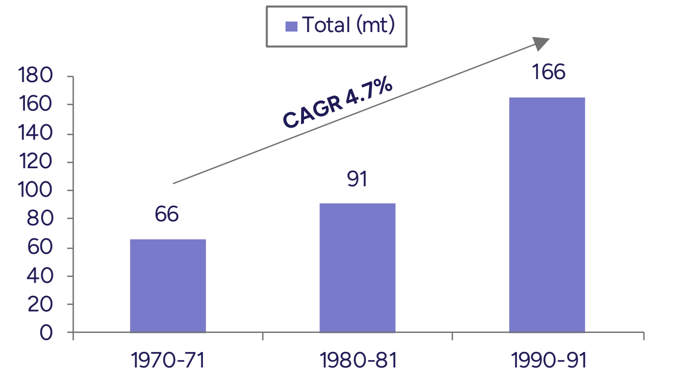
State	No. of non-major ports	Location
Maharashtra	15	Dharamtar, Jaigarh, Ulwa Belapur, Redi
Gujarat	19	Mundra, Sikka, Dahej, Magdalla, Pipavav, Bedi, Navlakhi, Hazira
Andaman and Nicobar Islands	11	Port Blair
Kerala	4	Kozhikode, Vizhinjam
Tamil Nadu	5	Nagapattinam, Tirukadiyur, Cuddalore
Andhra Pradesh	5	Krishnapatnam, Gangavaram, Kakinada, Rawa
Odisha	2	Dhamra
Karnataka	7	Karwar, Mangalore (old)
Goa	1	Panjim
Pondicherry	2	Karaikal

Source: Industry, PL

Cargo traffic at Indian ports

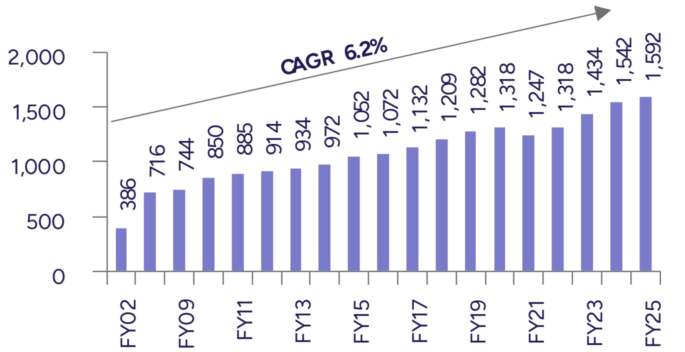
Cargo volumes grew at a CAGR of 6.2% over FY02-25 aided by non-major ports where volumes grew at 9.1% CAGR while major ports volumes grew at 4.7%. In FY25, cargo traffic at major ports grew 4.2% to 854mmt. Exim cargo increased by 4.77% to 657.74mmt. At non-major ports, traffic increased by 2.6% to 739mmt from 723mmt impacted by weakness in coal and iron ore. Exim cargo traffic increased by 4% to 604.49mmt, however coastal cargo traffic handled at non-major ports decreased by 4.82% to 134.9mmt.

Exhibit 13: Cargo vol clocks 4.7% CAGR from 1970-1991



Source: Company, PL

Exhibit 14: Cargo vol clocks 6.4% CAGR from FY02-24

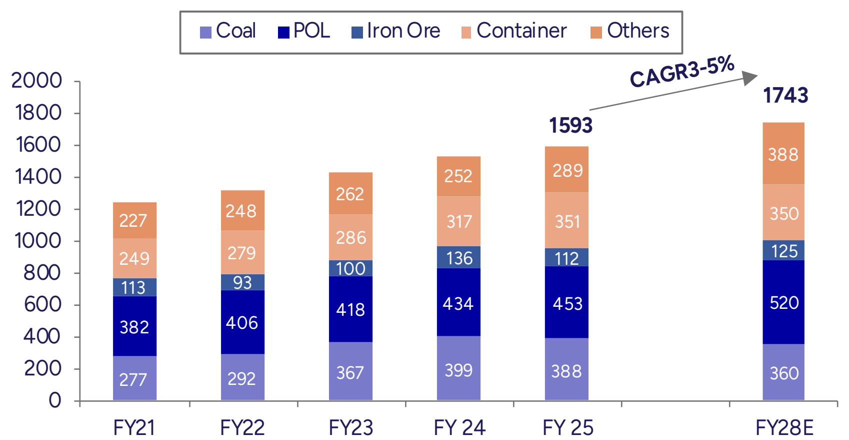


Source: Company, PL

Products-wise cargo handled at Indian ports

As per industry estimates, over FY25-28E, Indian ports volumes are expected to grow at 3-5% as factors such as tapering growth in coal imports impacted by higher Coal India production along with plateauing of iron ore exports. However, we believe with increasing demand of iron ore and weak global coal prices can lead to higher cargo traffic over the long term.

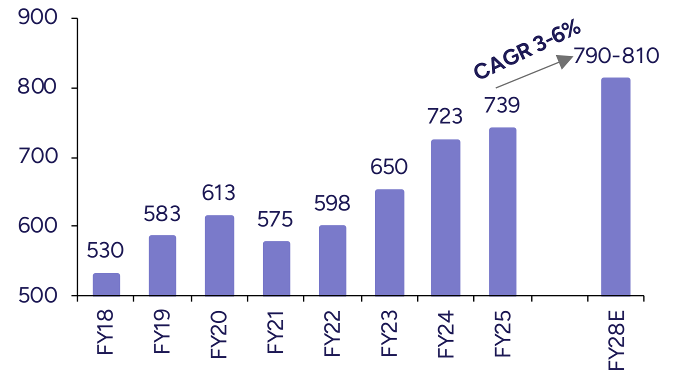
Exhibit 15: Different cargo handled at Indian ports in FY23/FY24 and FY28E (mmt)



Source: JSW DRHP, Company, PL

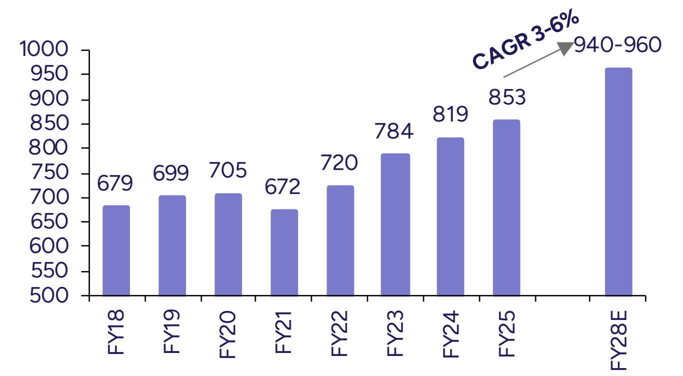
We believe cargo volume growth will improve, driven by all categories, particularly containers and coal; which are expected to see significant volume expansion. Iron ore, and petroleum, oil and lubricants (POL) are also set to rise, indicating strong industrial and energy sector demand. The overall increase in cargo movement reflects India's expanding trade activities and industrial output, reinforcing the need for enhanced port infrastructure and logistics efficiency.

Exhibit 16: Traffic trends at non-major ports (mmt)



Source: Ministry of Ports, Shipping & Waterways, PL

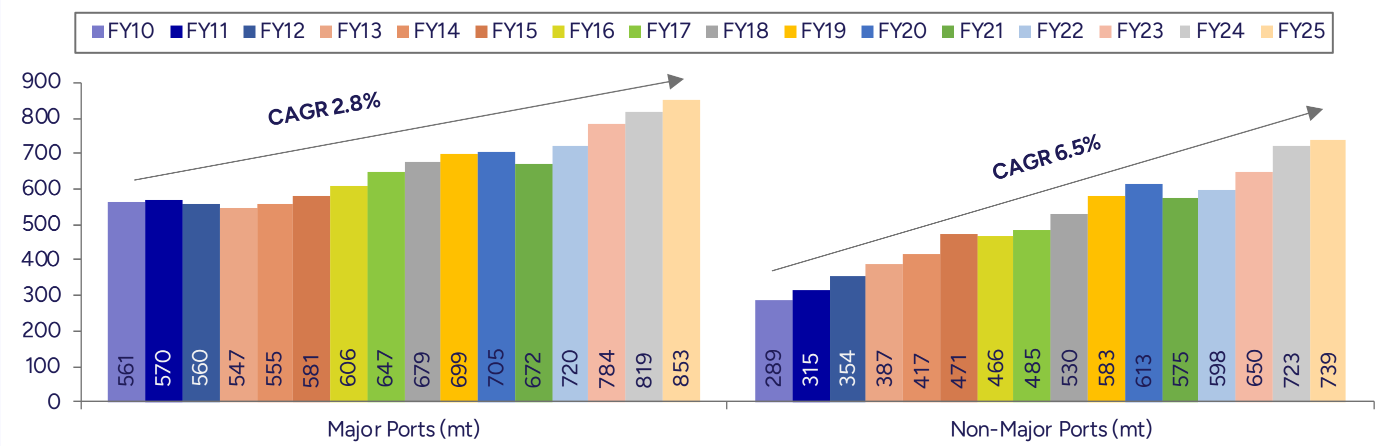
Exhibit 17: Traffic trends at major ports (mmt)



Source: Ministry of Ports, Shipping & Waterways, PL

The increase in trade activity will lead to higher cargo volumes at ports, as greater imports and exports boost the movement of goods. This surge in industrial activity highlights the growing importance of ports in India's economy.

Exhibit 18: Major vs non-major ports cargo volume growth



Source: Company, PL

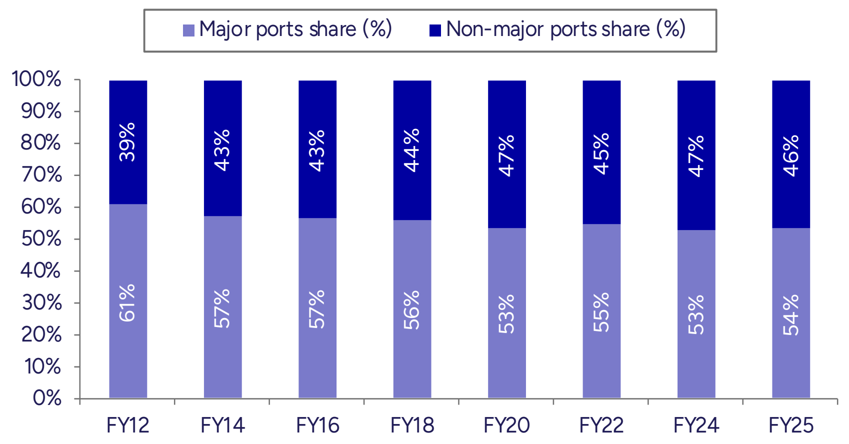
Major ports have seen a CAGR of 2.5%, with cargo volumes rising from 561mt in FY10 to 853mt in FY25, indicating moderate growth due to capacity constraints and competition from non-major ports. Non-major ports, on the other hand, saw rapid expansion, clocking at 6.5% CAGR.

Ports' revenue structure

- **Major ports**: Major ports primarily generate revenue from port-related activities, including port services, royalties, and revenue split from terminal operators. Royalties and revenue share are decided by the central/state government that owns the port.

- **Minor ports**: Minor ports generate revenue mainly through cargo handling and vessel specific fees such as berth hire charges. Royalty and revenue share are decided by the respective state government at the time of agreement.

Exhibit 19: Market share of major vs non-major ports



Source: Industry, PL

Share of major ports has been reducing as non-major ports are able to provide better efficiency and lower turnaround time with competitive rates. Over the years, the gap has narrowed significantly with major ports declining to 54% and non-major ports rising to 46% by FY25. This trend reflects the growing dominance of non-major ports aided by policy reforms, greater private investments and infrastructure improvement.

Deep dive into port revenue and volume

Bifurcation based on volumes: In FY25, POL, containers, coal and others accounted for ~30%, 23%, 22% and 25%, respectively, of the total volume handled at Indian ports.

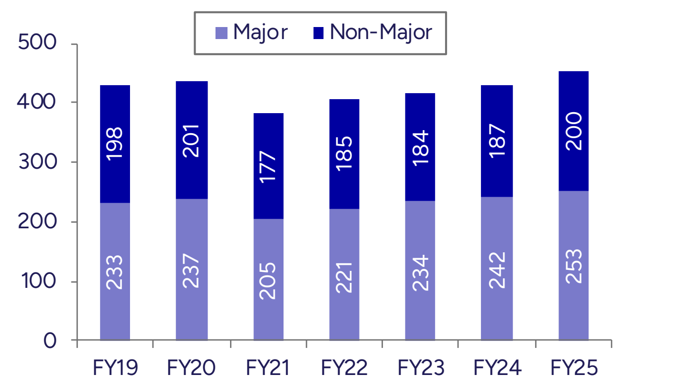
- **POL**: Volume for POL grew just 4% YoY in FY24-25 (453mmt vs 451mmt) and is expected to remain subdued in near term due to lower utilization of refineries. Share of major and non-major ports in POL volume is 56:44. Western region ports dominate POL traffic as they are connected with 78% of the refining capacity of the country.

- **Coal**: Coal volume saw a decline of 3% in FY25 despite sustained power demand. Non-major ports in the western zone dominate the traffic as they are linked with coastal power plants. ADSEZ's Mundra Port handles ~30% of the total coal traffic at western ports.

- **Containers**: Container traffic led to further growth in ports registering growth of ~10% in FY25.

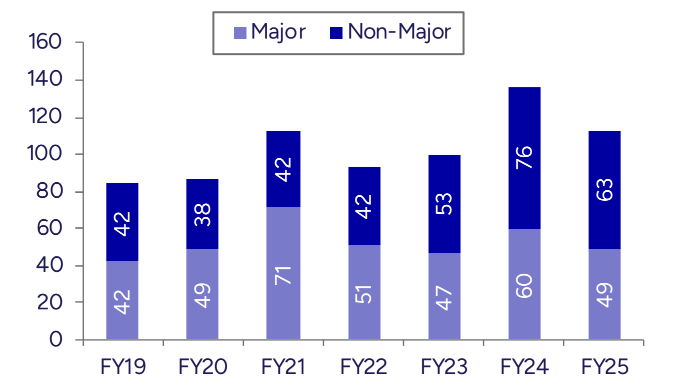
- **Iron ore**: Iron ore volume witnessed a sharp decline of 18% YoY in FY25, due to weaker global and domestic economies. However, as domestic demand continues to remain strong, if domestic iron ore miners couldn't supply necessary volumes, imports may rise.

Exhibit 20: POL growth to remain at lower single digits (mmt)



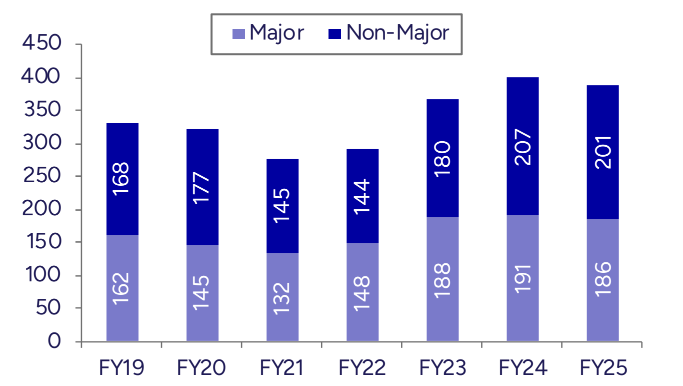
Source: Company, PL

Exhibit 21: India's iron ore trade on the rise (mmt)



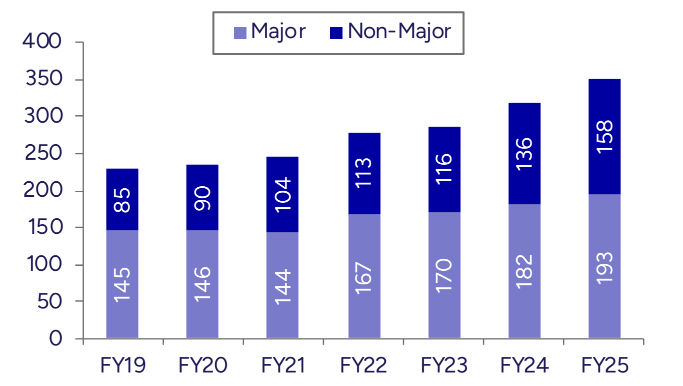
Source: Company, PL

Exhibit 22: Coal shows a turnaround from FY22 (mmt)



Source: Company, PL

Exhibit 23: Containers clocks ~7% CAGR over FY19-25 (mmt)



Source: Company, PL

Major growth drivers for ports sector

Sagarmala

Launched in 2016, Sagarmala is the flagship initiative by the Ministry of Ports, Shipping and Waterways to transform the country's maritime sector. To harness potentially navigable waterways and strategic location on key international maritime trade routes drive the Sagarmala program for port led development with a key objective of reducing logistics costs for domestic and export-import cargo.

The Sagarmala Programme includes 839 projects (modernization of existing ports, new ports, terminals, industrialization near ports, enhancement of port connectivity, inland waterways, etc.) with investment of ~Rs5.8trn for implementation by 2035. These projects are being executed through various funding arrangements, including equity, internal resources, grants-in-aid, and the PPP mode.

Exhibit 24: Port development projects: Status and investment (as of Mar'25)

Pillar	Completed		Under implementation		Under development		Total	
	No. of projects	Project cost (Rs bn)	No. of projects	Project cost (Rs bn)	No. of projects	Project cost (Rs bn)	No. of projects	Project cost (Rs bn)
Port modernization	103	326	56	747	75	1,839	234	2,913
Port connectivity	92	580	56	680	131	804	279	2,064
Port led industrialization	9	459	3	92	2	6.25	14	557
Coastal community development	23	20	32	59	26	37	81	116
Coastal shipping and IWT	45	30	67	48	119	68	231	146
Total	**272**	**1,415**	**214**	**1,627**	**353**	**2,754**	**839**	**5,796**

Source: Sagarmala.gov.in, Ministry of Ports, Shipping & Waterways AR'25, company, PL

Exhibit 25: Road connectivity projects under Sagarmala

State	Number of projects	Length (km)	Cost (USD bn)
Gujarat	4	690	3
Maharashtra	14	2,351	8.33
Goa	2	110	0.21
Karnataka	7	781	0.95
Kerala	21	220	0.69
Tamil Nadu	19	1,913	8.5
Andhra Pradesh	36	2,184	4.68
Odisha	4	62	0.1
West Bengal	5	275	1.44

Source: IBEF, PL

Exhibit 26: Rail connectivity projects under Sagarmala

Status	Number of projects	Length (km)	Cost (USD bn)
Completed	13	426	0.4
Under implementation	27	1,967	2.92
Pre-implementation	30	1,854	3.93

Source: IBEF, PL

Exhibit 27: MMLPs under Sagarmala

Status	Number of parks	Cost (USD mn)
Completed	1	18.62
Under implementation	9	267.65
Pre-implementation	5	266.41

Source: IBEF, PL

Key highlights:

- Around 260 projects worth ~Rs1,040bn have been completed; the remaining are in various stages of implementation and development.
- Road connectivity projects worth Rs1,797.61bn (USD27.89bn) are being implemented in coastal states.
- GoI has undertaken 55 rail projects worth Rs458.83bn (USD6.57bn) and 15 road projects worth Rs28.99bn (USD0.41bn) to improve port connectivity at various major and minor ports.

Amrit Kaal Vision 2047

Formulated by the Ministry of Ports, Shipping and Waterways, Amrit Kaal Vision 2047 builds on Maritime India Vision 2030 and aims to develop world-class ports and promote inland water transport (IWT), coastal shipping and a sustainable maritime sector. Action points under the vision revolve around 11 key themes. 300+ initiatives along with their action plan have been identified across these themes.

Key themes:

- Enhance India's tonnage
- Promote maritime clusters
- Provide maritime professional services
- Become a global player in shipbuilding, repair & recycling
- Develop world-class education, research & training facilities
- Strengthen India's global maritime presence
- Develop world-class next-generation ports
- Enhance efficiency through technology & innovation
- Enhance modal share of coastal shipping & IWT
- Promote ocean, coastal & river cruise sector
- Lead the world in safe, sustainable & green maritime sector

Exhibit 28: Strategic aspirations for Amrit Kaal Vision 2047

Parameter	Unit	Where we are	By 2047
Major ports with LNG bunkering facilities	No.	1	8
No. of hydrogen/ammonia hubs	No.	-	14 (major ports)
Major ports with shore to ship power facility	No.	2	14 (major ports)
Carbon neutral ports	No.	-	14
India's rank in Asia-Pacific in terms of passenger volume	Rank	4th	1st
No. of Indian ports amongst top 20 ports for cruise services in Asia-Pacific	No.	1	4
No. of cruise terminals	No.	6	25
No. of operational waterways	No.	22	50+
Cargo volume handled by waterways	mmt	109	>500
Global rank in ship recycling	Rank	2nd	1st
Global rank in shipbuilding	Rank	22nd	Top 5
Overall port handling capacity	Mmt	2,500+	10,000+
% of cargo handled at PPP berths of major ports	%	51%	100%
No. of transshipment hubs	No.	1	3
No. of new major ports	No.	-	2
Ports with 18-23m draft	No.	5	13
Ports with just-in-time arrival	%	-	100%
Smart ports	No.	-	5
Total investment: Rs75-80trn			

Source: Maritime Amrit Kaal Vision document

Given the rapid pace of expansion underway, India is looking at a nearly 300% increase in its cargo handling capacity at its sea and river ports by 2047. As part of the comprehensive plan, India's total port capacity is set to increase from existing ~2,700mmt to more than 10,000mmt by 2047.

As per Maritime India Vision 2030, cargo volume at Indian ports is expected to increase by 1.7-2x by FY30 and reach 3,500mmt. In Union Budget 2025-26, allocation for the Sagarmala Programme has been increased by more than 2x to Rs8.66bn for FY26 from Rs7.09bn for FY25. The central government is targeting to build 14 new ports worth Rs1.25trn in the next stage of Sagarmala.

The maritime vision has identified key interventions across 4 areas to develop best-in-class port infrastructure:

- Brownfield capacity augmentation
- Development of world-class mega ports
- Development of a transshipment hub
- Infrastructure modernization

Privatization of terminals at major ports

The government is actively encouraging private sector participation through PPPs to modernize port terminals, improve logistics, and enhance overall competitiveness in global trade. As a result, major ports have witnessed a steady rise in privatization. PPPs currently handle ~50% of cargo at major ports. Efforts are underway to raise their share to ~85% over the next few decades. The Ministry of Ports, Shipping and Waterways has a robust pipeline of 81 projects of more than Rs424bn, to be awarded on PPP.

The assets considered for privatization from FY22 to FY25 are spread across 9 of the 12 major ports. Total estimated capex toward 31 projects identified for private sector participation, is estimated at Rs144.83bn, of which 13 projects with expected capex of Rs69.24bn24has been approved by the government.

Exhibit 29: Growing participation of private sector in major ports

Terminals in major ports with private sector involvement	Port agency	Estimated cost (USD mn)
Container terminal, Ennore	Ennore	293.1
LNG terminal, Cochin	Cochin Port Trust	729.1
Container terminal, NSICT	JNPT	156.3
Oil jetty related facilities (Vadinar)	Kandla Port Trust	156.3
Third container terminal (Mumbai)	JNPT	187.5
Crude oil handling facility (Cochin)	Cochin Port Trust	146.5
ICTT at Vallarpadam (Cochin)	Cochin Port Trust	262.9
Construction of SPM captive berth (Paradip)	Paradip Port Trust	104.2
Development of second container terminal (Chennai)	Chennai Port Trust	103.1

Source: IBEF, PL

Exhibit 30: Private players driving port infrastructure development

Key private sector companies	Ports developed
Maersk	JNPT (Mumbai)
P&O ports	JNPT (Mumbai and Chennai)
Dubai Ports International	Cochin and Vishakhapatnam
PSA Singapore	Tuticorin
Adani	Mundra
Maersk	Pipavav
Navyuga Engineering Company Ltd	Krishnapatnam
DVS Raju Group	Gangavaram
JSW, Marg	Jaigarh, Karaikal
Marg	Karaikal

Source: IBEF, PL

Exhibit 31: Pipeline of ports projects over FY22-25

#	Port	Total no. of projects	FY22	FY23	FY24	FY25
1	Paradip Port	4	2			2
2	Deendayal Port (Kandla)	4	2	2		
3	JNPT (Mumbai)	3	1	2		
4	Mormugao Port	3	1	2		
5	Mumbai Port		2			
6	Shyama Prasad Mukerji Port Kolkata (Khidderpore)	4	1		1	2
7	Shyama Prasad Mukerji Port Kolkata (Haldia)	3	1	1	1	
8	Visakhapatnam Port	4	1	2	1	
9	VO Chidambaranar Port (formerly Tuticorin)	3	2	1		1
10		1				1
Total		**31**	**13**	**10**	**3**	**5**

Source: Industry, PL

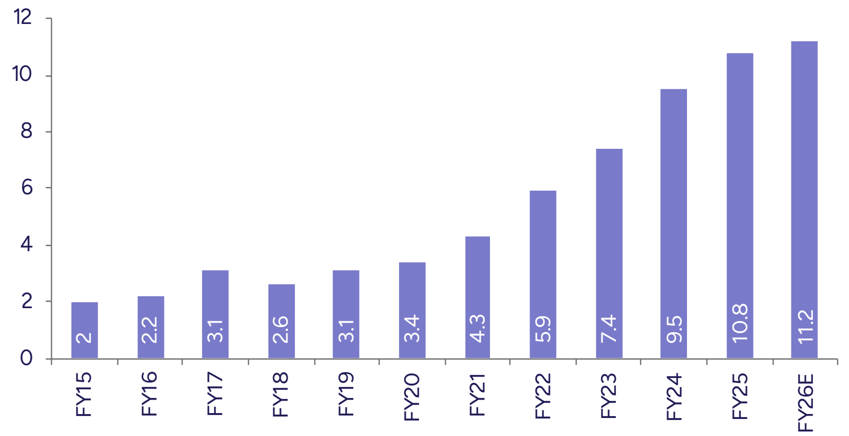
As private sector participation continues to grow, Indian ports are set to become more efficient, cost-effective, and better equipped to handle rising cargo volumes. With government initiatives like Sagarmala promoting privatization, companies like Maersk, Adani and JSW Infra have invested heavily in enhancing operational efficiency, ensuring better connectivity and reducing turnaround times.

Thus, privatizing terminals at major ports is a transformative step toward improving efficiency and capacity in India's port sector.

Thrust on infrastructure capex

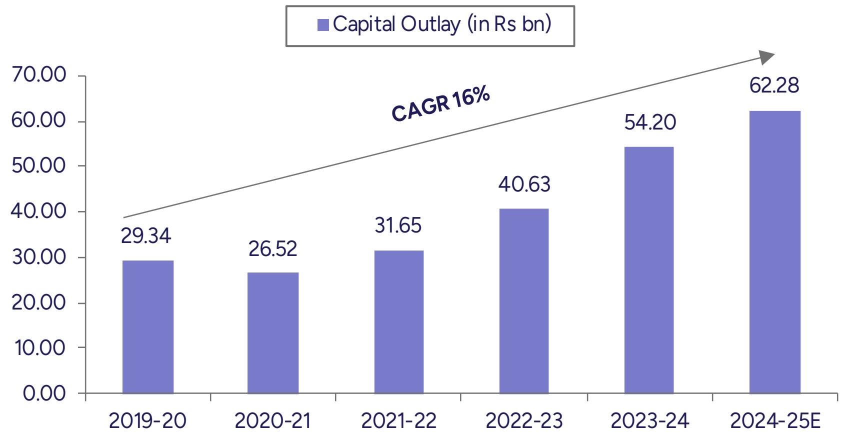
India has significantly increased its infrastructure spending, allocating Rs11.2trn for capex (3.1% of GDP) for FY26, more than 5x the amount from 10 years ago. Most of this growth has occurred in the last 5 years, with a CAGR of 21%. The government's focus on high-quality infrastructure has raised its share in capex from 28% in FY14 to ~60% in FY25.

Exhibit 32: Government capex over the years (Rs trn)



Source: Industry, PL

Exhibit 33: Government push for increase in infra capex for ports



Source: Indiabudget.gov.in, PL

This increase in port infrastructure investment is expected to drive a higher capex for ports, facilitating modernization, capacity expansion, and improving maritime connectivity. With growing trade volumes, enhanced port infrastructure will reduce congestion, improve efficiency, and support India's goal of becoming a global trade hub.

Coastal shipping is cheaper, environment-friendly

As per a Press Information Bureau (PIB) release, pre-tax freight rates for road and rail are Rs2.50/t km and Rs 1.36/t km, respectively. Moving raw materials and finished products using coastal shipping and inland waterways is 60-80% cheaper than road or rail transport. As a thumb rule, road is cost-competitive for 250-300km, railways for 250-800km, and ocean transportation is cheapest for distances greater than 800km.

Besides being cheaper, sea-based transportation is the most environment-friendly among surface transportation modes. As per a 2013 National Transport Development Policy Committee report, carbon dioxide emissions for road were 59gm/t km, followed by rail at 21gm/t km. Shipping contributes the lowest in carbon dioxide emissions at 10gm/t km.

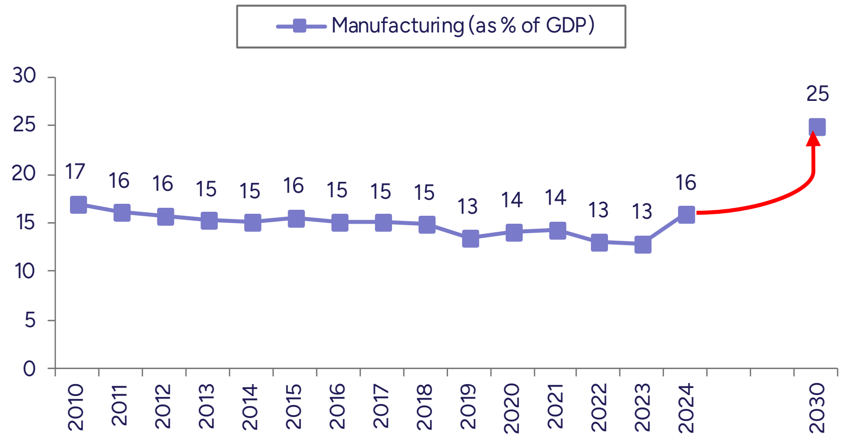
Government initiatives for manufacturing

Make in India

The initiative was launched by GoI in Sep'14 to encourage companies to manufacture their products in India and boost domestic manufacturing. The program aims to transform India into a global manufacturing hub by attracting FDI, promoting innovation, improving infrastructure, and creating job opportunities.

One of the core objectives of the Make in India initiative is to boost the manufacturing sector's contribution to India's GDP from 16% to 25%. Initially targeted for achievement by 2022, the deadline was later extended to 2025 and has now been further revised to 2030.

Exhibit 34: **GoI targets to achieve 25% manufacturing share in GDP by 2030**



Source: World Bank, PL

An increase in the share of manufacturing in GDP will directly benefit ports by driving higher cargo volumes and boosting trade activity. As manufacturing grows, there will be a surge in raw material imports (such as coal, iron ore, and chemicals) and export of finished goods (such as electronics, automobiles, and machinery). This will lead to higher container traffic, increased demand for logistics and warehousing, and greater investment in port expansion and modernization.

Atmanirbhar Bharat

It was launched in May'20 with a special economic package of Rs20trn (~10% of country's GDP) with the intent of fighting the pandemic and making the country self-reliant based on 5 pillars: economy, infrastructure, technology-driven system, demography and demand.

The stimulus is directed towards supporting businesses, including MSMEs, uplift the poor, strengthening agriculture, driving industrial growth, and implementing governance reforms. Atmanirbhar Bharat will help the ports sector by driving higher domestic manufacturing and exports, leading to increased cargo movement. As industries grow under this initiative, demand for raw material imports and finished goods exports will rise, thus boosting port traffic.

PLI schemes

These schemes are aimed at boosting India's manufacturing competitiveness by addressing sectoral challenges, enhancing efficiency, and achieving economies of scale. These schemes are designed to create a complete ecosystem and make India an integral part of the global supply chain.

With an outlay of Rs1.97trn (over USD24bn), the PLI schemes focus on 14 important sectors (like electronics, pharma, food, textiles, etc.), each chosen to enhance the country's manufacturing prowess and elevate India's position in global markets.

As of Aug'24, actual investments totaling Rs1.46 lakh crore had been realized, indicating significant strides in transforming India's manufacturing landscape. Exports have also seen a substantial uptick, surpassing Rs4 lakh crore, driven by key sectors such as electronics, pharmaceuticals and food processing. The success of these schemes is evident in the accelerated growth of domestic industries, rising global competitiveness of Indian products, and job creation, driving broader economic goals.

As per DPIIT secretary Amardeep Singh Bhatia, "The target of the government is to achieve 25% manufacturing share in GDP by 2030. It will take some time to build momentum." With initiatives like PLI, focus on manufacturing and policy reforms things can change swiftly.

Key risks for ports sectors

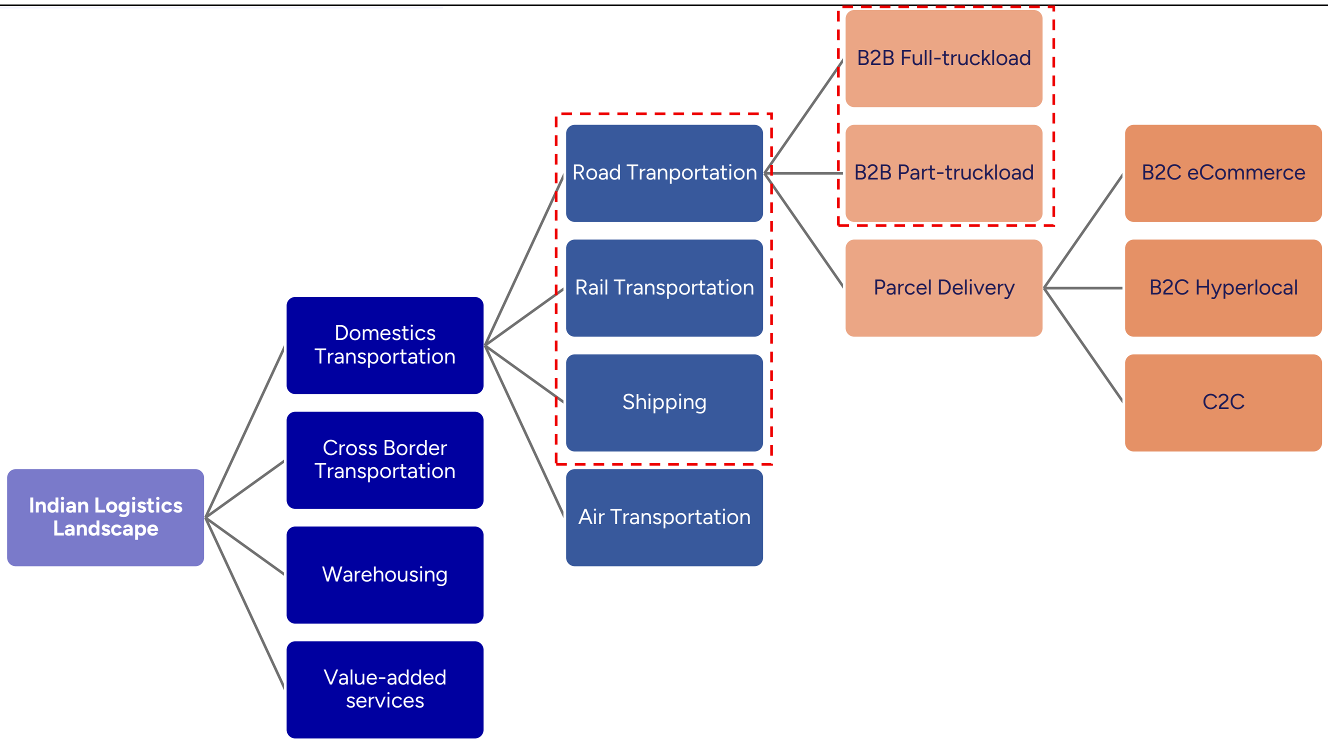
- **Slowdown in global economy:** Performance of ports is heavily dependent on the global economic scenario. Slowdown in the global economy would imply slowdown in the ports business.
- **Competition from other Indian ports:** With 212 non-major ports and 12 major ports, competition among ports has grown a lot.
- **Financing and investment constraints:** Expanding and modernizing ports requires huge investments, which can be a major financial challenge, especially when funding is limited or delayed.
- **Changes in government regulations:** Government restrictions on imports and exports can disrupt port operations. Higher duties or trade limitations on certain goods can reduce cargo flow, affecting overall port activity.
- **Environmental concerns:** Environmental concerns, like damage to marine ecology and pollution from port activities, can threaten port operations and lead to stricter regulations or disruptions.
- **Slow adoption of technology:** Limited automation and digitalization hinder operational efficiency and increase turnaround time.
- **Labor and workforce related challenges**: Dependence on manual operations and labor strikes can cause disruptions in port activities.
- **High logistics costs**: Poor hinterland connectivity, along with gaps in road, rail, and intermodal transport, leads to inefficiencies and higher logistics costs for ports.
- **Competition from global ports**: Indian ports face tough competition from technologically advanced global ports, making it harder to attract transshipment traffic and maintain a competitive edge.

Indian logistics sector

Logistics plays a crucial role in driving growth in the ports sector by enabling seamless cargo movement, reducing congestion, and improving turnaround time. Integrated multimodal connectivity through rail, road and inland waterways expands hinterland reach, boosts cargo volumes, and lowers transportation costs. Further, value-added services like warehousing, agri-silos, and container handling enhance efficiency and support industrial clusters around ports.

Additionally, logistics infrastructure such as free trade warehousing zones and bonded warehouses support re-exports and global trade positioning. With increasing digitalization and policy thrust under PM Gati Shakti, logistics is helping transform ports into integrated, cost-efficient trade and supply chain hubs.

Exhibit 35: Indian logistics industry – Overview

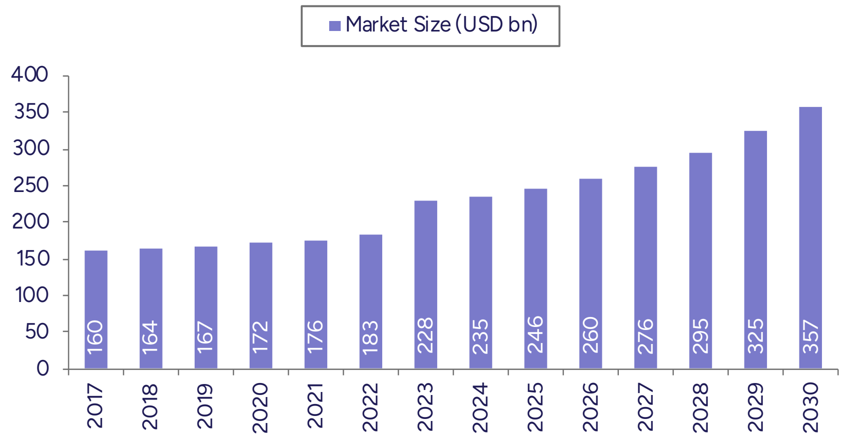


Source: Redseer Research and Analysis, Ecom Express DRHP, PL

Despite strong economic growth, India's logistics costs remain high at 13–14% of GDP – much higher than global standards. This is mainly due to poor infrastructure, fragmented regulations, and limited digital adoption, all of which reduce efficiency. To achieve its goal of reaching USD1trn in annual merchandise exports by 2030, India must address these issues. For the logistics sector to become a true driver of growth and reduce its share of GDP to 8–9%, the country will need to invest around USD3trn.

The government has launched several initiatives such as PM Gati Shakti, Sagarmala and Maritime Amrit Kaal Vision 2047 to modernize ports, strengthen last-mile connectivity, and enhance overall logistics efficiency.

Exhibit 36: Steady growth in logistics industry over the years



Source: ADSEZ, PL

Roads handle 66–70% of India's freight, while rail accounts for 30–31%. Air freight has a negligible share (less than 1%). The road transport ecosystem remains highly fragmented and unorganized, with over 85–90% of fleet owners operating 10–20 trucks. These trucks tend to be underutilized, with average daily movement limited to 200–300km, well below international benchmarks.

On the other hand, the rail sector has seen notable infrastructure enhancements, particularly through the Western Dedicated Freight Corridor (WDFC), which is now over 95% complete and expected to be fully operational by end-FY26. These developments are aimed at reducing congestion, improving efficiency, and boosting the modal share of rail in freight logistics.

Recognizing the gaps in logistics, ports companies like ADSEZ and JSW INFRA are investing in infrastructure development to enhance connectivity and improve efficiency and growing their logistics arms.

Dedicated Freight Corridor (DFC)

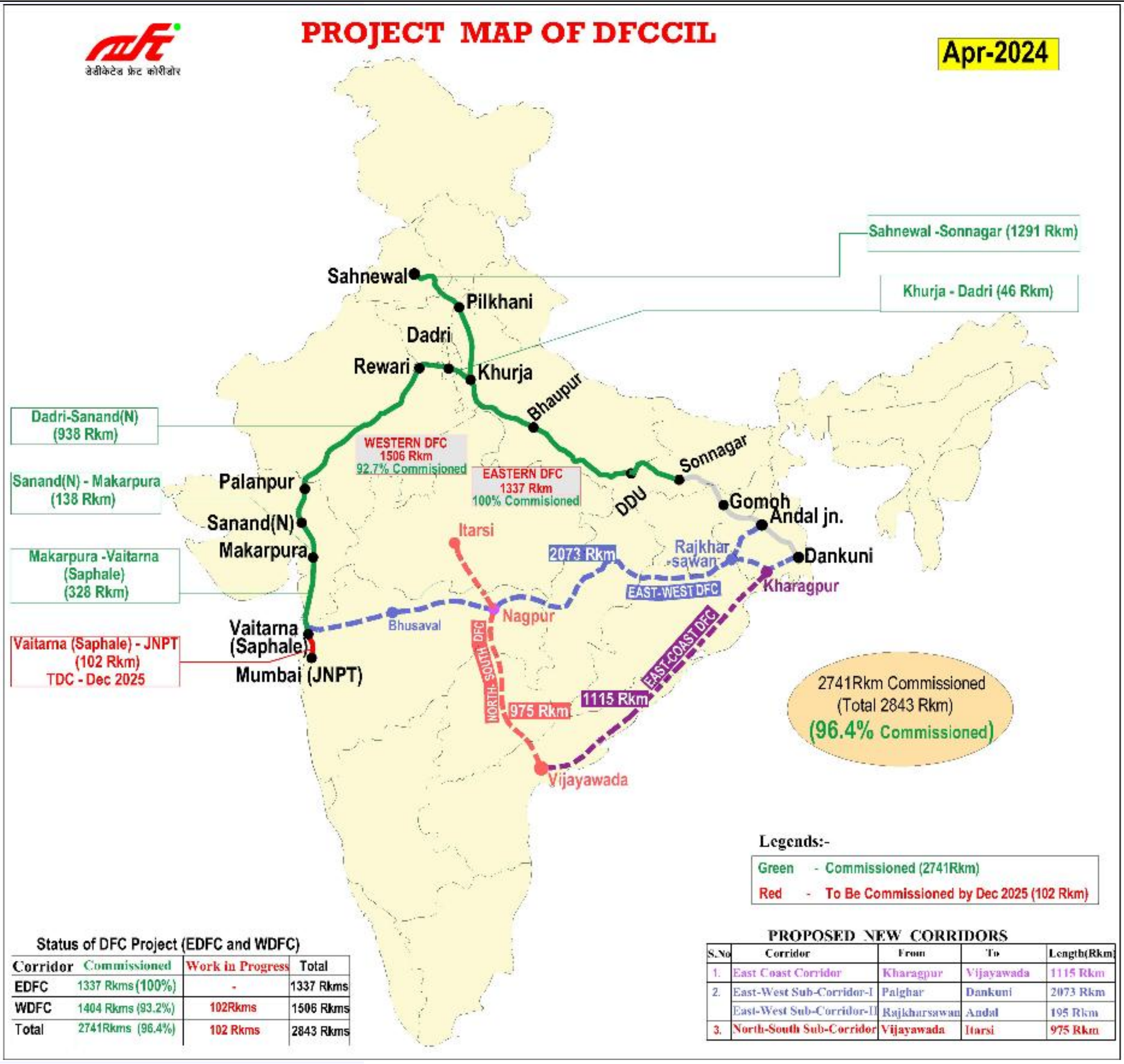
With GOI aiming to reduce logistics costs to 8% of the GDP (from existing 13-14%), DFCs will play a huge role. DFCs are greenfield railway networks exclusively for freight train operations, operating either parallel to or independently from passenger lines. These rail networks are strategically established to make the movement of goods faster, cost-effective and efficient.

The Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) has been mandated to construct, maintain, and operate DFCs across India. The two major corridors are: **1) Eastern DFC (EDFC)** from Sanehwal near Ludhiana in Punjab to Dankuni in West Bengal, and **2) Western DFC (WDFC)** from Dadri in Uttar Pradesh to Jawaharlal Nehru Port (JNPT) in Mumbai, Maharashtra. As per MD of DFCCIL Praveen Kumar, the cost of these two corridors is Rs1.24trn, and the financial rate of return is 9%.

Key freight connections:

- Eastern coal belt (Sonnagar–Garhwa Road–Patratu) to thermal power plants in northern states like UP, Haryana, Punjab and Rajasthan
- Major western ports (JNPT, Mumbai, Kandla, Mundra, Pipavav) to container hubs and industrial regions in NCR (Delhi, Haryana, Punjab)

Exhibit 37: Snapshot of the DFCs



Source: dfccil.com

EDFC has already been commissioned in 2024, while WDFC is over 90% complete and is expected to be fully operational by end-FY26. Once ready, together the corridors will be able to handle 480 trains daily, and decongest freight traffic, cut logistics costs, and enhance operational efficiency.

Though these DFCs make up just 4% of Indian Railways' total network, they are already handling 14% of freight traffic on rail network. DFC trains clock average speeds of 55–60kmph—over twice the 18–20kmph average of regular freight trains.

Exhibit 38: DFC project status

Corridor	Length (km)	Status (2025)	Daily train service (Jan'25)	Completion status
EDFC	1,337	Fully operational	209	Completed
WDFC	1,506	93-94% complete & operational	182	Dec'25 (phased)
Total DFC network	**2,843**		**391**	**To be fully operational by Dec'25**

Source: dfccil.com, PIB.gov.in, PL

With EDFC already commissioned in 2024, both corridors are set to decongest freight traffic, cut logistics costs, and enhance operational efficiency. Once finished, both corridors will be able to handle 480 trains per day.

DFCs will significantly improve port businesses by providing fast, reliable and cost-effective rail connectivity between ports and inland industrial centers. Longer and double-stacked, these container trains can move quickly without delays, thus reducing transit times and logistics costs.

This improved efficiency allows ports to handle larger volumes of cargo smoothly and connect seamlessly with hinterland markets, boosting export and import activities. Additionally, DFCs support the development of modern logistics parks and multimodal terminals near ports, enhancing cargo handling and supply chain integration.

Exhibit 39: Major industrial clusters along EDFC

Cluster	Location (state)	Primary focus / Industry sector
Auraiya-Kanpur	UP	Manufacturing, logistics, integrated industrial township
Allahabad-Naini-Bara Investment Zone	UP	Industrial manufacturing, logistics, warehousing
Mughalsarai-Varanasi-Mirzapur Cluster	UP	Warehousing, manufacturing, light manufacturing hub
Agra-Aligarh Industrial Zone	UP	Locks & hardware, ceramics, agro-based industries
Kanpur Logistics Hub	UP	Warehousing, logistics support for manufacturing
Ludhiana-Khurja-Dadri Section	PB, HR, UP	Coal, steel, food grains, ceramics
Dankuni Industrial Cluster	WB	Steel, engineering, chemicals
Andal Industrial Cluster	WB	Coal, steel, power, heavy engineering
Gomoh Industrial Area	JH	Mining, steel, heavy industries

Source: Industry, PL

Exhibit 40: Major industrial clusters along WDFC

Cluster	Location (state)	Primary focus / Industry sector
Dholera Special Investment Region	GJ	Large-scale manufacturing, smart city, exports, electronics, heavy engineering
Shendra-Bidkin Industrial	MH	Automotive, engineering, pharmaceuticals
Vikram Udyogpuri	MP	Industrial manufacturing, engineering, logistics
Nangal Chaudhary Logistics Hub	HR	MMLPs and warehousing
Dighi Port Industrial Area	MH	Port-based industries, logistics, steel, EXIM industries
Jodhpur Pali Marwar Industrial Area	RJ	Textiles, cement, agro-based industries
Khushkhera-Bhiwadi-Neemrana Industrial Area	RJ	Manufacturing, automotive, electronics
Mandal-Becharaji Special Investment Region	GJ	Manufacturing, chemical, engineering

Source: Industry, PL

The connection of Dedicated Freight Corridors (DFCs) to the industrial clusters is expected to significantly boost port business by enabling faster, more reliable, and cost-effective movement of goods between ports and manufacturing hubs. This seamless rail connectivity can reduce transit times and logistics costs, allowing ports to handle larger cargo volumes efficiently and improve supply chain reliability. This will lead to a huge boost in the logistics business of the companies streamlining their value chain and are ready to expand their logistics business further.

COMPANIES

Adani Port & SEZ (ADSEZ IN)

Rating: BUY | CMP: Rs1,453 | TP: Rs1,777

July 18, 2025

Company Initiation

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	3,10,786	3,74,668	4,29,731	4,99,682
EBITDA (Rs. m)	1,87,438	2,21,587	2,50,970	2,88,492
Margin (%)	*60.3*	*59.1*	*58.4*	*57.7*
PAT (Rs. m)	1,13,037	1,35,404	1,60,507	1,91,546
EPS (Rs.)	52.3	62.7	74.3	88.7
Gr. (%)	*34.4*	*19.8*	*18.5*	*19.3*
DPS (Rs.)	7.0	8.5	9.6	10.7
Yield (%)	*0.5*	*0.6*	*0.7*	*0.7*
RoE (%)	*19.6*	*19.8*	*19.8*	*19.9*
RoCE (%)	*13.8*	*15.3*	*16.2*	*17.2*
EV/Sales (x)	11.2	9.2	7.8	6.5
EV/EBITDA (x)	18.6	15.5	13.4	11.2
PE (x)	27.8	23.2	19.5	16.4
P/BV (x)	5.0	4.2	3.6	3.0

Key Data	APSE.BO | ADSEZ IN
52-W High / Low	Rs.1,605 / Rs.994
Sensex / Nifty	82,259 / 25,111
Market Cap	Rs.3,138bn/ $ 36,451m
Shares Outstanding	2,160m
3M Avg. Daily Value	Rs.4015.59m

Shareholding Pattern (%)

Promoter's	65.89
Foreign	13.43
Domestic Institution	14.13
Public & Others	6.55
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	4.3	24.8	(3.1)
Relative	3.5	16.3	(4.9)

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Riding the wave of India's growth story

We initiate coverage on ADSEZ with 'BUY' rating and TP of Rs1,777 per share assigning multiple of 18x Sep'27E EV/EBITDA. ADSEZ is India's largest commercial port operator, accounting for ~27% of all-India port cargo movements. ADSEZ has come a long way from a single port in Mundra in 1998 to an integrated transport utility company with 15 ports and supporting marine and logistics assets. Port operations accounted for 58% of total revenue in FY25, with harbor (11%), logistics (9%) and other services (22%) contributing to the rest. ADSEZ clocked cargo volumes to the tune of ~450mmt in FY25, of which bulk stood at 215mmt (48%), container at 172mmt (38%), liquid at 44mmt (10%) and rest international. With Indian economy expected to grow at a healthy rate over the next few years, we expect ADSEZ to witness strong double-digit volume growth over FY25-28E delivering ~16% EBITDA CAGR. The stock is currently trading at EV of ~13.4x/11.2x EBITDA of FY27E/FY28E.

- **Portfolio of strong cash flow generating assets:** ADSEZ has a network of 15 ports across India's 11,099km long coastline and 4 international ports. It has the fastest vessel turnaround time in India (<1 day) and higher sticky cargo (56%). Over last decade, ADSEZ has increased its presence on India's Eastern coastline by acquiring key ports like Krishnapatnam, Gangavaram and Gopalpur. ADSEZ clocked an OCF yield of ~5.4% in FY25, led by strong organic performance as well as turnaround of its various acquired facilities. We expect port operations EBITDA to grow at a CAGR of 16% over FY25-28E and cons OCF to clock a strong 13% CAGR (OCF yield at ~7.7% in FY28E).

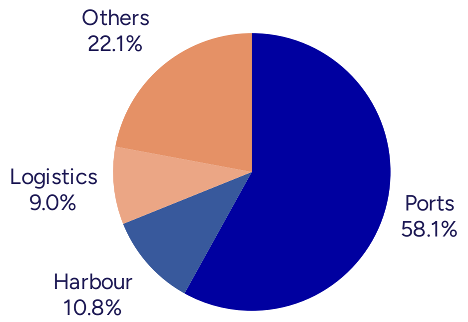
- **Successful track record of strategic acquisitions and turnaround:** Over the last decade, ADSEZ has made several successful domestic as well as international acquisitions, which have helped it to improve cargo volumes and market share. ADSEZ has successfully commissioned transshipment ports at Kerala and Colombo. In India, ADSEZ has covered most of the coastal line over last decade and has ~1560mmt environmental cleared capacity to drive necessary volume growth. Going forward, we expect ADSEZ to consolidate its position by undertaking brownfield expansions at its locations depending upon demand. In international operations as well, ADSEZ is on its target to achieve 150mmt by FY29E from its 4 locations.

- **Logistics business to complement the ports growth story:** ADSEZ is focused on making logistics business an integral part of its long-term journey to make the company a true transport utility and cover the entire the gamut of logistics value chain. ADSEZ plans to reduce inefficiencies across the value chain through its unique proposition of rail-road conversion aided by upcoming DFCs, trucking penetration, advanced technology adoption, and route optimization by enhancing network cohesion. ADSEZ has guided cumulative capex of Rs150-200bn till FY29E for logistics business and aims to achieve EBITDA of Rs35bn over the next 5 years.

- **Capital efficiency to improve commanding premium over global peers:** ADSEZ commands the highest EBITDA margin amongst global peers (60% for FY25). PAT margins stood at 39% in FY25, next only to Shanghai port. Return ratios of ADSEZ are also favorable compared to global peers (RoE: 17% vs. 1%-11%). We expect incremental organic growth to be more capital efficient aiding ADSEZ to command premium over its domestic and global peers.

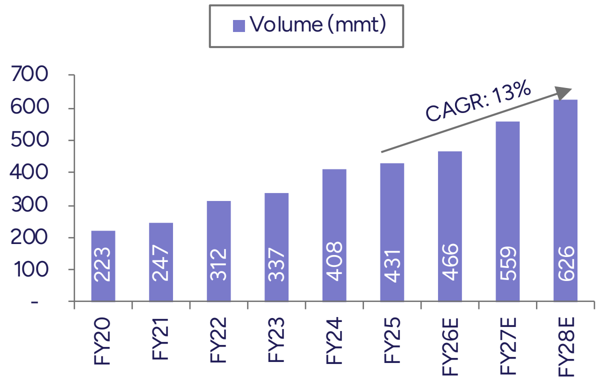
Story in charts

Exhibit 41: Port ops account for 58% of consolidated revenue



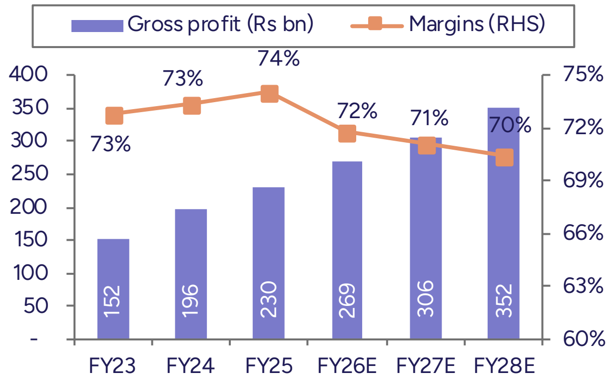
Source: Company, PL

Exhibit 42: Domestic volumes to see 13% CAGR over FY25-28E



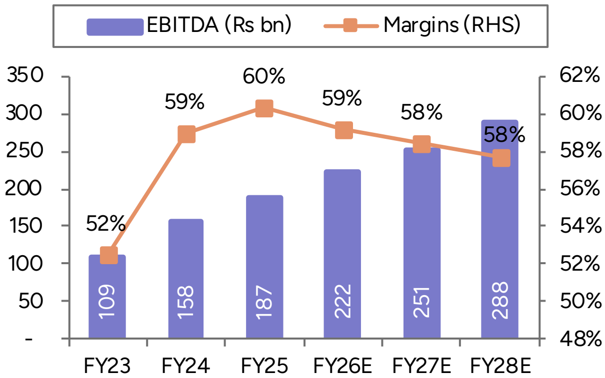
Source: Company, PL

Exhibit 43: Gross margins to remain high over FY26-28E



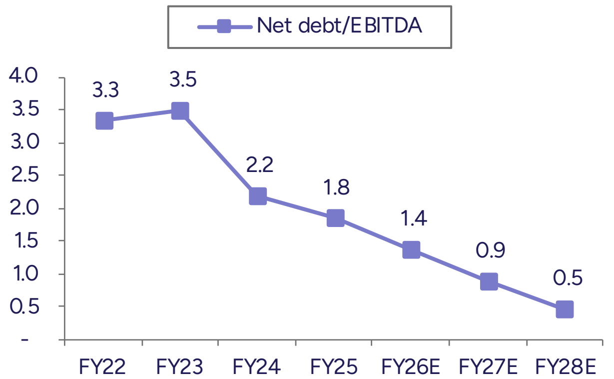
Source: Company, PL

Exhibit 44: Stable EBITDA margin with organic growth



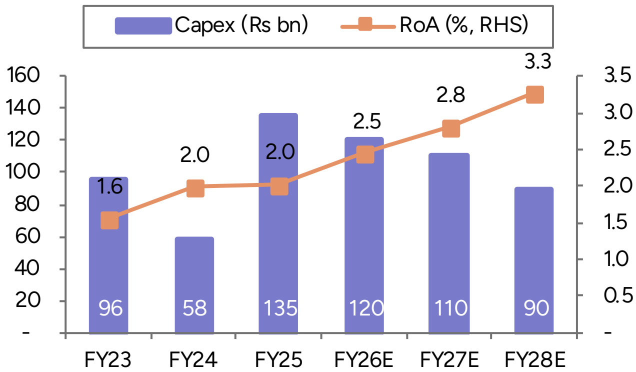
Source: Company, PL

Exhibit 45: Consistent improvement in net debt/EBITDA



Source: Company, PL

Exhibit 46: RoA expands despite higher capex



Source: Company, PL

Company Overview

ADSEZ is India's largest commercial port operator with ~27% share of country's port cargo movement. Part of the Adani Group, the company has evolved from a single port dealing in a single commodity in 1999 to an integrated logistics platform. Its integrated services (across ports, logistics and SEZ) have enabled it to forge alliances with leading Indian businesses and gain significant market share in the Indian ports sector.

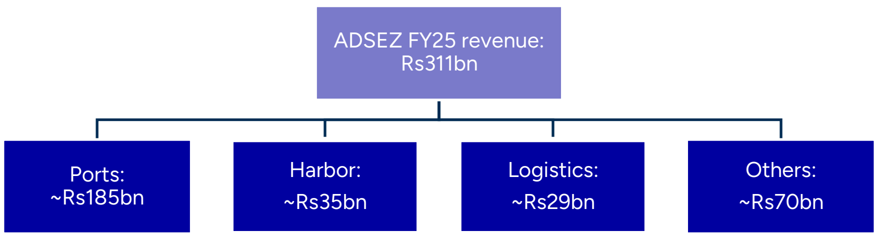
Ports: ADSEZ's portfolio comprises 15 domestic ports and terminals with a capacity of 633mmt. The company also has the largest container handling facility in India. Geographically, ~57% of ADSEZ's capacity is on the west coast of India, while ~43% is on the east coast. Its domestic ports are located in 9 maritime states and union territories including Gujarat, Goa, Kerala, Andhra Pradesh, Maharashtra, Tamil Nadu, Odisha, Andhra Pradesh, Puducherry and West Bengal.

Logistics: In addition to its port operations and industrial zones, ADSEZ has a strong pan-India logistics presence with 12 multi-modal logistics parks (MMLPs), 132 rakes, 900+ trucks, and offers integrated services covering ocean freight, rail transport, warehousing, and last-mile delivery. Its warehousing capacity is 3.1mn sqft. Through government concessions, ADSEZ also manages food grain silos of 1.2mmt capacity, including recent additions in Bihar. The company plans to build India's largest logistics park near Ahmedabad. With ports on both coasts, it serves 90% of India's hinterland and its cargo volumes have grown at 3x the industry rate over the past 7 years.

Harbor: ADSEZ has also grown aggressively in the marine services business, with the acquisition of two companies – Ocean Sparkle Ltd to serve in India, and Astro Offshore to provide services globally. It boasts of a fleet of 115 marine vessels. Further, Adani Harbour Services Ltd operates 46 vessels across all Adani operated ports.

It manages a land bank of over 18,250+ hectares across key ports like Mundra, Dhamra, Krishnapatnam and Gangavaram. It also provides specialized dredging and reclamation solutions for port and harbor construction and operates 28 dredgers for capital and maintenance dredging.

Exhibit 47: Integrated operations spanning ports, logistics and marine



Source: Company, PL

The company has grown significantly over the past decade through both organic and inorganic means, establishing itself as a fully integrated entity offering end-to-end services across the logistics value chain.

Exhibit 48: Timeline of key events

Year	Events and milestones
1994	Approval received from Gujarat Maritime Board (GMB) to set up captive jetty
2001	Concession agreement signed with GMB. All 4 berths became fully operational and trial operations for railway commenced
2002	Agreement signed with IOC and GGSR to set up single point mooring (SPM). Private railway agreement signed with Indian Railways
2004	Agreement signed with Kutch Railway Company Ltd
2005	Gujarat Adani Port Ltd and Adani Ports Ltd merged. SPM became operational
2006	Approval received from the Ministry of Commerce for development, operations and maintenance of multi-product SEZ in Mundra. MSEZ and ACL merged with Adani Ports Ltd
2009	Adani auto terminal commenced operations. Hazira and Mormugao ports concession agreement signed for a period of 30 years
2011	Vizag Port concession agreement signed for a period of 30 years. Abbot Point Coal Terminal acquired. Mundra Port and SEZ crossed 50mmt cargo handling
2012	Company changes its name from "Mundra Ports and SEZ" to "Adani Ports and SEZ." MoU signed with US-based Port of Baltimore. Second jetty commissioned in South Gujarat at Dahej Port. Bags bulk terminal project worth Rs12bn at Kandla
2013	ADSEZ and MSC establish a JV to operate new container terminal at Mundra. MoU signed with Belgian Port of Zeebrugge
2014	Acquires Dhamra Port, Odisha, on the east coast of India
2015	Bulk terminal at Tuna Tekra and Kandla ports commissioned. ADSEZ and L&T sign a pact to oversee operations of Kattupalli Port in Tamil Nadu
2017	ADSEZ raises funds – i) USD500mn by issuing foreign currency denominated bonds, ii) Rs26bn through private placement of non-convertible
2018	Signs in-principle agreement to acquire Kattupalli Port
2019	Enters cold chain logistics with acquisition of Snowman Logistics
2020	Acquires Krishnapatnam and Dighi ports
2021	Acquires Gangavaram Port and 100% ownership in Krishnapatnam Port
2022	Acquires Ocean Sparkle Ltd and 49.38% stake in Indian Oiltanking Ltd
2023	Acquires a stake in Haifa Port in Israel, and ICD Tumb
2024	Acquires Gopalpur Port in Odisha for Rs30.80bn
2024	Acquires 80% stake in Astro Offshore group
2024	Commissions Vizhinjam port in Kerala
2025	Commissions Colombo port
2025	Acquires 100% stake in NQXT Australia having 50mmt capacity

Source: Company, PL

We believe ADSEZ's competitive edge stems from its:

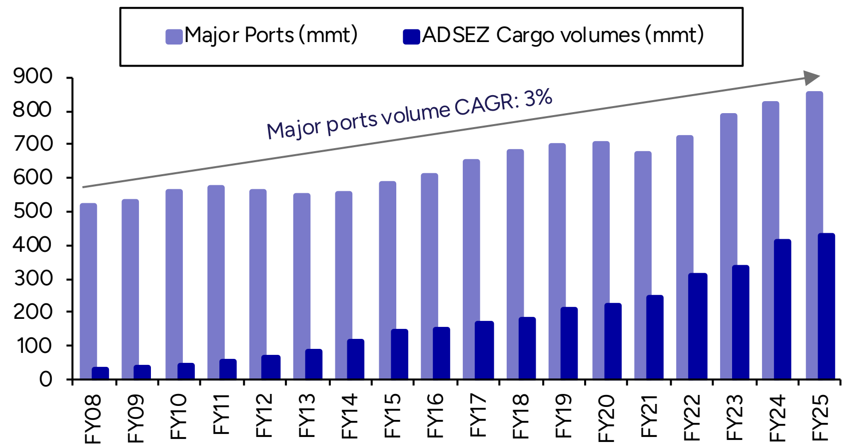
- Strong financial profile with consistent growth in port volumes and healthy EBITDA margins of ~60%
- Superior execution skills to enhance capacities based on demand and economic growth
- Ability to keep capturing market share through strategically located ports and inorganic expansions
- Deep diving into the logistics business and building an ecosystem to provide end-to-end logistics services
- Operational efficiency through well-trained manpower and through integration of technology for its operations

Investment Rationale

Ports: A portfolio of strong cashflow generating assets

Over the past two decades, ADSEZ has consistently added port capacities via organic as well as inorganic route and grown faster than India's major ports. Over FY08-25, its domestic volumes grew at a strong 17% CAGR to 431mmt while major ports volumes grew at 3% CAGR to 853mmt. Today, ADSEZ has a capacity of 633mmt and environmental cleared capacity of ~1,560mmt at existing ports, which can be expanded as the need arises. ADSEZ's world-class infrastructure of assets and extensive scale, position it as a leader in non-major ports, efficiently handling large cargo volumes (27% of country's total cargo). This efficiency aids in logistics cost reduction and ensures seamless movement of goods nationwide. ADSEZ's superior value proposition, combined with its presence across the entire value chain, solidifies its standing as a preferred partner offering comprehensive port-to-customer solutions.

Exhibit 49: Volumes grew at 17% CAGR over FY08-25 gaining market share

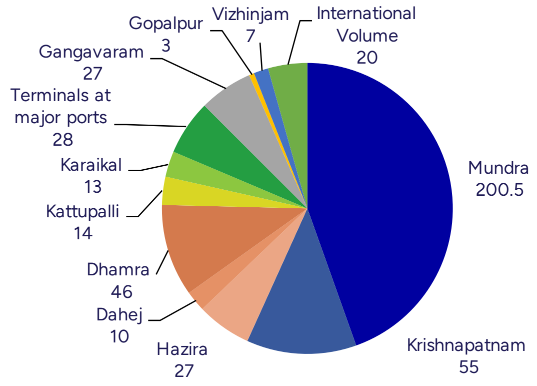


Source: Company, PL

Nationwide reach: Over the past 20 years, ADSEZ has grown from handling a single port to a network of 15 ports across India and 4 international ports. Over last decade, ADSEZ has made several acquisitions, including Dhamra, Kattupalli, Krishnapatnam, Dighi, Gangavaram, Karaikal and Haifa ports, which have increased its capacities and market share across domestic cargo volumes.

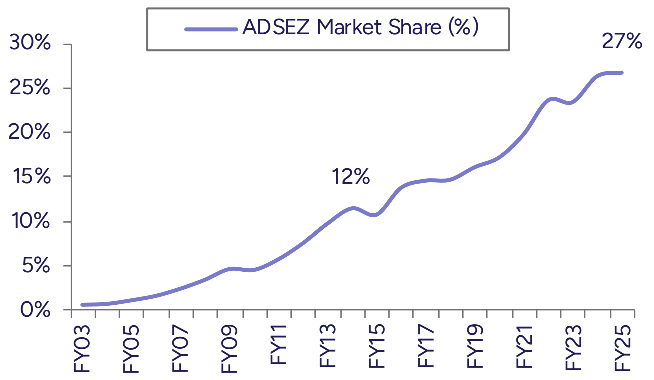
Expanding global footprint: ADSEZ operates 4 ports outside India: Port of Haifa (integrated in FY24), Dar es Salaam port at Tanzania, recently acquired NQXT (Australia) and newly built container terminal in Colombo. ADSEZ recently started operations at Colombo's first fully automated deep-water terminal, Colombo West International Terminal (CWIT), enhancing efficiency and reinforcing the port's transshipment hub status in South Asia. To capture growth, the company continues to expand its global presence through ports and maritime services. In India, coastal coal shipping has surged through the rail-sea route, driven by the government's Atmanirbhar program, which ADSEZ's pan-India network of ports effectively manages. The company has also ventured into providing marine services in Sri Lanka, Oman and Mexico.

Exhibit 50: Mundra handles ~45% of total FY25 volume (mmt)



Source: Company, PL

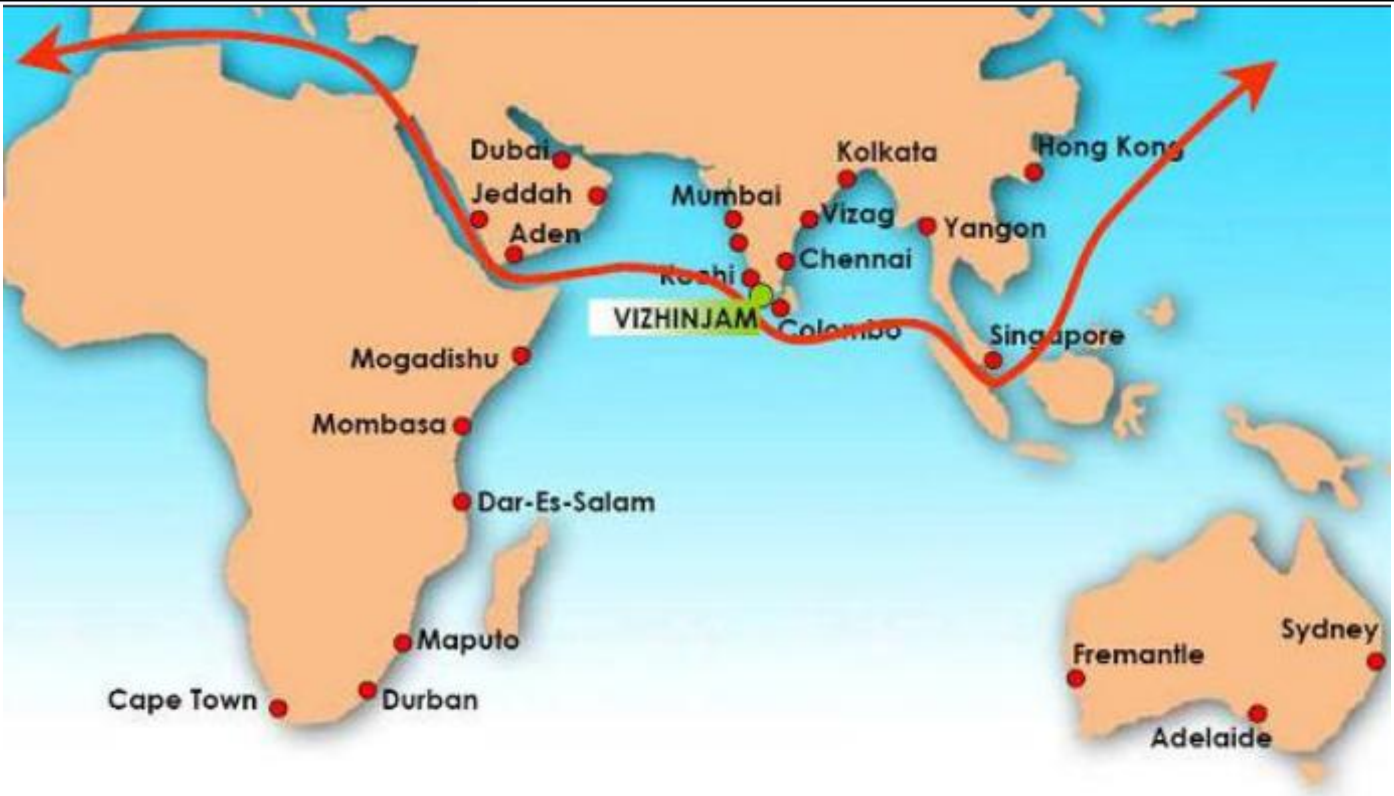
Exhibit 51: Market share of ADSEZ in all India cargo



Source: Company, PL

India's 1st mega transshipment operational container terminal: A transshipment port is where cargo is transferred from one vessel to another. It acts as a hub in the global supply chain, especially when direct shipping to the destination is not feasible. ADSEZ has recently commissioned the first phase of Vizhinjam port, which is developed under a public-private partnership (PPP) model and set to revolutionize maritime trade in India. Strategically located about 10 nautical miles (~19km) from the busy international East–West shipping route connecting Western Asia, Europe, Africa and the far eastern areas of the world, the port is expected to open up transshipment and EXIM opportunities for entire India. It is the first deep-water transshipment hub in the Indian subcontinent and is being developed in 3 phases.

Exhibit 52: Vizhinjam port - Proximity to busy international shipping route



Source: Company, PL

Currently 75% of India's transshipment cargo is handled at ports outside India. Thus, our domestic ports lose up to USD200-220mn of potential revenue every year on transshipment handling of cargo originating or destined for India. Vizhinjam can repatriate a significant portion of this cargo to India.

With a natural draft of ~20m, the port can handle ultra large ships and hence can attract large share of container transshipment traffic destined or originating to/from India, which is now being diverted primarily through Colombo, Singapore and Dubai. The berth is ~800m, which would increase to 2km after expansion. The breakwater created for this port is ~3km long and would be extended to 4.5km in the final phase.

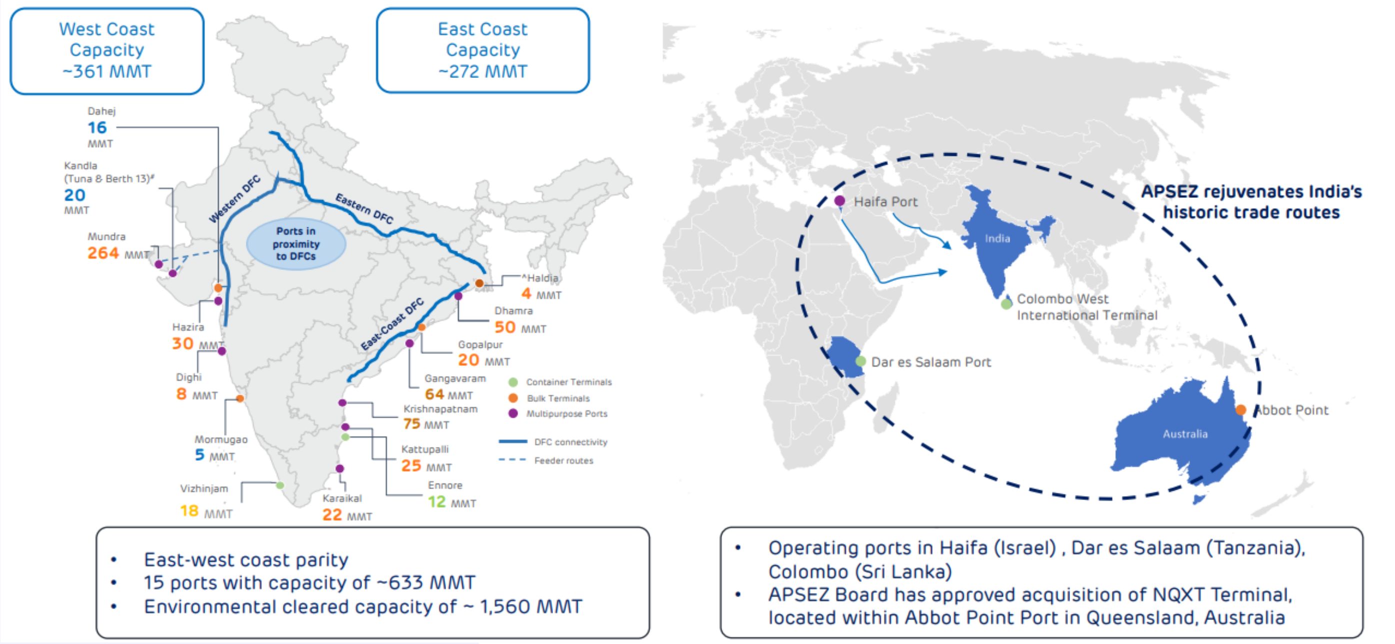
Exhibit 53: 800m berth in Phase 1 capable of handling largest of the vessels

Source: Company

On track to achieve 150mmt from international operations: Internationally, ADSEZ has expanded its footprint substantially. It has commenced operations at the CWIT, the first fully automated deep-water terminal in Colombo. This terminal is expected to boost cargo handling capacity, improve vessel turnaround times, and elevate Colombo's status as a major transshipment hub in South Asia. Furthermore, ADSEZ's Board has approved the acquisition of NQXT in Australia. With a capacity of 50mmt, NQXT serves as a critical export gateway for resource-rich Queensland. The acquisition is expected to add volumes in line with ADSEZ's international volume target of 150mmt by 2030E. ADSEZ has also signed a 30-year concession agreement to manage a container terminal at the Port of Dar es Salaam in Tanzania. At Haifa port, ADSEZ has made significant integration progress, including the appointment of a senior leadership team and signing of a union agreement in Apr'25.

Strategic partnerships and sticky cargo: ADSEZ has handled its highest container volume of ~172mmt in FY25. Strategic partnerships with leading global and national entities, such as MSC, CMA CGM, TotalEnergies, and Indian Oil Corporation, have contributed to a stable consumer base, with 56% of cargo sourced from tied-in customers. ADSEZ's commitment to expanding its logistics and marine services, along with enhancing last-mile connectivity through asset-light models, positions it for sustained growth and increased market share across the value chain. Adani Harbour operated additional 46 vessels. ADSEZ placed India's largest Make in India order for 8 tugs with Cochin Shipyard; deliveries are expected from Dec'26 to May'28. ADSEZ pursues a dual strategy of optimizing existing assets and developing new ones across the value chain from ports to customers. The company is focused on augmenting port capacities through mechanization and automation.

Exhibit 54: Building strong global presence along with focus on Indian operations



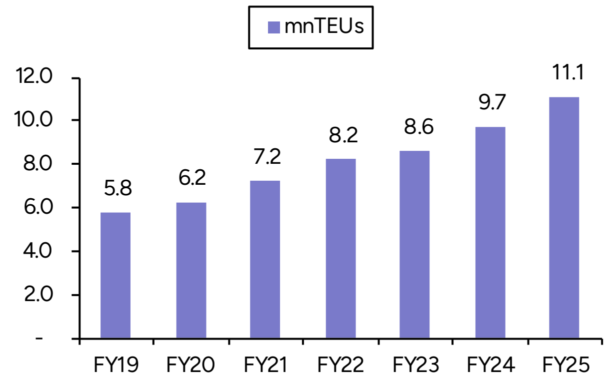
Source: Company, PL

Operational excellence and strategic acquisitions driving market share:

- ADSEZ boasts the fastest vessel turnaround time in India at just less than a day and handles a high percentage of sticky cargo (56%). The company has significantly strengthened its presence on the eastern coast through recent acquisitions such as Krishnapatnam, Gangavaram, and Gopalpur ports. These acquisitions have enhanced ADSEZ's portfolio and moved it closer to achieving the East-West parity.

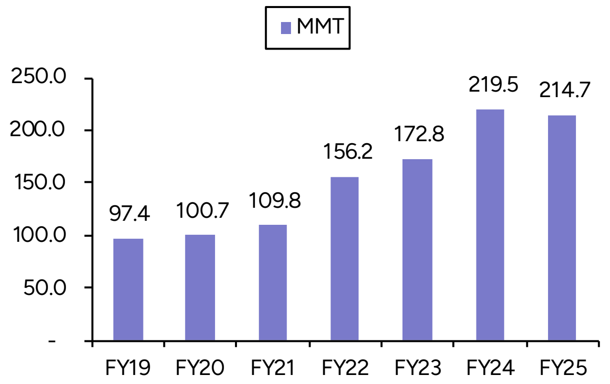
- The company has also started O&M at Syama Prasad Mookerjee Port's Netaji Subhas Dock and secured a concession agreement with the Deendayal Port Authority to develop Berth No. 13. In addition, ADSEZ has scaled up operations at Karaikal Port, commenced commercial operations at the Dhamra LNG Terminal, and plans to make the Haldia Terminal operational by FY26.

Exhibit 55: 11% CAGR in container volume over FY19-25



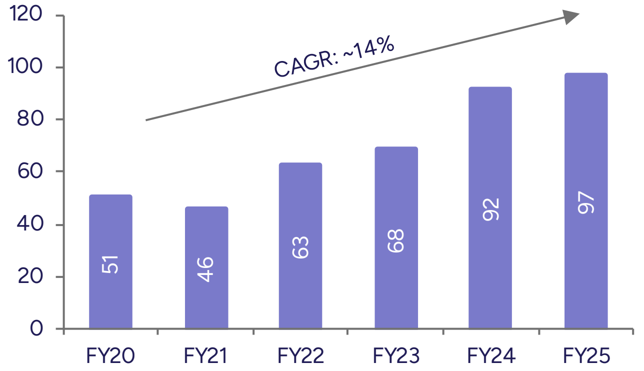
Source: Company, PL

Exhibit 56: 14% CAGR in dry cargo volumes over FY19-25



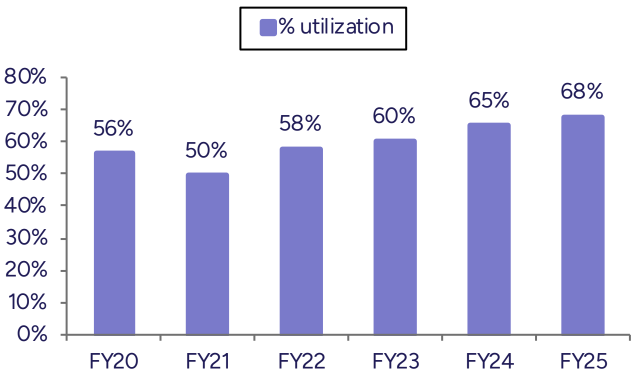
Source: Company, PL

Exhibit 57: Upward trend in yield per employee (Rs mn)



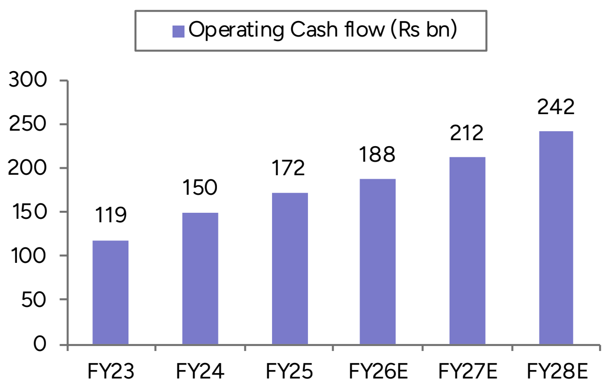
Source: Company, PL

Exhibit 58: Consistent improvement in capacity utilization



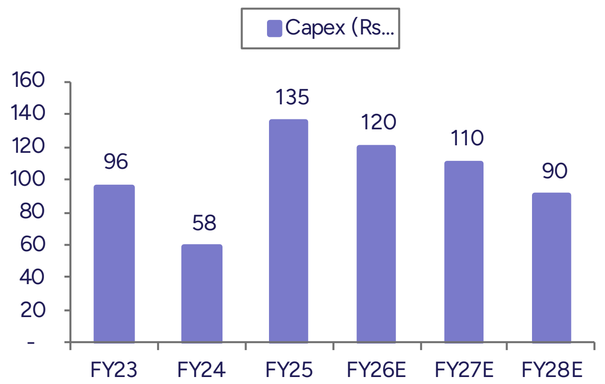
Source: Company, PL

Exhibit 59: Op cashflows to improve substantially



Source: Company, PL

Exhibit 60: Aggressive capex strategy to capture market share



Source: Company, PL

Strategic acquisitions and successful turnaround

ADSEZ has made several acquisitions over the last decade, including Dhamra, Kattupalli, Krishnapatnam, Dighi, Gangavaram, Karaikal and Haifa ports, which have improved its capacities and market share across cargo volumes. Post acquisition, ADSEZ has successfully turned around the existing operations and brought new ports' margins in line with its own desired levels by expanding capacities, spending on railway infrastructure and undertaking multiple efficiency improvement initiatives. ADSEZ is also leveraging its 18,250+ hectare strategic land bank at Mundra, Krishnapatnam, Gangavaram and Dhamra ports to attract port-based industries and foster a robust ecosystem, driving significant margin expansion.

ADSEZ has made significant progress at Eastern coastline with acquisition of Krishnapatnam, Gangavaram and Gopalpur Ports. Gangavaram Port launched container terminal operations with its inaugural EXIM vessel call.

Exhibit 61: Non-Mundhra ports aid ADSEZ's growth story

EBITDA growth: **~3x**
Margin expansion: **~1,100bps**

(Rs Crs)	FY14	FY24
EV*	5,500	
EBITDA	387	1,303
EBITDA %	53%	64%

- **Expanded capacity:** From 24 MMT to 50 MMT
- Introduced GPWIS wagons
- Doubling of railway line connectivity to the port

EBITDA growth: **~5x**
Margin expansion: **~3,700bps**

(Rs Crs)	FY18	FY24
EV*	1,950	
EBITDA	42	214
EBITDA %	25%	63%

- **Expanded capacity:** Commissioned new equipment and expanded the container yard
- **Enhanced product portfolio:** Added liquid business. Commenced handling temperature-sensitive cargo

EBITDA growth: **~1.5x**
Margin expansion: **~1,200bps**

(Rs Crs)	FY19	FY24
EV*	13,572	
EBITDA	1,332	2,036
EBITDA %	56%	68%

- **Expanded capacity :** Introduced liquid berth and mechanized dry cargo berth
- **New cargo added:** Sulphur, raw sugar, etc. Commenced handling edible oil via rakes

EBITDA growth: **~1.7x**
Margin expansion: **~700bps**

(Rs Crs)	FY20	FY24
EV*	6,200	
EBITDA	634	1,056
EBITDA %	59%	66%

- **New cargo added:** Coastal iron ore
- **Efficiency measures:** Enhanced mechanical cargo handling (e.g., limestone).

  Optimized technology & processes to improve cargo movement at port gate

EBITDA growth: **~2x**
Margin expansion: **~2,300bps**

(Rs Crs)	FY23	FY24
EV*	1,485	
EBITDA	209	431
EBITDA %	46%	69%

- **New cargo added:** Rail-Sea-Rail cargo
- Multiple efficiency initiatives
- Implemented IPOS

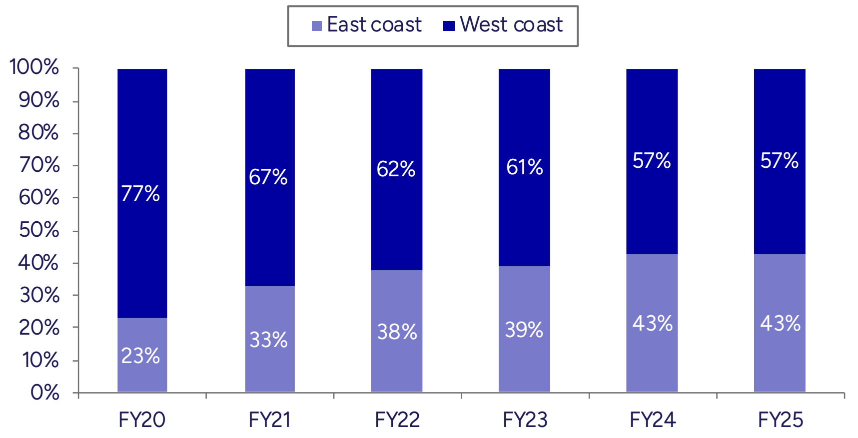
Source: Company

Diversified growth in India: Share of non-Mundra cargo in domestic volumes stood at 53% in FY25, with non-port revenue growing by 15%. Cargo ratio between the East and West coasts has improved, driven by higher growth at East coast ports. Future focus will be on RoCE-accretive businesses and growth commodities like LNG and LPG, aiming for parity between the East and West coasts and increasing non-Mundra volumes. Geographical diversification, both within and outside the country, will help expand service offerings to customers.

International expansion: The strategy involves expanding the international portfolio across South Asia, Southeast Asia, the Middle East, Europe and Africa through local partnerships. The partnership with Gadot to operate Haifa port marked an entry into the Mediterranean. Collaboration with John Keells Holdings Plc and SLPA to manage Colombo port's CWIT, will strengthen its South Asian market presence.

The 30-year concession agreement is signed at Dar es Salaam Port (Tanzania), which is a gateway port with a well-connected network of roadways and railways having a capacity of 1 million TEUs and handles ~83% of Tanzania's container volume. Newly acquired NQXT port in Australia is expected to improve margins of Australian operations and it also has scope to take volumes to 50mmt levels over next few years and EBITDA to AUD400mn levels by FY29E from AUD288mn in FY25.

Exhibit 62: East-West coast volume parity to maintain dominance in India



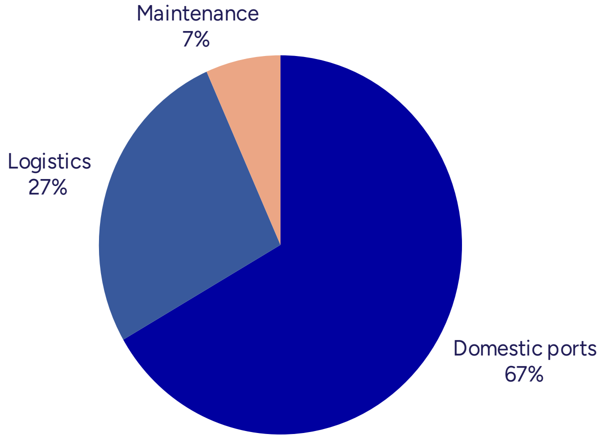
Source: Company, PL

Leader in marine services: ADSEZ is India's largest 3rd party marine services provider, boasting of a fleet of 115 marine vessels and substantial international operations, including Sri Lanka and Oman. Its comprehensive marine network covers many major ports, 15 non-major ports, and 3 LNG terminals in India, supplemented by pre-qualification for contracts in Saudi Arabia, Oman, Kuwait and Qatar. Its extensive marine services ensure seamless integration with port operations, maintaining high standards in O&M and supporting port-based industrial development, a key aspect of the Sagarmala scheme. Expanding its marine business, the company acquired Astro Offshore, enhancing its global portfolio and customer base.

Cash to grow faster than capex

ADSEZ is expected to deliver a strong 12% CAGR in operating cashflows with annual cashflow generation to exceed the planned organic capex. With comfortable financial leverage (1.8x net debt to EBITDA), we expect ADSEZ to have a lot more headroom for any good inorganic opportunity which might arise or an option to return the cash to shareholders over the years. ADSEZ has outlined a capex target of Rs750bn over the next five years. In the near term it would be expanding capacities at Mundra, Vizhinjam, Dhamra, Hazira etc. As the domestic economy grows, ports expansion would happen on an organic basis depending upon the need and utilization levels. This incremental growth is expected to be more capital efficient than in the past as construction of newer berths will translate into revenue faster.

Exhibit 63: Rs750bn Capex guidance over FY25-29E



Source: Company, PL

Exhibit 64: ADSEZ to spend Rs120bn in FY26 on various projects

Category	Capex (Rs bn)	Projects
Domestic port infrastructure	60	1) Container terminals at Mundra and Vizhinjam 2) Multi-commodity berth at Dhamra 3) Liquid farm & multi-purpose berth at Hazira 4) VLCC jetty at Mundra, RoRo terminal expansion 5) Berth & yard mechanization at Gangavaram and Krishnapatnam 6) Capacity expansion at Kattupalli and Ennore
International ports	20	1) CWIT, Sri Lanka 2) Port of Haifa, Israel 3) Port operations in Tanzania
Marine fleet expansion	6.2	1) Tugs, offshore support vessels 2) Anchor handling, towing & supply vessels
Logistics infrastructure	20	1) ICDs, logistics parks 2) Warehousing 3) Trucking - mix of diesel & electric 4) Agri silos
Technology & decarbonization	13.8	Digitalization initiatives, sustainability and carbon neutrality measures

Source: Company, PL

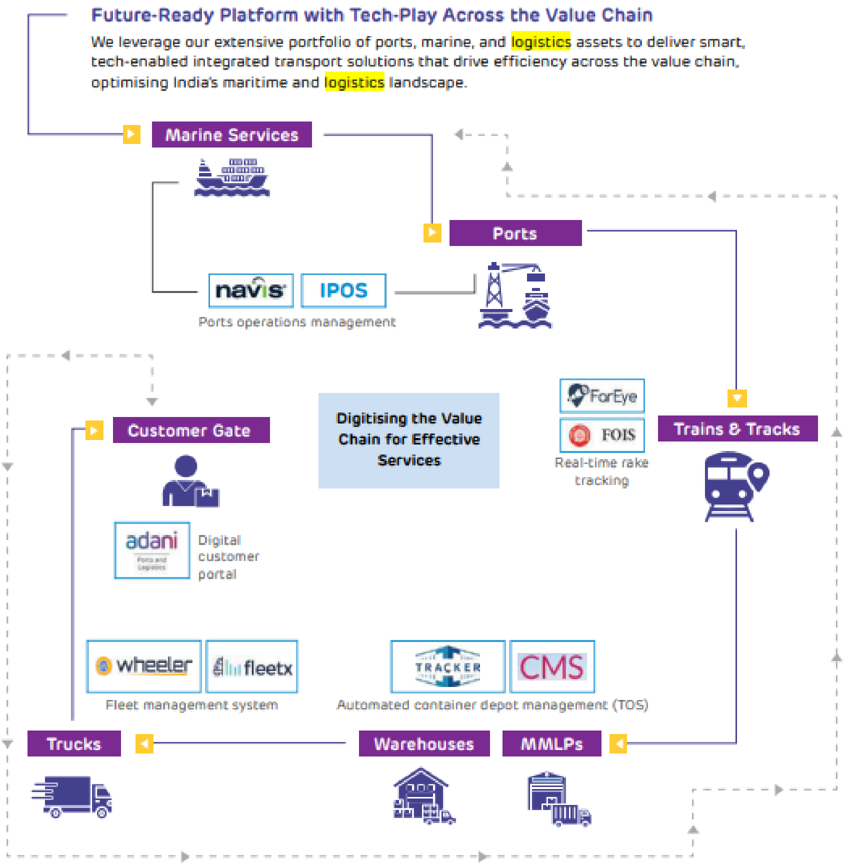
Logistics to complement the ports growth story

ADSEZ is focused on making logistics business an integral part of its long-term journey to make the company a true transport utility and cover the entire gamut of logistics value chain. ADSEZ plans to reduce inefficiencies across the value chain through its unique proposition of rail-road conversion aided by upcoming DFCs, trucking penetration, advanced technology adoption and route optimization by enhancing network cohesion.

Services spanning from port to factory gate: The company has transformed from a port operator to India's largest non-major transport utility, with an integrated logistics network comprising 132 trains, 12 MMLPs, 690km of rail track, 3.1mn sqft of warehousing and 1.2mmt of grain silos. It is also India's largest 3rd party marine services provider, with ~115 tugs. These assets enable efficient cargo handling and rapid port evacuation, driving logistical efficiency and supporting the Make in India initiative. The company's aim of evolving into a last mile connectivity platform positions it for sustained growth and increased market share across the value chain. We expect its logistics vertical to grow at a CAGR of 38%+ over FY25-28E.

ADSEZ aspires to become the world's leading transport utility company by delivering customer-centric services through a technology-driven infrastructure ecosystem.

Exhibit 65: Technology-driven logistics platform



Source: ADSEZ Annual Report FY25

World-class strategic command center: Technology is aiding ADSEZ to expand its logistics business, making it more efficient. Its central system uses AI to monitor and manage all logistics assets in real time. Large language models and machine learning tools are also being used to talk to drivers in their local language, resulting in lesser human intervention. AI can also check for signs of pilferage by looking at unusual route changes, risky stoppages, and location details. If it finds something wrong, it raises alerts and creates a ticket automatically. Data is also being used to reduce delays and make better use of trucks and other assets. In addition, customers can now track their cargo live and use simple online portals to manage their shipments.

Exhibit 66: Largest integrated player in India with presence across logistics value chain

Company	Rakes	Terminals/MMLPs	Trucks	Warehouse space	Agri silos	Pipeline
ADSEZ rank	2nd	3rd	1st	Among Top 10	Largest player	Large player
Adani Ports and Logistics	**132 (68 container rakes, 54 bulk rakes, 7 agri rakes & 3 AFTOs)**	**12**	**Manages fleet of 25,000+ trucks**	**3.1mn sqft (FY29: 20mn sqft)**	**1.2mmt**	**690km private tracks, dedicated customer pipelines, tank storage JVs**
CONCOR	388	66	130 LNG trucks	4mn sqft	-	-
DP World	90 (container & SFTO* rakes)	5	-	5mn sqft	-	-
JM Baxi	25	7 port CTs, 2 ICDs, 2 CFSs, 1 warehouse & logistics park	-	0.54mn sqft	-	-
Mahindra Logistics	-	-	15,000+	20+mn sqft	-	-
VRL Logistics	-	-	6,115 owned	-	-	-
TVS Logistics	-	-	-	25.5mn sqft	-	-
TCI	3 AFTO** rakes	60+ rail terminals, 25 truck hubs	10,000 owned & leased	16+mn sqft	-	-
Alcargo GATI	-	-	5,000+ leased	84 warehouses	-	-
Western Carriers	Asset-light business model; operates solely via leases			0.7mn sqft	-	-
Gateway	34 (21 owned, 13 leased)	10	-	1.74mn sqft	-	-
Aegis	-	-	-	-	-	Chemicals & POL storage: 1.57mn kL, LPG: 114,000mt
Delhivery	-	-	16,677 fleet size – daily average	20.1mn sqft	-	-

*Source: Company, PL; *SFTO: Special freight train operator, **AFTO: Automobile freight train operator*

Exhibit 67: Expansion target of logistics business

Particulars	FY25	FY29E
Rakes (nos.)	132	300
MMLPs (nos.)	12	20
Warehouse area	3.1+mn sqft	20mn sqft
Agri silo capacity	1.2mmt	10mmt
Trucks (nos.)	937	5,000+
Financial plans (Rs bn)		
Capital employed w/o land	52	210
Revenue	28.11	140
EBITDA	6.42	35
RoCE	6%	Threshold RoCE of 10%

Source: Company, PL

ADSEZ plans to spend Rs150-200bn over FY25-29E on its logistics business, reflecting its confidence in the business to become a scalable and profitable vertical.

Exhibit 68: Investment in land bank for potential logistics use

Source: Company

- ADSEZ has a land bank of 18,250+ hectares at Mundra, Dhamra, Gangavaram and Krishnapatnam. Additional land bank is being built in and around industrial clusters (Virochannagar - 900 acres, NRC - 390 acres, Wadgaon - 130 acres, Nagpur - 108 acres).
- MMLPs (Kishangarh, Virochannagar, Tumb, Patli and Loni) located in the proximity of industrial clusters will promote economic activity (like SEZ does for ports).

Strategic location and growing MMLP footprint

Total number of MMLPs is expected to increase to 20 from the current 12 driven by accelerated growth in logistics business led by upcoming DFCs.

ADSEZ uses the push-pull strategy to drive revenue: 1) Push based - leveraging proximity to key micro-markets to attract and grow cargo volumes**. 2) Pull based** - encouraging existing MMLP-only customers to adopt integrated services across the entire logistics value chain, e.g., freight forwarding, trucking, etc.

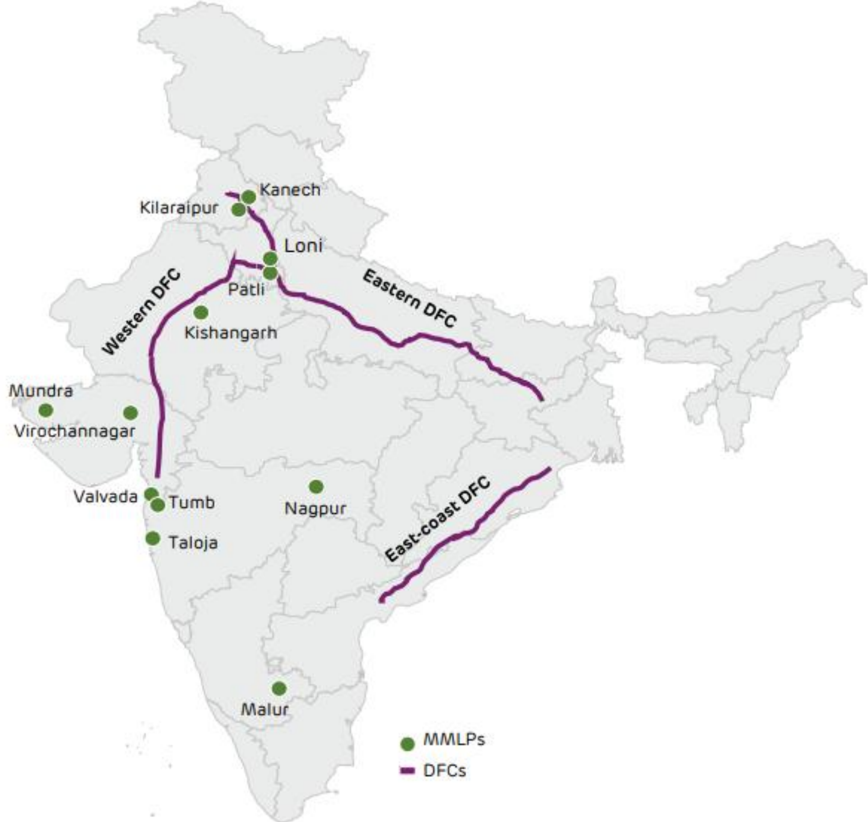
Key factors driving growth:

- **Strategic location:** Strategically located MMLPs ensure reasonable distance from the nearest port for cost-effective rail connectivity, with presence along the DFCs (Dedicated Freight Corridor) and high customer density within a 50-150km catchment area.

- **Multi-modal transport options:** Flexibility to deploy either rakes or trucks from ports to MMLPs, depending on route congestion, to ensure on-time and efficient cargo movement (SLAs; Service Level Agreements).

- **Customized services:** Tailored solutions based on specific customer needs, such as dedicated specialized rakes, immediate container destuffing, and quick turnaround for export repurposing.

Exhibit 69: MMLPs to take advantage of improvement in trade led by DFCs



Source: Company, PL

Trucking – Hybrid model to benefit from group cargo

- **Hybrid operating model:** A mix of owned and 3rd party fleet is maintained, with truck ownership decisions driven by consistent volumes along strategic routes.

- **Leveraging group & 3rd party business:** Within the Adani Group, there is a cargo potential of 250mmt, an estimated 100mmt in FY26 from cement, power, and renewable operations.

- **Best-in-class system:** ADSEZ has achieved asset turnaround through advanced tech integration, route optimization, and real-time monitoring, etc., ensuring 100% SLA adherence and zero pilferage.

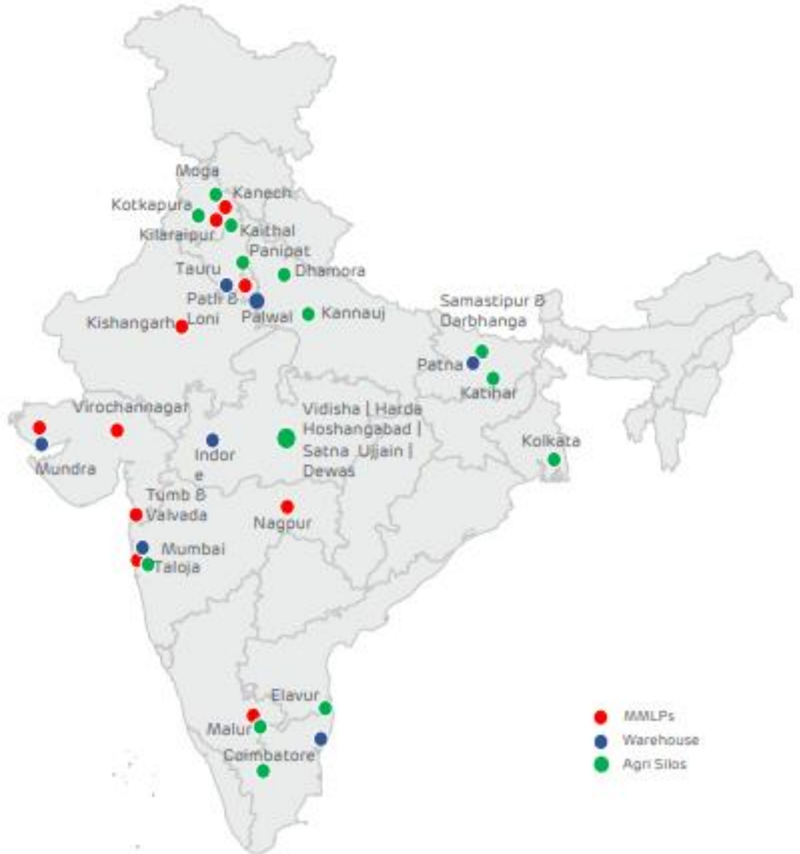
- **Integrated services:** A fully digitized order-to-invoice process, supported by a trucking management solution, helps accelerate volumes and lower customer acquisition costs.

Building pan-India warehousing network

Warehousing footprint of ADSEZ stands at 3.1mn sqft, with 35% located within MMLPs and the rest, outside; this is projected to expand to 20mn sqft by FY29.

- **Land in major industrial clusters:** With 1,000 acres of land already available for warehousing expansion and 15mn sqft of potential demand from Adani Group businesses, the focus is on NCR and Mumbai areas, with planned expansion into South and East India markets.
- **Warehouse+ approach:** Offering additional services tailored to customers' unique requirements, including 3rd party logistics solutions and enhanced connectivity to warehouses.
- **Improving yields through optimized capex & opex:** Achieved a 15% reduction in capex per square foot over the past 2 years, with EBITDA margins exceeding 50% and projected to surpass 70% by FY26.

Exhibit 70: Logistics presence across MMLPs, warehouses and agri silos



Source: Company

Agri silo business

An agricultural silo is a large storage facility used to store bulk quantities of agricultural products such as grains, pulses, oilseeds, or animal feed.

Under a concession from the Food Corporation of India and various state government agri-commodity warehousing departments, ADSEZ owns and operates silos for storage of food grains, with the total capacity of 1.2mmt and recent additions at Samastipur and Darbhanga in Bihar; the silos also facilitate efficient transportation of grains across the country.

During FY24, India produced ~332mmt of foodgrains, with the majority being wheat and paddy. Indian government, primarily through the Food Corporation of India and National Agricultural Cooperative Marketing Federation, is the largest procurer of foodgrains.

Currently, 70–75mmt of wheat and rice is stored and transported in bagged form, which involves multiple handling and transportation stages. Of this, 30–35mmt is allocated to wheat storage and 40–45mmt to rice storage. India is now moving toward bulk storage and bulk movement of foodgrains, with wheat storage in agri silos already being a well-established practice.

Exhibit 71: GOI has approved construction of 11mmt of wheat silos in 3 phases

Phase	Status
Phase 1	30% completed
Phase 2	22% tenders under evaluation
Phase 3	48% tenders yet to be floated

Source: PIB, ADSEZ May'25 PPT

Exhibit 72: ADSEZ's agri silo footprint across India

Source: Company

Exhibit 73: Bracing to take advantage of increasing silos

State	Operational capacity (mmt)	Under-construction capacity (mmt)
Punjab	0.23	1.09
Haryana	0.25	0.30
Madhya Pradesh	0.30	0.23
Bihar	0.15	0.35
Uttar Pradesh	0.10	0.70
Maharashtra	0.05	-
Tamil Nadu	0.05	-
Karnataka	0.03	-
West Bengal	0.03	0.03
Gujarat	-	0.06
Jammu & Kashmir	-	0.08
Total	1.2	2.8

Source: Company, PL

Exhibit 74: Advantage of agri silo storage over traditional storage

Particulars	Traditional storage	Agri-silo storage
Savings	-	Government saves c. Rs1,100/t led by savings in gunnies, labor & transportation
Handling & service time	3-4 days	2-3 hours
Technology	-	Silos have automated mechanized operations that require minimal human intervention

Source: ADSEZ May'25 PPT

The government is assessing the feasibility of storing rice in agri silos and is likely to initiate a pilot project for rice-specific silo storage. These contracts offer long-term visibility with 20–30year tenures and come with no procurement or carrying risk and follow a take-or-pay structure, ensuring assured revenue based on guaranteed annual tonnage. Additionally, rates are linked to inflation, allowing periodic rate revisions to maintain profitability.

With the ongoing construction, capacity is expected to reach to 4mmt, which will translate to Rs5.50-6bn in revenue from the current level of Rs1.9bn, EBITDA margin will increase to 65-70% and market share will increase to 60-65%. ADSEZ is well equipped to handle 10mmt by FY29E.

ADSEZ's focus is on establishing a strong presence along the Southeast Asia–India–Middle East–Africa corridor. ADSEZ is expanding its logistics and marine business in line with its core philosophy of managing and operating the entire ecosystem seamlessly.

DFCs to add further momentum for ADSEZ

The completion of DFCs, particularly the Western Dedicated Freight Corridor (WDFC), will significantly benefit Adani Ports in several ways:

- **ICD Tumb (Vapi) to drive logistics business:** ICD Tumb, strategically located between Hazira Port (~160km) and Nhava Sheva Port (~180km), is expected to be connected to WDFC by the end of FY26. Thus, it is well-positioned to serve a vast hinterland. With direct connectivity to the WDFC through its private freight terminal and 4 rail handling lines, it enables faster and more cost-efficient cargo movement—cutting transit time to ~10hours by rail compared to 20+hours by road. Spread over 129 acres, ICD Tumb also offers significant scope for future capacity expansion, enhancing its role as a high-efficiency logistics hub for two of India's busiest ports.

- **Plan to increase MMLPs:** DFCs act as catalysts for MMLPs, integrating rail, road and value-added services like warehousing and packaging. Adani Ports, through its integrated logistics arm, can leverage these MMLPs to expand its reach, lower last-mile costs, and provide seamless end-to-end logistics solutions. ADSEZ plans to increase its MMLPs to 20 by FY29 from current 12.

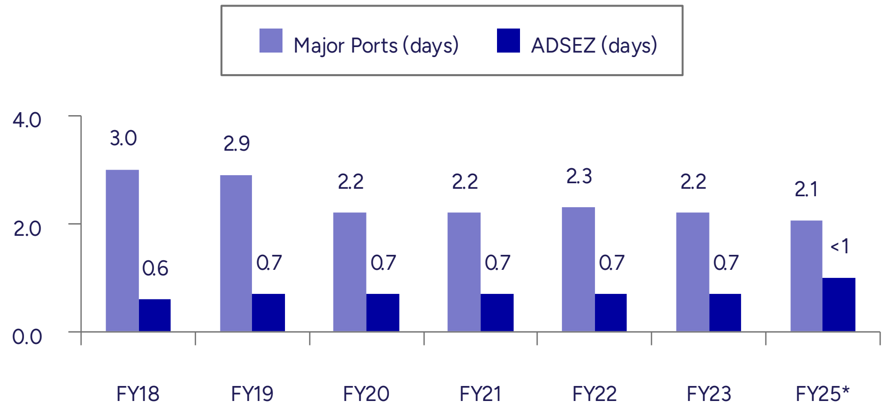
- **Expansion of ICDs to boost logistics volume:** With the enhanced speed and capacity of DFCs, ADSEZ can expand its network of ICDs and private freight terminals like ICD Tumb, along key corridors. These facilities will act as cargo aggregation hubs, channeling higher volumes of bulk and container cargo to its ports. DFCs' ability to support higher axle loads and double-stack containers will further boost efficiency and drive volume growth and market share for Adani Ports.

Improving capital efficiency to command premium

Average turnaround time (TAT) for ships better than major ports: ADSEZ maintains a very low and consistent turnaround time for ships hovering below 1 day. This showcases higher operational efficiency and relatively faster cargo handling at ADSEZ. Efficiency at major ports is also improving, which has driven stronger throughput and faster vessel handling.

For example, average turnaround time of major ports has reduced from 96 hours in FY15 to 49.5hours (2.06 days) in FY25 which is a reduction of ~48%. Though it is still way higher than ADSEZ of less than a day. Turnaround time differs based on commodity and the parcel. It varies a lot for crude, dry, containers, etc.

Exhibit 75: **Lower turnaround (TAT) days for ships than major ports**



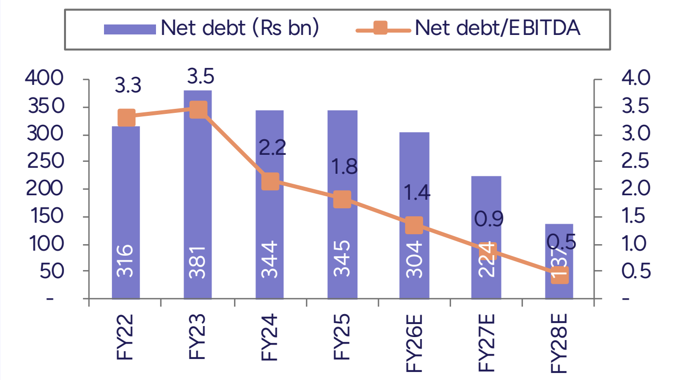
*Source: ADSEZ, industry PL *=approximated number*

Future ready with integrated tech platforms: Since FY08, ADSEZ has successfully implemented Integrated Port Management System and Navis application for terminal operations at Mundra, to be well integrated with SAP system. With strong cash flow generation, ADSEZ is investing in digital transformation to make its ports future ready. The investments are mainly in a) port operation management, b) real-time rake tracking, c) automated container depot management, d) fleet management system and e) last mile connectivity with a digital customer portal. Over the next 5 years, the company is expected to scale up digitalization (crane operation digitalization, gate operation automation, etc.), optimization of yard inventory and resources (RTGs, manpower, etc.), and AI/ML driven operation to achieve a zero-touch Integrated Transport Utility Platform. The platform represents the future in digitalization of logistics processes, bringing together ML/ AI, automation, accurate and trackable data, and a host of other tools to make business seamless and cost effective.

At ~60%, ADSEZ commands one of the highest EBITDA margins amongst global peers. PAT profitability of ADSEZ stood at 36% in FY25, second to Shanghai port. Return ratios of ADSEZ are also favorable compared to global peers (RoE: 17% vs. 1%-11%).

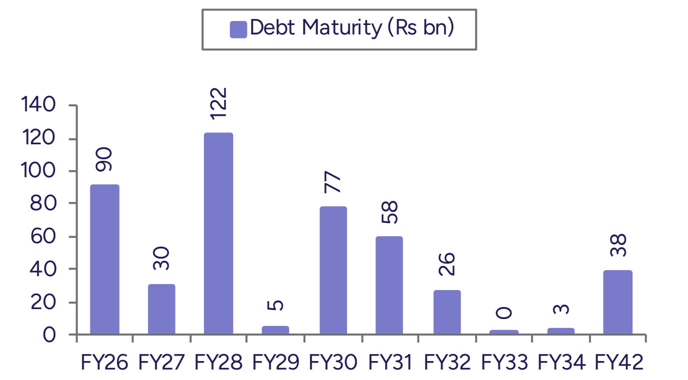
As part of its debt management strategy, ADSEZ has been consistently reducing its debt level. Its net debt to EBITDA has reduced from 3.5x in FY23 to 1.8x in FY25. Despite the increase in capex, net debt to EBITDA is not expected to cross 2.5x at any point.

Exhibit 76: Constant efforts to reduce debt levels



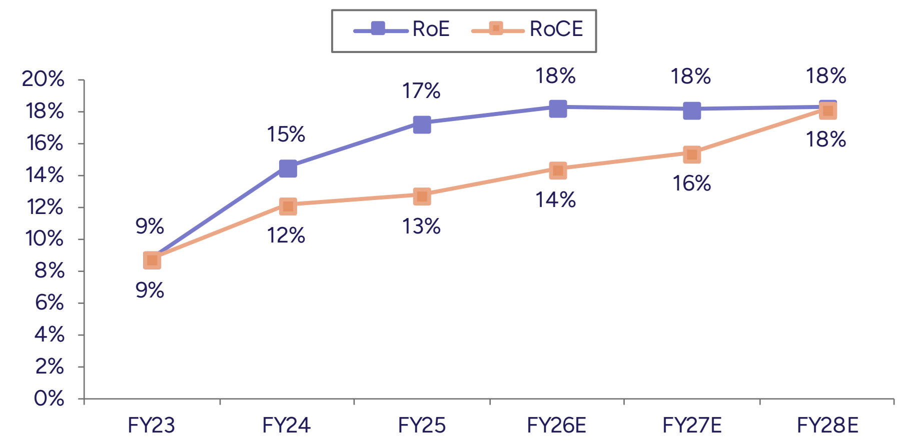
Source: Company, PL

Exhibit 77: Consistent reduction in debt levels



Source: Company, PL

Exhibit 78: Return ratios amongst the best in the sector



Source: Company, PL

Exhibit 79: Best EBITDA margin amongst global port peers

Amount (USD mn)	Revenue				EBITDA				EBITDA margin			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
DP World (Jabel Ali Port)	10778	17127	18250	20023	3529	4650	4768	5115	33%	27%	26%	26%
Port Authority of New York and New Jersey	5095	5977	6563	6936	3001	3519	3561	3802	59%	59%	54%	55%
Port of Los Angeles	569.7	627.8	656.4	707	305.6	322.6	379.2	467.9	54%	51%	58%	66%
Port of Shanghai	5316.6	5543.8	5302.9	5294.3	1885	1935.5	1959.5	2035.7	35%	35%	37%	38%
Cosco Shipping Ports (Hong Kong)	1208	1441	1454	1503	524	466	483	478	43%	32%	33%	32%
Ningbo Zhoushan Port Company Ltd	3586	3861	3671	3987	1284	1289	1211	1313	36%	33%	33%	33%
Hutchison Port (Singapore)	1696	1532	1313	1438	1071	913	752	881	63%	60%	57%	61%
Guangzhou Port (China)	2100	2146	2161	NA	581	533	496	NA	28%	25%	23%	NA
PSA International Pte Ltd - Joint operator of Port of Singapore	3,475	5,800	5,284	5,780	1,431	1,542	1,513	1,918	41%	27%	29%	33%
Port of Qingdao	2,604	2,865	2,566	2,631	845	928	949	955	32%	32%	37%	36%
Port of Tianjin - Tianjin Port Co Ltd	2,243	1,609	1,653	1,677	440	363	390	410	20%	23%	24%	24%
Adani Ports and SEZ*	2,313	2,606	3,226	3,674	1,287	1,368	1,902	2,216	56%	52%	59%	60%

*Source: Company, PL; *Follows financial year*

Exhibit 80: Second-best PAT margins after Shanghai port and best return ratios among peers

Amount (USD mn)	PAT				PAT margin				RoE				RoCE			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
DP World (Jabel Ali Port)	896	1227	820	591	8%	7%	4%	3%	7%	9%	7%	7%	11%	14%	12%	12%
Port Authority of New York and New Jersey	-287	433	608	870	-6%	7%	9%	13%	NA	NA	NA	NA	NA	NA	NA	NA
Port of Los Angeles	137	168	210	235	24%	27%	32%	33%	NA	NA	NA	NA	NA	NA	NA	NA
Port of Shanghai	2277	2561	1865	2077	**43%**	**46%**	**35%**	**39%**	16%	16%	11%	12%	24%	27%	19%	20%
Cosco Shipping Ports (Hong Kong)	355	307	325	309	29%	21%	22%	21%	6%	5%	6%	5%	10%	10%	11%	10%
Ningbo Zhoushan Port Company Ltd	672	629	659	680	19%	16%	18%	17%	8%	7%	6%	6%	10%	8%	8%	8%
Hutchison Port (Singapore)	225	140	30	83	13%	9%	2%	6%	7%	4%	1%	3%	7%	5%	4%	5%
Guangzhou Port (China)	254	153	115	NA	12%	7%	5%	NA	9%	5%	4%	NA	7%	5%	4%	NA
PSA International Pte Ltd - Joint operator of Port of Singapore	1,028	1,133	1,089	819	30%	20%	21%	14%	11%	11%	10%	7%	18%	19%	19%	13%
Port of Qingdao	618	673	695	727	24%	23%	27%	28%	12%	12%	13%	13%	17%	17%	16%	16%
Port of Tianjin - Tianjin Port Co Ltd	151	110	139	138	7%	7%	8%	8%	6%	4%	5%	5%	7%	6%	7%	7%
Adani Ports and SEZ*	606	504	934	1,282	**29%**	**25%**	**30%**	**36%**	**11%**	**9%**	**15%**	**17%**	**9%**	**9%**	**12%**	**13%**

*Source: Company, PL; *Follows financial year (FY22-FY25)*

Exhibit 81: Comparative valuation matrix

Companies	P/E (x)			EV/EBITDA (x)			P/B		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Shanghai Port	9.7	9.6	9.4	13.4	13.2	13.0	0.9	0.9	0.8
Cosco Shipping Port (Hong Kong)	8.2	7.9	7.4	13.8	13.1	12.5	0.4	0.4	0.4
Hutchison Port (Singapore)	21.7	19.9	18.1	6.8	6.6	6.4	0.5	0.5	0.5
Adani Ports and SEZ*	23.2	19.5	13.4	15.5	13.4	11.2	4.2	3.6	3.0

*Source: PL, Industry, *Follows financial year (FY26-FY28)*

Financials Analysis

Revenue/EBITDA/PAT to clock double-digit growth

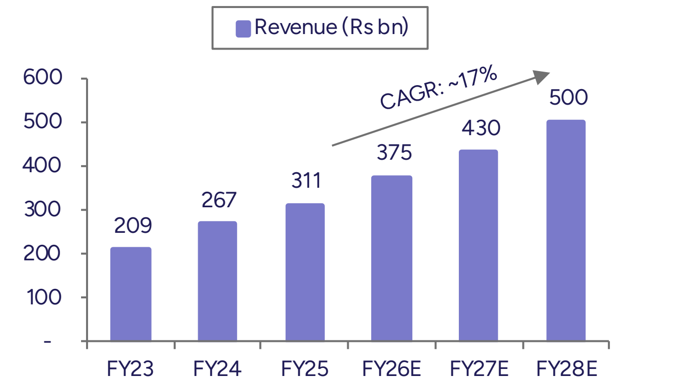
- We expect revenue/EBITDA/PAT to grow at 13%/16%/20% CAGR over FY25-28E with cargo volumes anticipated to increase at a CAGR of ~15% driven by incremental cargo handling capacity across ports and terminals, including international acquisitions.
- Majority of revenue (~58%) is derived from port operations, which is expected to grow at a CAGR of 16% over FY25-28E. Other major contributors to revenue are logistics (9%), harbor (11%) and other operating revenue (~22%).
- Gross margins are expected to remain higher on the back of improved operational efficiency and higher port utilization.
- RoE/RoCE is expected to remain healthy and improve by 93bps/376bps from 17.4%/12.8% in FY25 to 18.3%/16.6% in FY28E.

Exhibit 82: Rev/EBITDA/PAT to grow at 13%/16%/20% CAGR over FY25-28E

Rs bn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volume (mmt)	**337**	**408**	**431**	**466**	**559**	**626**
Growth		*21%*	*5%*	*8%*	*20%*	*12%*
Revenue/t	620	654	**722**	**805**	**769**	**799**
Revenue	**209**	**267**	**311**	**375**	**430**	**500**
Growth		*28%*	*16%*	*21%*	*15%*	*16%*
Gross profit	**152**	**196**	**230**	**269**	**306**	**352**
Growth		*29%*	*17%*	*17%*	*14%*	*15%*
Operational cost	**99**	**110**	**123**	**153**	**179**	**211**
% of sales	*48%*	*41%*	*40%*	*41%*	*42%*	*42%*
EBITDA	**109**	**158**	**187**	**222**	**251**	**288**
Margins	*52%*	*59%*	*60%*	*59%*	*58%*	*58%*
Growth		*12%*	*2%*	*-2%*	*-1%*	*-1%*
Other income	16	15	13	17	21	25
Depreciation	34	39	44	50	55	61
Interest	24	27	25	25	23	20
Exceptional item	(13)	(4)	(2)	-	-	-
PBT	**54**	**103**	**129**	**164**	**194**	**232**
Tax	1	20	20	29	35	42
PAT	**53**	**83**	**109**	**134**	**159**	**190**
EPS	**25**	**38**	**51**	**59**	**70**	**83**

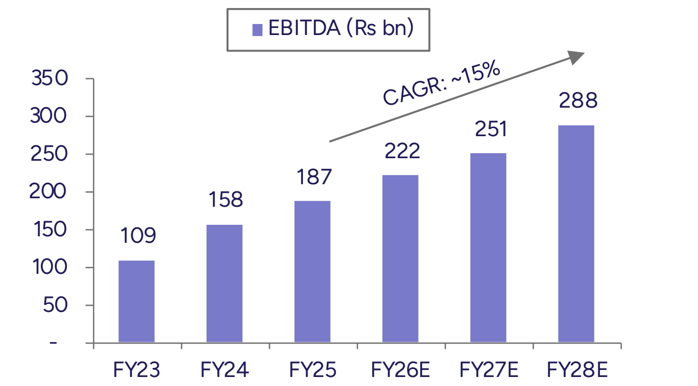
Source: Company, PL

Exhibit 83: Revenue to grow at ~17% CAGR (Rs bn)



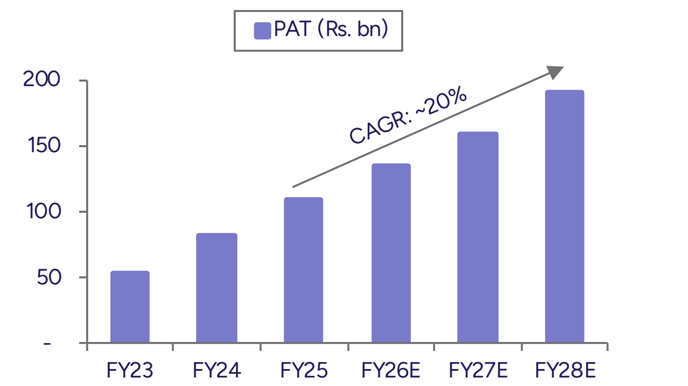
Source: Company, PL

Exhibit 84: EBITDA to grow at 15% CAGR (Rs bn)



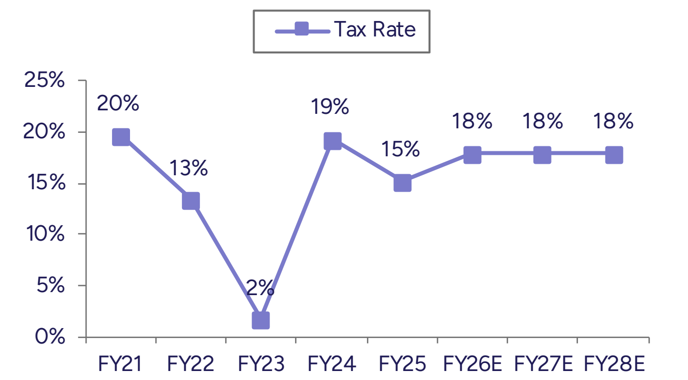
Source: Company, PL

Exhibit 85: PAT to grow at 20% CAGR over FY25-28E (Rs bn)



Source: Company, PL

Exhibit 86: Improving tax efficiency over the years (%)



Source: Company, PL

Exhibit 87: Financial summary

Company	Revenue (Rs mn)				EBITDA (Rs mn)				EBITDA margin				PAT (Rs mn)			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Adani Ports	3,10,786	3,74,668	4,29,731	4,99,682	1,87,438	2,21,587	2,50,970	2,88,492	60.3%	59.1%	58.4%	57.7%	1,13,037	1,35,404	1,60,507	2,33,334
JSW Infra	44,761	54,618	65,232	84,756	22,622	27,181	33,043	44,137	50.5%	49.8%	50.7%	52.1%	15,031	17,008	20,212	25,886

Source: Company, PL

Exhibit 88: Valuation matrix

Company	Market Data (Rs mn)		PE (x)				EV/EBITDA (x)				RoE			
	Mcap	EV	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Adani Ports	31,46,674	34,83,064	28.0	23.2	19.5	13.4	18.6	15.5	13.4	11.2	19.6%	19.8%	19.8%	24.2%
JSW Infra	6,51,945	6,63,888	42.8	37.8	31.8	24.9	29.3	25.7	21.8	16.8	17.0%	16.3%	16.7%	18.3%

Key risks

- Concession agreements at 3 of its key ports are coming for renewal in the next five years; any incremental cost associated with the renewal will hit margins.
- Geopolitical tense situations, trade war escalations and crisis at trade corridors can lead to container shipping challenges, resulting in sharp increase in ocean freight prices. The scenario can impact global as well as domestic demand and may lead to lower Indian port traffic growth if the issues persist for long.
- ADSEZ's financial health has improved with the reduction in debt and receivables, but its stock performance may suffer if other Adani Group companies face difficulties due to any market sentiment impact.
- A recession in the Indian economy may result in lower cargo volumes and exports, reducing ADSEZ's revenue and profitability. This can also lead to lower investment in port infrastructure, worsening the challenges faced by the company.
- Any delay in the completion of DFCs can lead to a delay in their contribution to logistics revenue.

Valuation

We expect ADSEZ to deliver a strong 16% EBITDA CAGR over FY25-28E aided by double-digit volume growth at ports and its emphasis on logistics business. Incremental organic growth is expected to be more capital efficient as utilizations can improve in line with growth in that particular port. Sticky cargo, ability to pass on increase in costs, strong cash flow generation and potential in logistics business can drive even higher EBITDA growth over FY25-28E. At CMP, ADSEZ trades at EV of ~13.4x/11.2x EBITDA of FY27E/FY28E. We initiate coverage with 'BUY' rating and TP of Rs1,777 per share assigning EV multiple of 18x to Sep'27E EBITDA.

Exhibit 89: SoTP Valuation

	Sep'27E EBITDA	Valuation basis	Target multiple (x)	Targeted value (Rs mn)	Value/Share (Rs)
Ports	2,13,390	EV/EBITDA	18	38,41,019	1,667
JV terminals	2,131	EV/EBITDA	18	38,350	17
Logistics and others	44,611	EV/EBITDA	10	4,46,107	194
Land bank (SEZ)				11,000	5
Less: Net debt				2,23,793	97
Less: Minority interest				19,175	8
Equity value/share					**1,777**

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	**3,10,786**	**3,74,668**	**4,29,731**	**4,99,682**
YoY gr. (%)	*16.4*	*20.6*	*14.7*	*16.3*
Cost of Goods Sold	80,698	1,05,512	1,24,027	1,47,714
Gross Profit	2,30,089	2,69,155	3,05,704	3,51,968
Margin (%)	*74.0*	*71.8*	*71.1*	*70.4*
Employee Cost	20,087	23,401	27,015	31,245
Other Expenses	22,564	24,167	27,719	32,231
EBITDA	**1,87,438**	**2,21,587**	**2,50,970**	**2,88,492**
YoY gr. (%)	*19.0*	*18.2*	*13.3*	*15.0*
Margin (%)	*60.3*	*59.1*	*58.4*	*57.7*
Depreciation and Amortization	43,789	50,370	55,491	60,819
EBIT	**1,43,649**	**1,71,217**	**1,95,479**	**2,27,673**
Margin (%)	*46.2*	*45.7*	*45.5*	*45.6*
Net Interest	25,318	24,576	22,530	20,499
Other Income	13,045	16,860	21,487	24,984
Profit Before Tax	**1,28,881**	**1,63,502**	**1,94,436**	**2,32,158**
Margin (%)	*41.5*	*43.6*	*45.2*	*46.5*
Total Tax	19,684	29,430	34,998	41,788
Effective tax rate (%)	*15.3*	*18.0*	*18.0*	*18.0*
Profit after tax	**1,09,197**	**1,34,071**	**1,59,437**	**1,90,370**
Minority interest	(311)	(342)	(376)	(413)
Share Profit from Associate	1,416	991	694	763
Adjusted PAT	**1,13,037**	**1,35,404**	**1,60,507**	**1,91,546**
YoY gr. (%)	*34.4*	*19.8*	*18.5*	*19.3*
Margin (%)	*36.4*	*36.1*	*37.4*	*38.3*
Extra Ord. Income / (Exp)	(2,114)	-	-	-
Reported PAT	**1,10,923**	**1,35,404**	**1,60,507**	**1,91,546**
YoY gr. (%)	*36.8*	*22.1*	*18.5*	*19.3*
Margin (%)	*35.7*	*36.1*	*37.4*	*38.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,10,923	1,35,404	1,60,507	1,91,546
Equity Shares O/s (m)	**2,160**	**2,160**	**2,160**	**2,160**
EPS (Rs)	**52.3**	**62.7**	**74.3**	**88.7**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	**10,27,763**	**11,27,763**	**12,27,763**	**13,17,763**
Tangibles	8,75,140	9,75,140	10,75,140	11,65,140
Intangibles	1,52,623	1,52,623	1,52,623	1,52,623
Acc: Dep / Amortization	**2,15,989**	**2,66,358**	**3,21,849**	**3,82,668**
Tangibles	1,89,420	2,39,790	2,95,281	3,56,099
Intangibles	26,568	26,568	26,568	26,568
Net fixed assets	**8,11,775**	**8,61,405**	**9,05,914**	**9,35,096**
Tangibles	6,85,720	7,35,350	7,79,859	8,09,041
Intangibles	1,26,055	1,26,055	1,26,055	1,26,055
Capital Work In Progress	1,15,922	1,35,922	1,45,922	1,45,922
Goodwill	70,936	70,936	70,936	70,936
Non-Current Investments	21,873	21,873	21,873	21,873
Net Deferred tax assets	(27,637)	(27,637)	(27,637)	(27,637)
Other Non-Current Assets	85,404	85,404	85,404	85,404
Current Assets				
Investments	46,595	46,595	46,595	46,595
Inventories	5,218	6,291	7,215	8,389
Trade receivables	44,324	53,434	61,287	71,263
Cash & Bank Balance	66,060	67,478	1,07,713	2,00,834
Other Current Assets	64,589	64,589	64,589	64,589
Total Assets	**13,53,322**	**14,34,554**	**15,38,075**	**16,71,529**
Equity				
Equity Share Capital	4,320	4,320	4,320	4,320
Other Equity	6,20,034	7,36,015	8,75,092	10,42,835
Total Networth	**6,24,354**	**7,40,335**	**8,79,412**	**10,47,156**
Non-Current Liabilities				
Long Term borrowings	3,58,307	3,18,307	2,78,307	2,38,307
Provisions	11,494	11,494	11,494	11,494
Other non current liabilities	77,396	77,396	77,396	77,396
Current Liabilities				
ST Debt / Current of LT Debt	99,794	99,794	99,794	99,794
Trade payables	27,205	32,797	37,617	43,740
Other current liabilities	82,861	82,861	82,861	82,861
Total Equity & Liabilities	**13,53,322**	**14,34,554**	**15,38,075**	**16,71,529**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	1,30,296	1,63,502	1,94,436	2,32,158
Add. Depreciation	43,789	50,370	55,491	60,819
Add. Interest	27,780	24,576	22,530	20,499
Less Financial Other Income	13,045	16,860	21,487	24,984
Add. Other	(11,248)	(16,860)	(21,487)	(24,984)
Op. profit before WC changes	1,90,618	2,21,587	2,50,970	2,88,492
Net Changes-WC	(3,705)	(4,591)	(3,957)	(5,027)
Direct tax	(14,650)	(29,430)	(34,998)	(41,788)
Net cash from Op. activities	**1,72,263**	**1,87,566**	**2,12,014**	**2,41,676**
Capital expenditures	(79,982)	(1,20,000)	(1,10,000)	(90,000)
Interest / Dividend Income	-	-	-	-
Others	(17,891)	16,860	21,487	24,984
Net Cash from Invt. activities	**(97,873)**	**(1,03,140)**	**(88,513)**	**(65,016)**
Issue of share cap. / premium	3,865	-	-	-
Debt changes	(28,606)	(40,000)	(40,000)	(40,000)
Dividend paid	(13,363)	(18,432)	(20,736)	(23,040)
Interest paid	(25,785)	(24,576)	(22,530)	(20,499)
Others	7,805	-	-	-
Net cash from Fin. activities	**(56,084)**	**(83,008)**	**(83,266)**	**(83,539)**
Net change in cash	**18,306**	**1,418**	**40,235**	**93,121**
Free Cash Flow	92,281	67,566	1,02,014	1,51,676

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	52.3	62.7	74.3	88.7
CEPS	72.6	86.0	100.0	116.8
BVPS	289.0	342.7	407.1	484.8
FCF	42.7	31.3	47.2	70.2
DPS	7.0	8.5	9.6	10.7
Return Ratio(%)				
RoCE	13.8	15.3	16.2	17.2
ROIC	13.2	14.0	15.2	17.4
RoE	19.6	19.8	19.8	19.9
Balance Sheet				
Net Debt : Equity (x)	0.6	0.4	0.3	0.1
Net Working Capital (Days)	26	26	26	26
Valuation(x)				
PER	27.8	23.2	19.5	16.4
P/B	5.0	4.2	3.6	3.0
P/CEPS	20.0	16.9	14.5	12.4
EV/EBITDA	18.6	15.5	13.4	11.2
EV/Sales	11.2	9.2	7.8	6.5
Dividend Yield (%)	0.5	0.6	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	**69,563**	**70,670**	**79,636**	**84,884**
YoY gr. (%)	*11.3*	*6.3*	*15.1*	*23.1*
Raw Material Expenses	18,666	17,628	21,325	23,079
Gross Profit	50,898	53,042	58,311	61,806
Margin (%)	*73.2*	*75.1*	*73.2*	*72.8*
EBITDA	**42,133**	**42,367**	**47,777**	**49,128**
YoY gr. (%)	*11.9*	*15.6*	*11.3*	*21.9*
Margin (%)	*60.6*	*60.0*	*60.0*	*57.9*
Depreciation / Depletion	10,119	10,766	11,058	11,847
EBIT	**32,014**	**31,602**	**36,719**	**37,281**
Margin (%)	*46.0*	*44.7*	*46.1*	*43.9*
Net Interest	4,841	5,271	8,989	6,218
Other Income	10,979	3,054	2,234	2,812
Profit before Tax	**36,698**	**28,866**	**29,685**	**33,631**
Margin (%)	*52.8*	*40.8*	*37.3*	*39.6*
Total Tax	4,854	4,726	5,015	5,088
Effective tax rate (%)	*13.2*	*16.4*	*16.9*	*15.1*
Profit after Tax	**31,844**	**24,140**	**24,670**	**28,543**
Minority interest	(56)	(325)	(19)	89
Share Profit from Associates	(772)	(15)	514	1,688
Adjusted PAT	**32,390**	**24,883**	**25,434**	**30,349**
YoY gr. (%)	*53.2*	*42.4*	*15.2*	*28.5*
Margin (%)	*46.6*	*35.2*	*31.9*	*35.8*
Extra Ord. Income / (Exp)	(1,262)	(433)	(231)	(207)
Reported PAT	**31,128**	**24,450**	**25,203**	**30,142**
YoY gr. (%)	*47.2*	*39.9*	*14.1*	*47.8*
Margin (%)	*44.7*	*34.6*	*31.6*	*35.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**31,128**	**24,450**	**25,203**	**30,142**
Avg. Shares O/s (m)	2,160	2,160	2,160	2,160
EPS (Rs)	**15.0**	**11.5**	**11.8**	**14.0**

Source: Company Data, PL Research

JSW Infrastructure (JSWINFRA IN)

Rating: ACCUMULATE | CMP: Rs310 | TP: Rs344

July 18, 2025

Company Initiation

Fueled by strong domestic steel consumption

We initiate coverage on JSWINFRA with 'Accumulate' rating and TP of Rs344 per share assigning EV/EBITDA multiple of 21x Sep'27E EBITDA. JSWINFRA is India's second largest private commercial port operator, accounting for 7% of all port cargo movements. Cargo-related operations accounted for ~67% of its total revenue in FY25, followed by vessel-related services (13%), storage (11%) and others including logistics (9%). JSWINFRA handled ~117mmt of cargo in FY25, with share of group cargo at ~51% and third-party cargo at 49%. The company plans to increase its cargo handling capacity to 400mmt by FY30E via acquisitions, and brownfield and greenfield expansions. We expect JSWINFRA to deliver a strong 17% volume CAGR over FY25-28E to reach 185mmt led by JSW Steel's ongoing Dolvi expansion, which is back-ended. We expect revenue/EBITDA/PAT to grow at a CAGR of 23%/25%/20% over FY25-28E. The stock is currently trading at EV of ~21.8x/16.8x EBITDA of FY27E/28E. Initiate 'Accumulate'.

Play on strong domestic steel volume growth aided by group company: JSW Group remains the largest customer for JSWINFRA as it was incorporated to cater to the needs of group companies such as JSW Steel (JSTL) and JSW Energy. Over the last 4 years, share of third-party cargo has grown at over 50% CAGR to ~57mmt and that of group cargo has grown at steady 15% CAGR. Further, as JSTL is in the expansion phase, we expect JSTL's volumes to clock a strong double-digit CAGR, aiding captive cargo volume growth of JSWINFRA.

Targeting to reach 400mmt via planned expansions: JSWINFRA plans to increase capacity at a CAGR of 24% to 400mmt by FY30E, from 177mmt as of FY25, through a mix of brownfield and greenfield expansions. The company aims to capitalize on the government's plan to privatize 500mmt capacity in the next few years. Considering the ongoing capacity expansion at 3 terminals and brownfield expansion at existing ports, we expect JSWINFRA's capacity to increase by 21% CAGR to 312mmt by FY28E. FY28 would be an inflection point for JSWINFRA with capacity additions at existing ports as well as commissioning of slurry pipeline and Jatadhar port of 30mmt each.

Strategically located assets: JSWINFRA's ports and terminals are strategically located close to cargo origination and consumption centers, which helps them to serve industrial hinterlands. These assets have long concession periods ranging from 30-50 years, thus providing long-term cash flow visibility. The company aims to become a full-service logistics provider by offering last-mile connectivity. To achieve this, the company intends to develop CFSs, MMLPs, tank farms and ICDs.

Robust financial health: JSWINFRA's net debt/EBITDA ratio of 0.9x reflects prudent financial management and operational efficiency. Significant growth in third-party revenue mix has enhanced income diversity and resilience, while the take-or-pay strategy and committed volumes from group companies provide JSWINFRA stability and predictability.

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	44,761	54,618	65,232	84,756
EBITDA (Rs. m)	22,622	27,181	33,043	44,137
Margin (%)	*50.5*	*49.8*	*50.7*	*52.1*
PAT (Rs. m)	15,031	17,008	20,212	25,886
EPS (Rs.)	7.2	8.2	9.7	12.5
Gr. (%)	*28.7*	*13.2*	*18.8*	*28.1*
DPS (Rs.)	0.6	0.6	0.8	1.1
Yield (%)	*0.2*	*0.2*	*0.3*	*0.4*
RoE (%)	*17.0*	*16.3*	*16.7*	*18.3*
RoCE (%)	*12.8*	*13.3*	*13.3*	*14.0*
EV/Sales (x)	14.8	12.8	11.0	8.8
EV/EBITDA (x)	29.3	25.7	21.8	16.8
PE (x)	42.8	37.8	31.8	24.9
P/BV (x)	6.6	5.7	5.0	4.2

Key Data	JSWN.BO | JSWINFRA IN
52-W High / Low	Rs.355 / Rs.218
Sensex / Nifty	82,259 / 25,111
Market Cap	Rs.652bn/ $ 7,574m
Shares Outstanding	2,100m
3M Avg. Daily Value	Rs.951.92m

Shareholding Pattern (%)

Promoter's	85.62
Foreign	4.76
Domestic Institution	2.70
Public & Others	6.92
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.2	4.3	(8.9)
Relative	1.3	(2.9)	(10.6)

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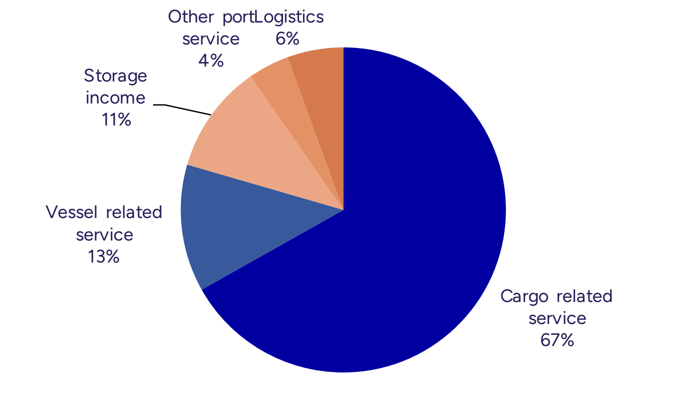
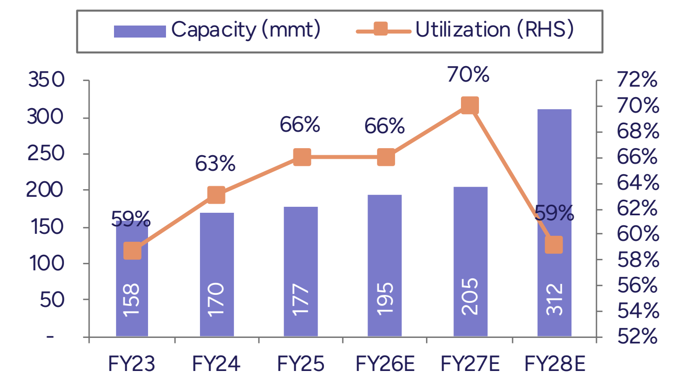
Story in Charts

Exhibit 90: FY25 revenue mix (Rs45bn)



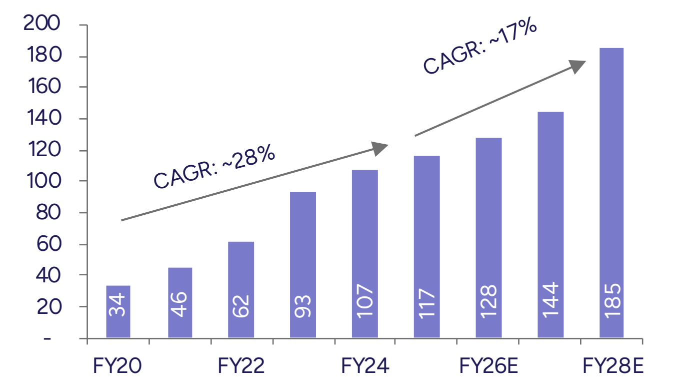
Source: Company, PL

Exhibit 91: Utilization to drop with major capacity additions



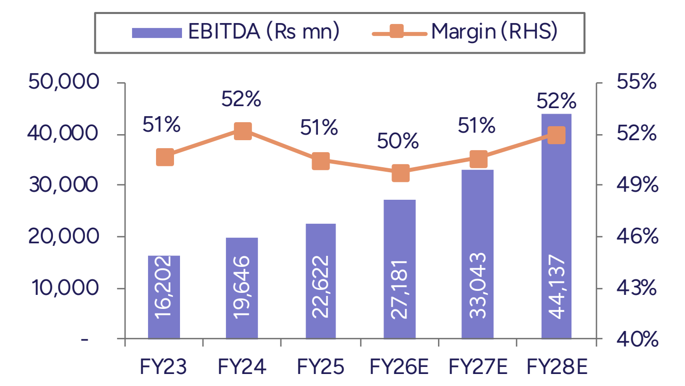
Source: Company, PL

Exhibit 92: Strong volume growth aided by Dolvi (back ended)



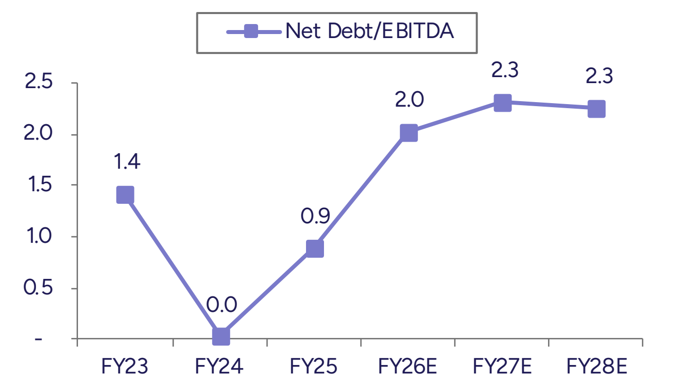
Source: Company, PL

Exhibit 93: EBITDA margin to improve going ahead



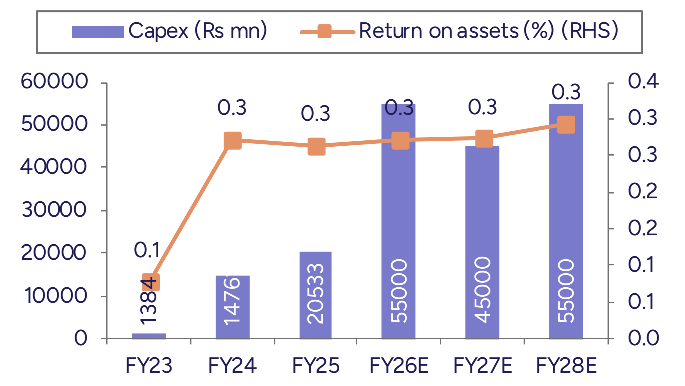
Source: Company, PL

Exhibit 94: Net debt/EBITDA to remain below 2.5x guidance



Source: Company, PL

Exhibit 95: Stable RoA despite heavy capex



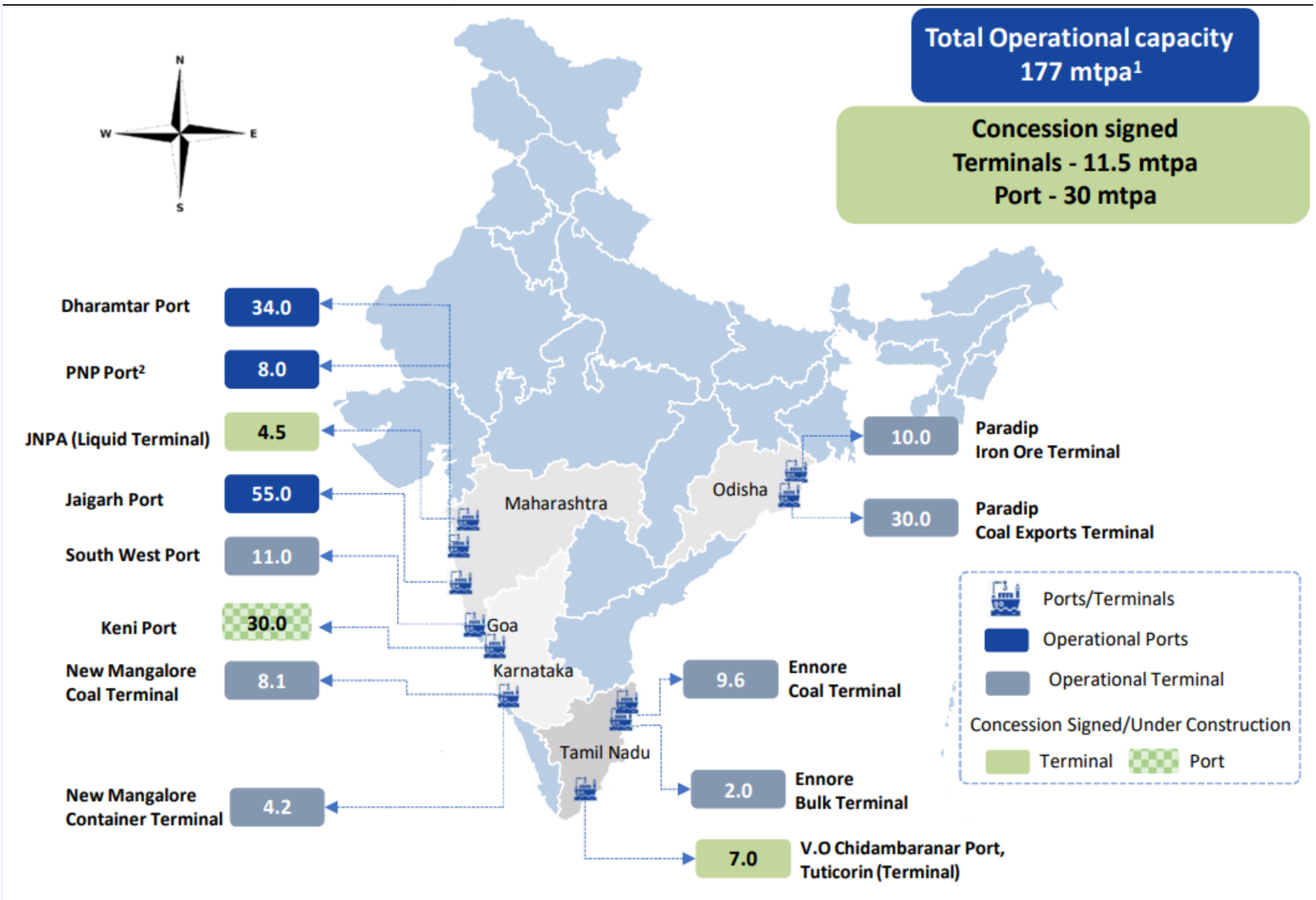
Source: Company, PL

JSW Infra – Fastest growing port network in India

JSWINFRA is a part of the JSW Group, a diversified conglomerate with portfolio spanning across steel, energy, cement, infrastructure, paints, venture capital, sports and defense. JSWINFRA is India's 2nd largest non-major port operator based on its cargo handling capacity – 177mmt in FY25.

The company operates a network of 3 ports and 9 terminals strategically located along the eastern and western coasts of India, offering efficient port services across key maritime locations. In addition to its domestic operations, the company operates a 465,000CBM (5mmt) liquid storage terminal at Fujairah, UAE, and 2 dry bulk terminals (41mmt) at Fujairah and Dibba in the UAE.

Exhibit 96: JSWINFRA's port and terminal footprint across India – FY25 (mmt)



Source: Company, PL; 1. Ex-O&M ops outside India, 2. Co owns majority stake in PNP port

The company has recently received approval from relevant authorities to begin interim operations in JNPA and Tuticorin having capacities of 4.5mmt and 7mmt, respectively. In FY25, group cargo accounted for 51% of total volume handled by JSWINFRA and third-party cargo accounted for the rest. The company expects ~65%-70% of its growth in FY26 to come from third-party business, and the remaining from the group.

The company has recently ventured into logistics by acquiring 70.37% stake in Navkar Corporation in Oct'24. Navkar is a prominent Indian logistics company focused on CFS and ICD operations, primarily in western India. The company operates 3 CFSs for handling containerized export-import cargo and providing customs clearance services, along with 1 ICD near Morbi as part of an MMLP.

We believe JSWINFRA's competitive edge stems from its:

- Stability in business led by group companies' operations
- 21% CAGR expected in capacity over FY25-28E, aiding market share increase
- Strategically located ports on the eastern and western coasts, thereby benefitting from nearby industrial clusters
- Multifold growth expected in logistics business in the coming years post-acquisition of Navkar Corporation led by MMLPs

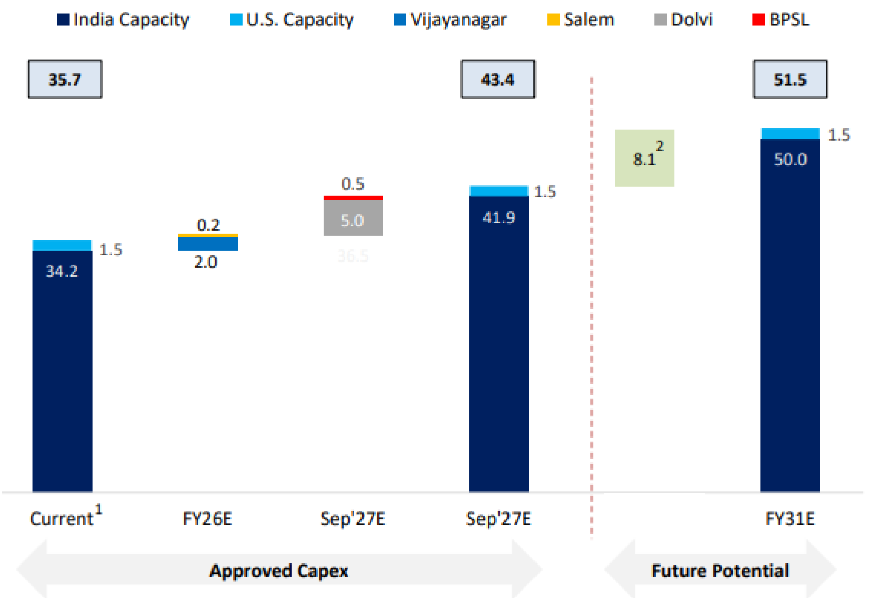
Investment Rationale

Play on strong steel volume growth aided by group

Indian steel consumption is expected to continue to grow by 8-9% aided by strong domestic demand, robust infrastructure spending and industrial development over next few years. Total domestic crude steel production is also seen reaching 255mmt by FY31 from 151mmt in FY25 in-line with the National Steel Policy.

Over the last few months, steel imports have declined with the implementation of safeguard duty, while demand for domestically produced steel is expected to inch up post monsoon. In this environment, JSTL, the largest steel manufacturer in the country, with its aggressive capacity expansion and superior execution capabilities, is well poised to be the major beneficiary. One ton of steel produced increases the cargo handling volumes by 3x. With JSTL as its major client, JSWINFRA's cargo volumes are expected to grow in proportion with JSTL's manufacturing trajectory.

Exhibit 97: Fastest growing JSTL capacity to aid cargo volume growth (mmt)



Source: JSW Steel, PL

Captive cargo largely serviced by owned ports: JSWINFRA's 3 owned ports (Dharamtar, Jaigarh and PNP) mainly cater to the JSW Dolvi steel plant at Alibaug, Maharashtra, while the Vijaynagar plant in Karnataka is mainly served by the terminal at South West Port. Further, the 30mmt greenfield port being developed at Keni, Karnataka, will also help serve the plant along with the nearby industries.

As per our estimates, JSW Steel's volume is expected to grow by 12% CAGR over FY25-27E, which augurs well for JSWINFRA. Thus, its growth is intricately tied to the growth of the steel business. Further, its unique positioning as a group-integrated port and logistics player provides strong visibility and scalability for growth.

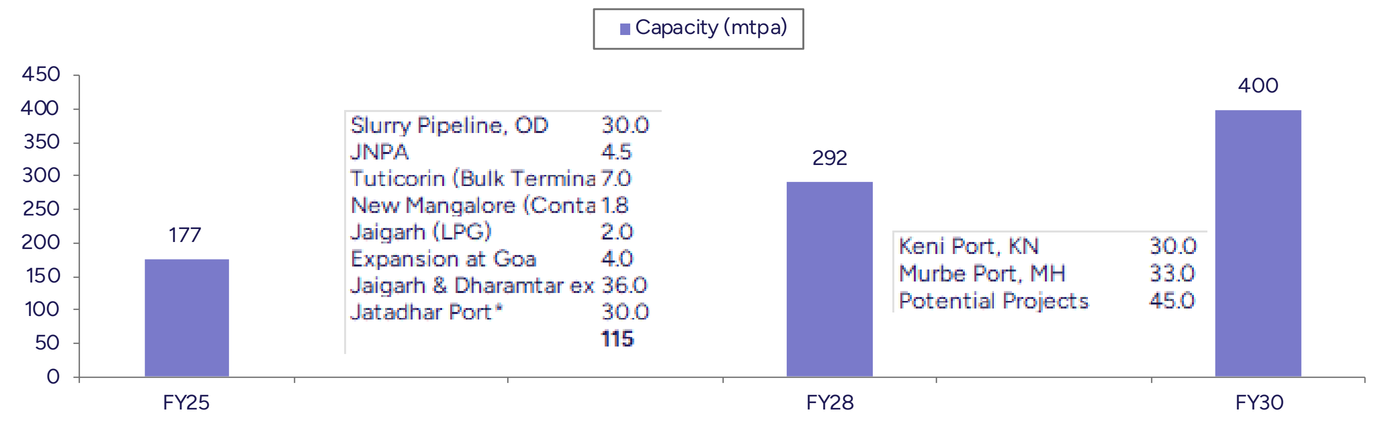
Targeting to reach 400mmt via planned expansions

Enhancing competitiveness through expansion

- **Ambitious capacity expansion plans:** JSW's port capacity stood at 177mmt in FY25 with 9 terminals at major ports (total: ~79mmt capacity) and 3 owned ports (Jaigarh, PNP and Dharamtar; total: 97mmt). The management targets to raise capacity to 400mmt by FY30E, through a mix of brownfield and greenfield expansions. It excludes capturing of ~100mmt of the 500mmt capacity opportunity as government plans to privatize, which will position JSWINFRA as a leading player in the market.

  Further, considering the anticipated rise in cargo volumes, capacity utilization across its strategically located ports is expected to improve in the coming years.

Exhibit 98: **Roadmap for achieving 18% CAGR in capacities to reach the target of 400mmt by FY30E**



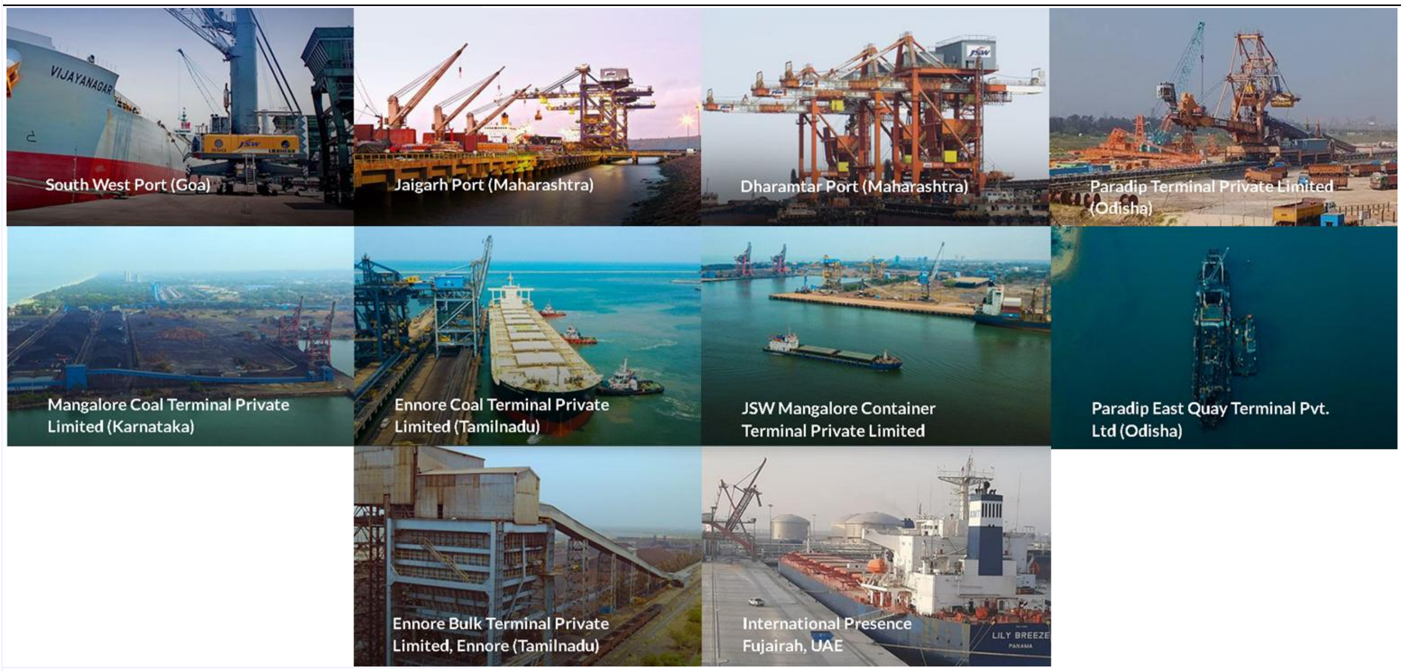
*Source: Company, PL; *Project under review*

Major expansion projects underway: JSWINFRA's target to reach 400mmt capacity by FY30E is backed by key projects including a 30mmt slurry pipeline in Odisha, expansion at Dharamtar (21mmt) and Jaigarh (15mmt), greenfield ports at Keni and Jatadhar (30mmt each), and the Murbe Port project (33mmt). Given the resource-intensive nature of these projects, some delays in completion are inevitable. The company's growth strategy includes: (a) developing a 30mmt deep-water greenfield port at Keni, Karnataka, with an agreement already signed with the Karnataka Maritime Board, (b) investing Rs300bn over 6 years starting FY25, with Rs140bn planned for the first 3 years and the remainder in the following 3 years, (c) targeting ~10% cargo growth in FY26 and aiming for sustainable long-term growth of ~15% by adding 85–88mmt capacity over the next 3–4 years, and (d) pursuing acquisitions to strengthen last-mile connectivity.

Long-term asset concession periods: JSWINFRA's services span developing and operating ports and terminals under concessions. These concessions are generally for 30-50 years, which provides cash flow certainty for the company. As of FY25, capacity-weighted average balance concession period for JSWINFRA's operational ports and terminals stood at ~25 years.

Extensive presence in marine sector: JSWINFRA has presence in 9 (via terminals) out of the 12 major ports in India, thus establishing a dominant presence in the country's maritime sector. The extensive network, spanning the east and west coasts of India, is the result of its active efforts to capitalize on the privatization wave that began in 2000, which provided a robust foundation for long-term growth and stability. Although these ports offer limited room for capacity expansion, capex requirement is relatively lower, thereby generating higher return ratios (20%+).

Exhibit 99: Diversified geographical presence



Source: Company, PL

Captive volumes to come online in tranches: JSW Steel has announced a capex of Rs190bn to expand the Dolvi plant by 5mmt by Sep'27, which would improve JSWINFRA's volume growth in FY28E. Another 5mmt brownfield potential is also there at Vijayanagar and BSP plants each. Generally, traffic volume at ports increases roughly by 3 times the expanded steel capacity, which implies an inflow of roughly ~15mmt of captive cargo. Therefore, we anticipate a gradual increase in third-party cargo, punctuated by occasional surges in captive volumes.

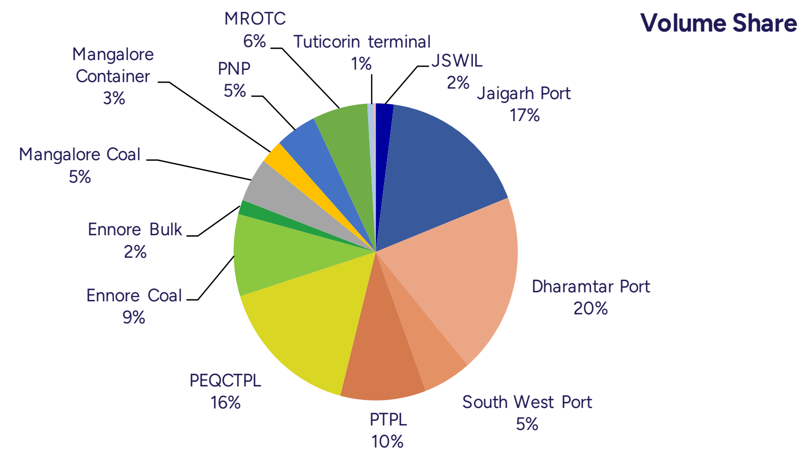
Slurry pipeline: The company has also acquired assets pertaining to the 30mmt slurry pipeline project and signed a 20-year long-term take-or-pay agreement with JSTL for transportation of iron ore from Nuagaon mines to Jagatsinghpur in Odisha, which will aid in providing end-to-end logistics solutions for iron ore transportation. Long-term strategy involves connecting the slurry pipeline to Jatadhar port to further reduce transportation costs for customers (including the group).

Total length of the slurry pipeline is expected to be 302km, of which 180km has been completed. The construction is on schedule to be completed by Mar'27. During FY25, the company undertook a capex of Rs16.6bn toward this acquisition, with total capex expected to be Rs40bn.

Strategically located assets

JSWINFRA's ports are located strategically close to cargo origination and consumption centers, which enables them to serve the industrial hinterlands of Maharashtra, Goa, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana, and mineral-rich belts of Chhattisgarh, Jharkhand and Odisha. Due to its proximity to mineral rich states, most of the iron ore or coal traffic is getting serviced by JSWINFRA. As Indian steel production growth may exceed iron ore supply growth over next 5 years, raw material imports are expected to increase from cheaper global resources.

Exhibit 100: Dharamtar handles highest cargo volume across portfolio in FY25



Source: Company, PL

- **Beneficiary of privatization of terminals at major ports**: JSWINFRA continues to participate and submit bids for PPP projects at major ports. Currently, PPP concessionaires are free to fix tariffs based on market conditions.

Exhibit 101: JSWINFRA - Port and terminal metrics

Port	Jaigarh Port	Dharamtar Port	South West Port	Paradip Iron Ore Terminal	Paradip Coal Exports Terminal	Mangalore Container Terminal	Mangalore Coal Terminal	Ennore Coal Terminal	Ennore Bulk Terminal	JNPA (Liquid Terminal)	Tuticorin Terminal	Fujairah Terminal	Dibba Terminal
Hinterland	MH	MH	GA	OD	OD	KN	KN	TN	TN	MH	TN	UAE	UAE
Port type	Non-major	Non-major	Major	Major	Major	Major	Major	Major	Major	Major	Major	NA	NA
Capacity (mmt)	55.0	34.0	11.0	10.0	30.0	4.2	8.1	9.6	2.0	4.5	7	24.0	17.0
Operation commencement year	2,010	2,012	2,004	2,019	2,021	2,022	2,020	2,020	2,020	2024	2024	2,017	2,022
Concession ending year	2058	2044	2029	2045	2047	2050	2047	2038	2045	2054	2054	2027	2028
Maximum draft (m)	17.5	5.0	14.0	16.0	15.0	14.0	14.0	16.0	14.5	14.8	14.2	14.0	14.0
Berth length (m)	2319	771	450	370	686	350	315	348	270	285	306	619	650
No. of berths	7	5	2	1	2	1	1	1	1	2	1	2	1

Source: Company, Industry, PL

Privatization and contract renewals to contribute to growth: With the first privatized terminal contracts up for renewal in 2028, there is significant opportunity for JSWINFRA to renegotiate and secure more favorable terms. The shift from a royalty revenue model to a Rs/ton model post-2021 has also eliminated government price caps, providing greater pricing flexibility and revenue predictability.

Exhibit 102: Dry bulk and POL command majority of volume mix

Ports	Capacity (mmt)	Utilization (%; FY25)	Cargo handled	Comments
JSW Dharamtar, MH	34	76%	Bulk, break bulk, iron bearing raw materials, coal bearing raw materials, fluxes, clinkers, slag and other finished steel products	The port can handle MBCs up to 8,000 DWT in size, and bulk and discrete cargo with appropriately designed equipment and systems since it has enough berth length and inter-barge separation.
PNP, MH	8	69%	Multipurpose cargo including bulk, containerized and liquid cargo	It is a key component of the maritime industrial services sector, with excellent road and rail connections, and it offers essential services to a number of businesses.
JNPA (Liquid Terminal), MH	4.5	NA	Liquid terminal	It operates liquid cargo berths LB3 and LB4 at JNPA via a 30-year concession agreement.
JSW Jaigarh, MH	55	36%	Dry bulk, liquid bulk and limestone	To optimize the transportation system, freight is directly sent to the JSW Energy plant via a covered conveyor system, and cargo is supplied directly to JSW Steel's Dolvi Steel Plant by micro bulk carriers.
South West Port, GA	11	58%	Coking coal, limestone and steel	The port's infrastructure and position allow it to maintain uninterrupted operations year-round, regardless of the weather.
Mangalore Coal Terminal, KA	8.1	71%	Coal	It is well connected to Karnataka, Goa and other regions of South India due to its connections to NH 75, NH 66, NH 52, NH 50, and NH 275.
JSW Mangalore Container Terminal, KA	4.2	57%	Containers	For operational convenience, the container terminal features an empty container handler and 6 reach stackers in addition to 65,000sqm backup space for storing containers.
Tuticorin Terminal, TN	7	NA	Dry, Liquid, containerized, other cargo	JSW TMT won the rights to mechanize and operate North Cargo Berth III at the port under a 30-year concession. It handles dry bulk cargo such as coal, limestone, gypsum, rock phosphate, and copper concentrate.
Ennore Bulk Terminal, TN	2	105%	Clean cargo, excluding coal, iron ore, POL and automobile units	Along with a DFC connecting Chennai with Bengaluru/Mumbai and Delhi/Kolkata, it is connected to NH 4, NH 5, and NH 45.
Ennore Coal Terminal, TN	9.6	66%	Steel, project cargo, gypsum, limestone and dolomite	It offers uninterrupted connectivity throughout South India and features 4 warehouses as well as a specialized railway sliding.
Paradip East Quay Coal Terminal, OD	30	63%	Coal	By reaching economies of scale for higher parcel sizes, it has created opportunities for handymax to cape-size coastal shipping.
JSW Paradip Terminal, OD	10	114%	Iron ore	Large-scale iron ore shipment coming by train can be handled by this automated facility, which includes stackers, reclaimers, wagon tipplers, and connected conveyors.
JSW Middle East Liquid Terminal, UAE	5	146%	Liquid terminal	It is a liquid storage facility located at Fujairah, UAE. The terminal is situated in the Fujairah Oil Industry Zone, a strategic location known as one of the world's top bunkering hubs.
MROTC, UAE	24	NA	Dry bulk, liquid bulk and limestone	Because of its proximity to India's western coast, it enjoys a strategic advantage. Steel and cement industries that depend on imported aggregate and limestone are especially benefited by this advantage.
Dibba Port, UAE	17	NA	Merchandised bulk	It will include navigational channels, a ship loader at the berth, transfer towers, a new stockyard area, and an extensive conveyor system.

Source: Company, PL

Foraying into logistics and port connectivity

JSWINFRA has acquired 70.37% stake in Navkar Corporation at an enterprise value of Rs15.96bn with the long-term vision of building a pan-India logistics network. Navkar is a prominent Indian logistics company specializing in CFS and ICD operations, along with related logistics services, primarily in western India.

Navkar provides end-to-end cargo and container handling services, including parking and repair facilities. It owns 3 CFSs, which handle the export and import of containers and offer customs clearance services. It owns contemporary cargo and container handling systems, dedicated warehouses to meet customer needs, and container stacking yards.

Navkar has built paved yards of over 84 acres for containers stacking at its CFS in Somathane, which can handle up to 4.45 lakh TEUs with adequate space and infrastructure to support customers' multimodal, private freight terminal (PFT), exim and warehousing businesses. The other 2 CFSs are located in Ajivali village and have a capacity of 25k and 65k TEUs.

Exhibit 103: Navkar's CFSs located close to industrial clusters

Industrial cluster	Distance from CFS (km)
JNPT	33
Bhiwandi	50
Chakan	90
Khopoli	35
Mahad	133
Nashik	220
Pune	130
Vapi, Silvassa, Dadra	210
Wada	100

Source: Navkar Annual Report FY25, PL

Its ICD near Morbi is part of the MMLP, offering warehousing, multimodal transportation, storage yard for empty and laden containers, and storage and handling of various types of cargo.

All its facilities are located near major industrial clusters and are well-connected to manufacturing and consumption centers.

Exhibit 104: ICDs connected to major consumption centers

Industrial cluster	Distance from ICD (km)
Morbi	33
Wankaner	60
Rajkot	97
Gondal	138
Jasdan	153
Jetpur	167
Lodika	127
Jamnagar	132
Surendranagar	110

Source: Navkar Annual Report FY25, PL

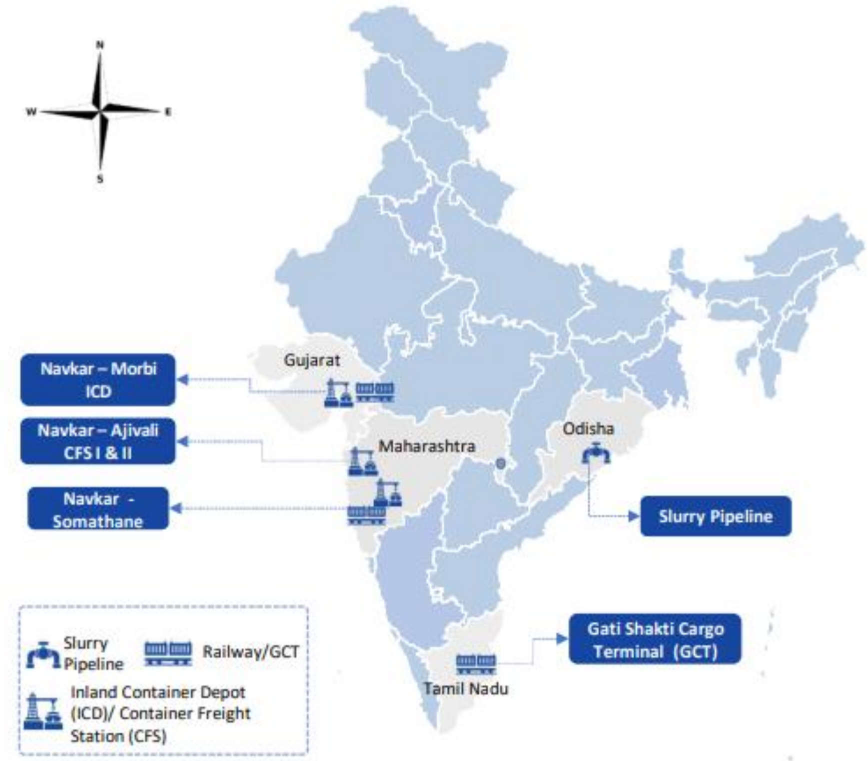
Navkar also operates 2 **Gati Shakti cargo terminals** (GCTs, formerly PFTs) for handling freight trains. These terminals serve MMR located at Somathane, Panvel and built to serve Saurashtra and Kutch regions of Gujarat with focus on Morbi. The rail terminals are capable of handling all types of cargo trains.

It also owns Category 1 license issued by the Indian Railways for operation of container trains on pan-India basis. It owns 8 container trains of heavy-duty payload on an ownership basis in addition to operations of rake on a lease basis from time to time.

Key assets owned by Navkar Corporation:

- 2,450+ containers
- 602 trailers for last-mile delivery
- 11 rakes (including 3 on lease)
- 6 RTG cranes
- 283 acres of land bank

Exhibit 105: Navkar's footprint in logistics & port connectivity

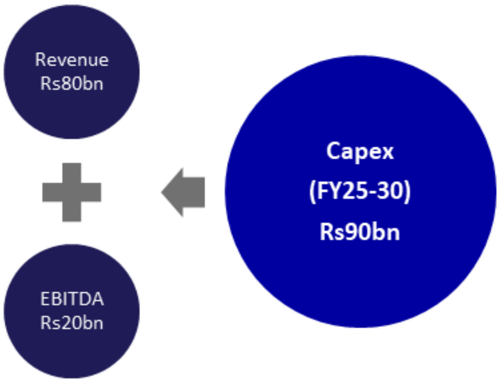


Source: Company, PL

GCTs: A letter of acceptance has been received from the Southern Railway, Chennai Division, for the contract for construction and operation of the GCT at Arakkonam, Chennai, TN. Construction is expected to commence within 3 months of receiving approval, with a total capex of Rs1.5bn to be incurred over a construction timeline of 18 months.

The project aligns with the vision of developing a pan-India logistics network for last-mile connectivity. It offers long-term visibility with a 35-year contract. It has excellent connectivity to road and rail, and is close to a port. There is solid cargo visibility and synergies with the anchor customers.

Exhibit 106: JSWINFRA's logistics business FY30 targets



Source: Company, PL

Strategy to expand into logistics business:

- Utilize JSW Group's wide presence across businesses like steel, cement and paints to develop railway sidings and infrastructure for storage, bagging, stuffing, and other value-added services
- Participate in the upcoming GCT bids, building on the success of the Arakkonam GCT win in Chennai
- Pursue acquisition opportunities in the CFS and ICD space, similar to Navkar Corp acquisition
- Collaborate with operators and third-party customers to support business growth and expansion

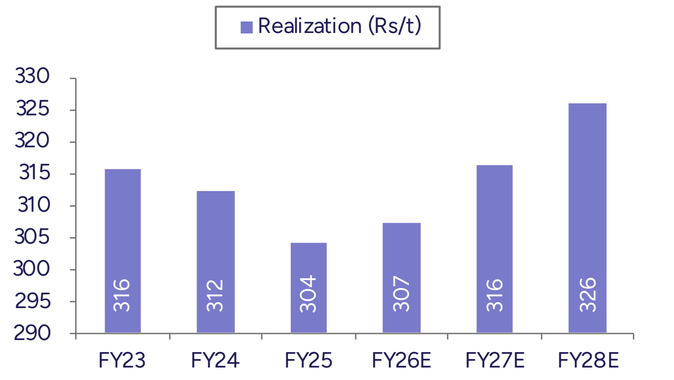
Robust financial health

Exclusive market position and high barriers to entry: JSWINFRA benefits from being one of the two large private players along India's coastline. With high barriers to entry (high capex, multiple regulatory approvals, etc.), JSWINFRA enjoys continued market dominance and long-term competitive advantage.

Innovative revenue model: The company's focus on a 55% private and 45% terminal model ensures a balanced approach to growth, leveraging both owned and operated terminals. Significant revenue from third-party cargo, especially with the Keni project targeting a major share from third-party to JSW volume mix, enhances income diversity and resilience.

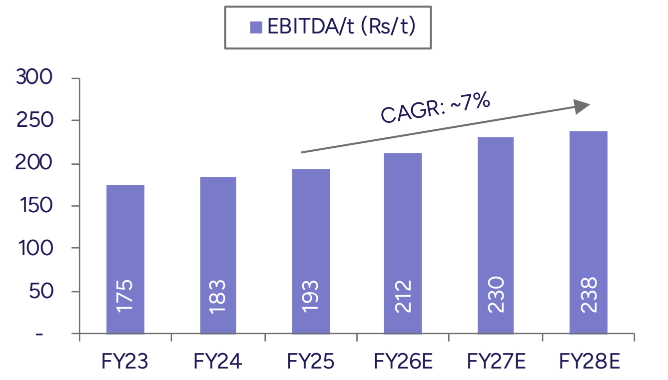
Solid financial metrics and growth targets: JSWINFRA targets a net debt/EBITDA ratio of 1.5x and a utilization rate of 80-85% in the medium to long term, reflecting prudent financial management and operational efficiency. We expect consolidated revenue to grow at 24% CAGR over FY25-28E.

Exhibit 107: NSR to increase by 7% over by FY28



Source: Company, PL

Exhibit 108: EBITDA/ton to clock ~7% CAGR over FY25-28E



Source: Company, PL

Financial analysis

We expect revenue/EBITDA/PAT to grow at 23%/25%/20% CAGR over FY25-28E with cargo volume increasing by 17% CAGR, driven by a) capacity increasing at 23% CAGR across ports and terminals, and b) improvement in third-party volume.

Further, gross margins are expected to rise 310bps during the period of FY25-FY28E on the back of improved operational efficiency.

Exhibit 109: Revenue/EBITDA to grow at 23%/25%/20% CAGR over FY25-28E

Rs in mn	FY24	FY25	FY26E	FY27E	FY28E
Volume (mmt)	**107**	**117**	**128**	**144**	**185**
Growth	*15%*	*9%*	*10%*	*12%*	*29%*
Rrevenue/t	3,50,918	3,82,576	4,25,145	4,53,302	4,57,932
Revenue	**37629**	**44761**	**54618**	**65232**	**84756**
Growth	*18%*	*19%*	*22%*	*19%*	*30%*
Gross Profit	**24,042**	**27,327**	**33,222**	**41,066**	**54,350**
Growth	*21%*	*14%*	*22%*	*24%*	*32%*
Operational cost	17983	22140	27437	32189	40619
% of sales	*47.8%*	*49.5%*	*50.2%*	*49.3%*	*47.9%*
EBITDA	**19,646**	**22,622**	**27,181**	**33,043**	**44,137**
Margins	*52.2%*	*50.5%*	*49.8%*	*50.7%*	*52.1%*
Other income	2,694	3,530	3,550	4,240	5,509
Depreciation	4,365	5,466	6,076	7,390	11,123
Interest	3,325	2,657	3,152	4,375	5,898
PBT	**14,650**	**18,028**	**21,502**	**25,518**	**32,624**
Tax	3,044	2,814	4,300	5,104	6,525
PAT	**11,559**	**15,031**	**17,008**	**20,212**	**25,886**
EPS	**5.5**	**7.2**	**8.1**	**9.6**	**12.3**

Source: Company, PL

Valuation

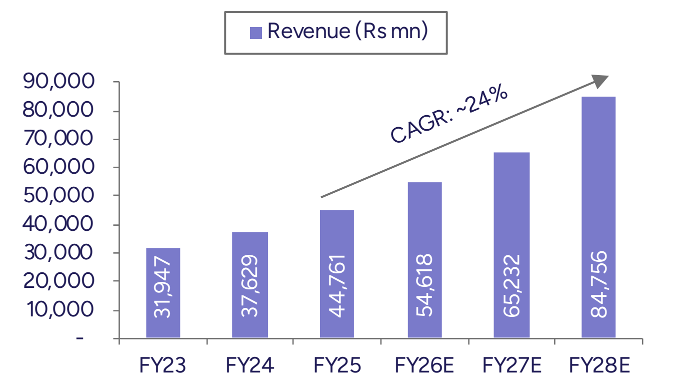
At CMP, JSWINFRA trades at EV of ~21.8x/16.8x EBITDA of FY27E/FY28E. We initiate coverage with 'Accumulate' rating and TP of Rs344 per share assigning 21x Sep'27E EV/EBITDA, a 20% discount to its historical EV/EBITDA multiple of 26x.

Exhibit 110: Valuation Summary

Sep'27E EBITDA	38,590
EV/EBITDA (x)	21
Targeted EV	8,10,387
Net debt/(cash)	87,901
Shareholder's value	7,22,486
Value per share	344

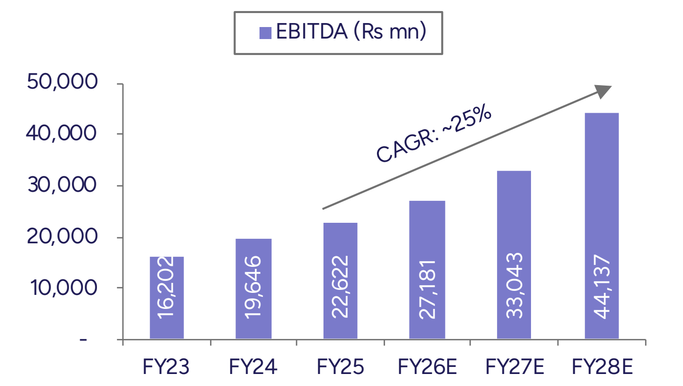
Source: Company, PL

Exhibit 111: Revenue to clock ~24% CAGR on strong volume



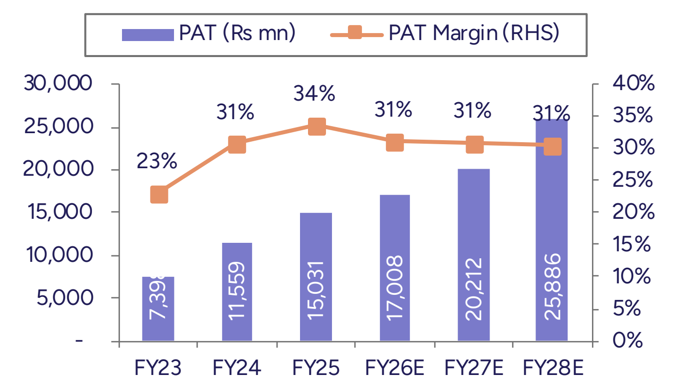
Source: Company, PL

Exhibit 112: EBITDA to log 25% CAGR on operational efficiency



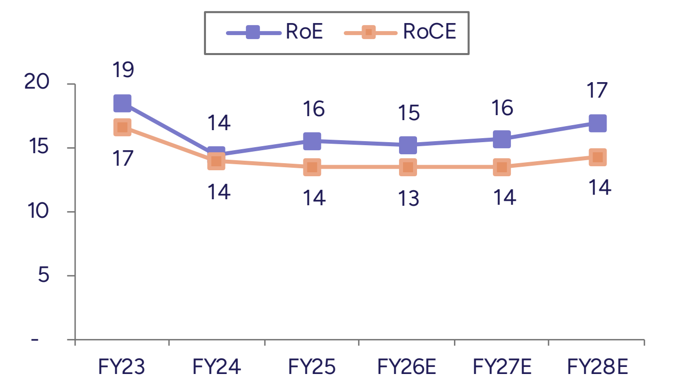
Source: Company, PL

Exhibit 113: PAT to grow at ~20% CAGR over FY25-28E



Source: Company, PL

Exhibit 114: RoE/RoCE to remain stable over FY25-28E



Source: Company, PL

Key risks

- Being a highly regulated business, significant changes in government policies can significantly impact JSWINFRA's operations.
- Over 50% of traffic comes from group companies, indicating significant reliance on their performance.
- Most ports remain unconnected to the DFCs, thereby missing out on their development benefits.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	**44,761**	**54,618**	**65,232**	**84,756**
YoY gr. (%)	*19.0*	*22.0*	*19.4*	*29.9*
Cost of Goods Sold	17,435	21,395	24,166	30,407
Gross Profit	27,327	33,222	41,066	54,350
Margin (%)	*61.0*	*60.8*	*63.0*	*64.1*
Employee Cost	2,407	3,311	4,762	6,229
Other Expenses	2,298	2,731	3,262	3,984
EBITDA	**22,622**	**27,181**	**33,043**	**44,137**
YoY gr. (%)	*15.1*	*20.2*	*21.6*	*33.6*
Margin (%)	*50.5*	*49.8*	*50.7*	*52.1*
Depreciation and Amortization	5,466	6,076	7,390	11,123
EBIT	**17,156**	**21,104**	**25,653**	**33,014**
Margin (%)	*38.3*	*38.6*	*39.3*	*39.0*
Net Interest	2,657	3,152	4,375	5,898
Other Income	3,530	3,550	4,240	5,509
Profit Before Tax	**18,028**	**21,502**	**25,518**	**32,624**
Margin (%)	*40.3*	*39.4*	*39.1*	*38.5*
Total Tax	2,814	4,300	5,104	6,525
Effective tax rate (%)	*15.6*	*20.0*	*20.0*	*20.0*
Profit after tax	**15,215**	**17,202**	**20,414**	**26,099**
Minority interest	184	193	203	213
Share Profit from Associate	-	-	-	-
Adjusted PAT	**15,031**	**17,008**	**20,212**	**25,886**
YoY gr. (%)	*30.0*	*13.2*	*18.8*	*28.1*
Margin (%)	*33.6*	*31.1*	*31.0*	*30.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**15,031**	**17,008**	**20,212**	**25,886**
YoY gr. (%)	*30.0*	*13.2*	*18.8*	*28.1*
Margin (%)	*33.6*	*31.1*	*31.0*	*30.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	15,031	17,008	20,212	25,886
Equity Shares O/s (m)	**2,074**	**2,074**	**2,074**	**2,074**
EPS (Rs)	**7.2**	**8.2**	**9.7**	**12.5**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	**1,19,023**	**1,39,023**	**1,69,023**	**2,49,023**
Tangibles	84,934	1,04,934	1,34,934	2,14,934
Intangibles	34,089	34,089	34,089	34,089
Acc: Dep / Amortization	**25,094**	**31,170**	**38,560**	**49,683**
Tangibles	16,802	22,879	30,269	41,392
Intangibles	8,291	8,291	8,291	8,291
Net fixed assets	**93,929**	**1,07,853**	**1,30,463**	**1,99,340**
Tangibles	68,132	82,055	1,04,665	1,73,542
Intangibles	25,798	25,798	25,798	25,798
Capital Work In Progress	20,202	55,202	70,202	45,202
Goodwill	-	-	-	-
Non-Current Investments	1,530	1,530	1,530	1,530
Net Deferred tax assets	3,375	3,375	3,375	3,375
Other Non-Current Assets	7,648	7,648	7,648	7,648
Current Assets				
Investments	1,598	1,598	1,598	1,598
Inventories	1,338	1,633	1,950	2,534
Trade receivables	8,090	9,872	11,790	15,319
Cash & Bank Balance	24,821	4,860	3,601	5,578
Other Current Assets	5,539	5,539	5,539	5,539
Total Assets	**1,69,285**	**2,00,324**	**2,38,910**	**2,88,877**
Equity				
Equity Share Capital	4,147	4,147	4,147	4,147
Other Equity	92,822	1,07,898	1,25,454	1,48,683
Total Networth	**96,969**	**1,12,045**	**1,29,601**	**1,52,830**
Non-Current Liabilities				
Long Term borrowings	44,390	59,390	79,390	1,04,390
Provisions	190	190	190	190
Other non current liabilities	4,882	4,882	4,882	4,882
Current Liabilities				
ST Debt / Current of LT Debt	2,198	2,198	2,198	2,198
Trade payables	3,494	4,263	5,091	6,615
Other current liabilities	8,029	8,029	8,029	8,029
Total Equity & Liabilities	**1,69,285**	**2,00,324**	**2,38,910**	**2,88,877**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	18,028	21,502	25,518	32,624
Add. Depreciation	5,466	6,076	7,390	11,123
Add. Interest	2,657	3,152	4,375	5,898
Less Financial Other Income	3,530	3,550	4,240	5,509
Add. Other	(551)	-	-	-
Op. profit before WC changes	25,601	30,731	37,283	49,646
Net Changes-WC	(1,860)	(1,307)	(1,407)	(2,589)
Direct tax	(2,736)	(4,300)	(5,104)	(6,525)
Net cash from Op. activities	**21,004**	**25,123**	**30,772**	**40,532**
Capital expenditures	(20,746)	(42,317)	(42,317)	(42,317)
Interest / Dividend Income	2,529	-	-	-
Others	1,249	-	-	-
Net Cash from Invt. activities	**(16,969)**	**(42,317)**	**(42,317)**	**(42,317)**
Issue of share cap. / premium	(279)	-	-	-
Debt changes	10,310	15,000	20,000	25,000
Dividend paid	-	-	-	-
Interest paid	(3,065)	(3,152)	(4,375)	(5,898)
Others	(12,179)	-	-	-
Net cash from Fin. activities	**(5,213)**	**11,848**	**15,625**	**19,102**
Net change in cash	**(1,178)**	**(5,346)**	**4,081**	**17,317**
Free Cash Flow	258	(17,193)	(11,545)	(1,784)

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	**10,098**	**10,014**	**11,818**	**12,832**
YoY gr. (%)	*15.0*	*18.0*	*25.7*	*17.0*
Raw Material Expenses	3,954	3,702	4,724	5,055
Gross Profit	6,144	6,312	7,095	7,777
Margin (%)	*60.8*	*63.0*	*60.0*	*60.6*
EBITDA	**5,146**	**5,205**	**5,861**	**6,409**
YoY gr. (%)	*14.0*	*15.1*	*22.1*	*10.3*
Margin (%)	*51.0*	*52.0*	*49.6*	*49.9*
Depreciation / Depletion	1,346	1,339	1,376	1,405
EBIT	**3,801**	**3,867**	**4,484**	**5,005**
Margin (%)	*37.6*	*38.6*	*37.9*	*39.0*
Net Interest	823	(804)	2,560	78
Other Income	939	868	835	887
Profit before Tax	**3,916**	**5,539**	**2,759**	**5,814**
Margin (%)	*38.8*	*55.3*	*23.3*	*45.3*
Total Tax	951	1,802	(597)	658
Effective tax rate (%)	*24.3*	*32.5*	*(21.6)*	*11.3*
Profit after Tax	**2,966**	**3,737**	**3,356**	**5,156**
Minority interest	41	22	59	62
Share Profit from Associates	-	-	-	-
Adjusted PAT	**2,924**	**3,715**	**3,298**	**5,094**
YoY gr. (%)	*(8.9)*	*46.0*	*31.6*	*54.3*
Margin (%)	*29.0*	*37.1*	*27.9*	*39.7*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**2,924**	**3,715**	**3,298**	**5,094**
YoY gr. (%)	*(8.9)*	*46.0*	*31.6*	*54.3*
Margin (%)	*29.0*	*37.1*	*27.9*	*39.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**2,924**	**3,715**	**3,298**	**5,094**
Avg. Shares O/s (m)	2,100	2,100	2,100	2,100
EPS (Rs)	**1.4**	**1.8**	**1.6**	**2.4**

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	7.2	8.2	9.7	12.5
CEPS	9.9	11.1	13.3	17.8
BVPS	46.8	54.0	62.5	73.7
FCF	0.1	(8.3)	(5.6)	(0.9)
DPS	0.6	0.6	0.8	1.1
Return Ratio(%)				
RoCE	12.8	13.3	13.3	14.0
ROIC	13.5	11.1	11.0	11.6
RoE	17.0	16.3	16.7	18.3
Balance Sheet				
Net Debt : Equity (x)	0.2	0.5	0.6	0.7
Net Working Capital (Days)	48	48	48	48
Valuation(x)				
PER	42.8	37.8	31.8	24.9
P/B	6.6	5.7	5.0	4.2
P/CEPS	31.4	27.9	23.3	17.4
EV/EBITDA	29.3	25.7	21.8	16.8
EV/Sales	14.8	12.8	11.0	8.8
Dividend Yield (%)	0.2	0.2	0.3	0.4

Source: Company Data, PL Research

Notes

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Notes

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,602	1,965
2	Ambuja Cement	BUY	690	592
3	Dalmia Bharat	Accumulate	2,303	2,156
4	Hindalco Industries	Accumulate	738	692
5	Jindal Stainless	Hold	678	675
6	Jindal Steel & Power	Accumulate	1,008	954
7	JSW Steel	Hold	1,068	1,043
8	National Aluminium Co.	BUY	218	189
9	NMDC	Accumulate	73	68
10	Nuvoco Vistas Corporation	Accumulate	381	358
11	Shree Cement	Reduce	29,516	31,170
12	Steel Authority of India	Hold	136	133
13	Tata Steel	Accumulate	171	162
14	Ultratech Cement	Accumulate	13,668	12,345

PL's Recommendation Nomenclature

Buy : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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