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LOGISTICS

28 March 2025

Privatisation & integration: Firm moorings, clear growth horizon

- **Leading private port operators, ADSEZ and JSWINFRA, are expected to outpace industry cargo volume growth by ~2x over FY24-28E**
- **Privatisation to drive capacity expansion at Indian ports, with ADSEZ targeting 1,000mtpa and JSWINFRA aiming for 400mtpa by FY30E**
- **We initiate coverage on ADSEZ with a BUY rating and TP of 1,490 and on JSWINFRA with a HOLD and TP of Rs 360**

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Cargo traffic at leading private ports to outperform industry growth: We believe cargo traffic, linked to GDP growth, is set to rise at 3-6% CAGR over FY24-FY28E, driven by capacity expansion, modernisation, transshipment hubs, export-led manufacturing, and logistics reforms. We expect containers and steel to lead at 5-8% CAGR over FY24-FY28E, while POL and iron ore follow. Thermal coal may remain flat due to import substitution, but coking coal imports should rise. ADSEZ and JSWINFRA, are poised to outpace industry growth 2x.

GoI sets target to expand existing port capacity by 4x to 10,000mtpa by 2047: With India's nominal GDP projected at US$ 26tn-35tn by FY47, port capacity will need to expand to 10,000mtpa (million tonnes per annum), nearly 4x the current capacity of 2,600mtpa (major and non-major ports combined). Much of this capacity expansion is expected at non-major ports, driven by private operators under the PPP model. This creates strong visibility for leading private port operators in their capacity expansion plans. ADSEZ aims to reach 850mtpa in domestic port capacity by FY30, while JSWINFRA targets 400mtpa, up from the current 170mtpa.

Deciphering India's logistics reforms strategy: India's logistics sector is undergoing a structural transformation, driven by key policies such as the National Logistics Policy (2022) and PM Gati Shakti (2021). We believe these initiatives aim to enhance efficiency and lower logistics costs by reducing road dependency through improved rail, coastal, and inland waterways, while emphasising the development of integrated ports and logistics. The container train operation, ICD/MMLP, and GCT markets are expected to grow, with leading private operators like ADSEZ and JSWINFRA actively tapping this opportunity as reflected in their logistics expansion plans.

Valuation outlook: We initiate coverage on ADSEZ with a BUY and Mar'26 TP of Rs 1,490 (14x FY27E EV/EBITDA) and JSWINFRA with a HOLD and TP of Rs 360 (25x FY27E EV/EBITDA).

Recommendation snapshot

Ticker	Price	Target	Rating
ADSEZ IN	1,183	1,490	BUY
JSWINFRA IN	320	360	HOLD

Price & Target in Rupees | Price as of 28 Mar 2025

Cargo traffic to grow at 3-6% CAGR over FY24-FY28E

We expect India's cargo traffic to grow at 3-6% CAGR over FY24-FY28E, driven by: (a) expansion and modernisation of both major and non-major ports to enhance cargo handling capacity; (b) push to create transshipment hubs in the country; (c) rising export-oriented manufacturing – the Make in India initiative and production-linked incentive (PLI) scheme fostering a surge in domestic manufacturing, particularly in sectors such as electronics, pharma, and automobiles, and potentially driving export growth and higher cargo movements across ports; (d) government policy support in logistics – structural reforms in the logistics sector, backed by the National Logistics Policy (NLP), PM Gati Shakti, Sagarmala Programme, and Bharatmala Project, which are expected to improve multi-modal connectivity, reduce logistics costs, and enhance supply chain efficiency.

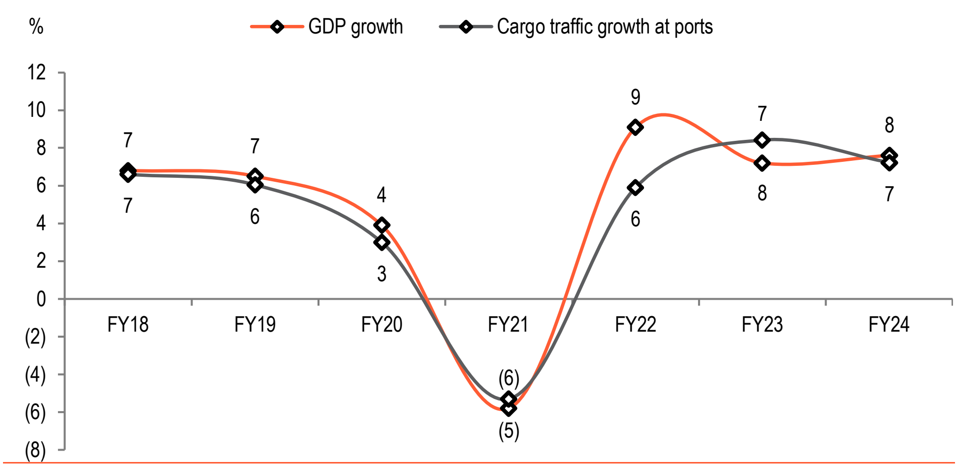
Cargo growth linked to GDP growth

Cargo traffic growth is strongly correlated with GDP growth, as higher economic activity fuels demand for trade, manufacturing, and infrastructure development. Empirical data suggests that cargo traffic typically grows at 60-70% of India's real GDP growth rate over extended periods.

According to the cargo growth model, cargo traffic growth can be estimated as 0.65 times GDP growth, with adjustments for logistics efficiency improvements. Given that India's GDP is projected to grow at 6-7% – with the IMF forecasting 6.5% for FY25 and FY26 – cargo traffic is expected to grow at a CAGR of 3-6% over the next four to five years.

Over FY19-FY24/FY14-FY24 (last five/ten year CAGR), cargo traffic at all ports, major and non-major, grew at CAGR of 4%/5%, whereas in the same period the private port operator ADSEZ grew at 15%/14% CAGR outperforming industry growth at 2x growth rate on the back of market share gains led by capacity additions.

Fig 1 – Cargo traffic at ports mirrors India's GDP growth



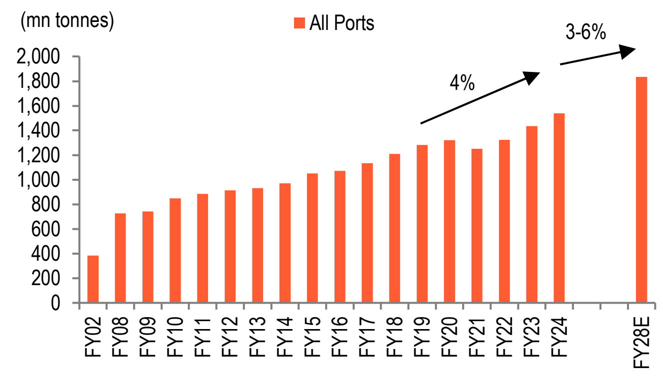
Source: World Bank, BOBCAPS Research

Fig 2 – Cargo growth to be led by container, steel and POL growth

Commodity	Growth outlook	FY24-28E CAGR	Comments
Containers	Steady	5-8%	Rising containerisation, strong demand from e-commerce, retail and manufacturing exports
POL	Steady	4-7%	While renewables is expanding, the demand for POL is still expected to be 4-7% on the back rising energy consumption, increased investments in LNG terminal, refinery projects and rising aviation traffic
Cement	Steady	4-6%	Government infrastructure push, higher coastal shipping
Steel	Steady	5-8%	Infrastructure push and higher coastal shipping of steel
Iron ore	moderate	3-6%	Muted exports growth due to government policy/ government had levied exports duty to safeguard domestic production of steel
Thermal coal	Flat	0-1%	Import substitution and higher domestic coal production

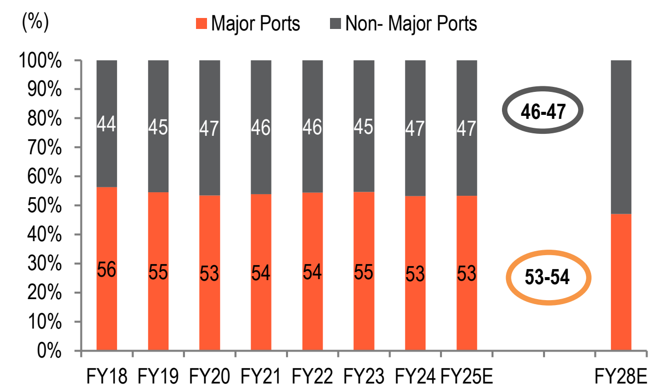
Source: Company, BOBCAPS Research | POL: Petroleum oil and lubricants

Fig 3 – Cargo traffic at major and non-major ports to grow at 3-6% CAGR over FY24-FY28E



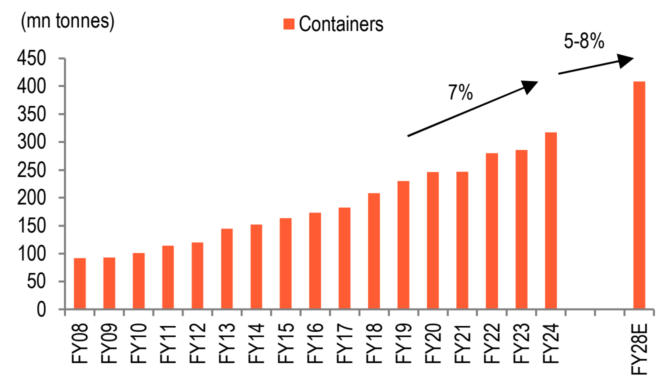
Source: Basic port statistics report, Industry reports, BOBCAPS Research

Fig 4 – Major ports will continue to dominate cargo traffic



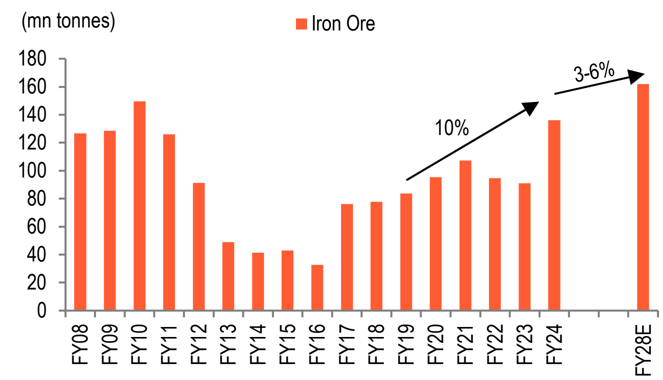
Source: Basic port statistics, Industry reports, BOBCAPS Research

Fig 5 – Containers to grow at 5-8% CAGR



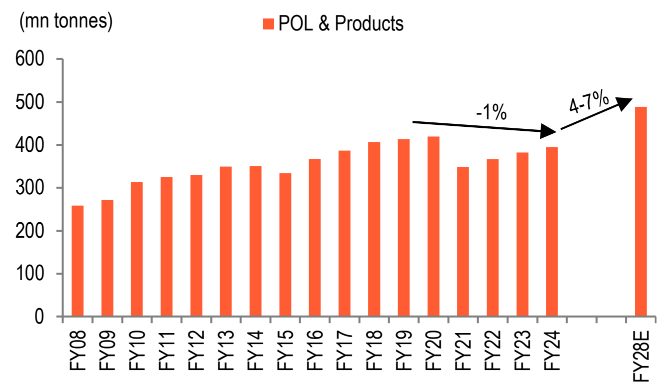
Source: Basic port statistics, Industry reports, BOBCAPS Research

Fig 6 – Iron ore traffic to grow at 3-6% CAGR



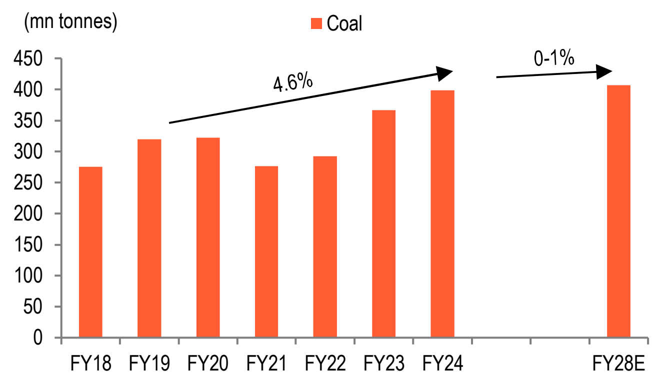
Source: Basic port statistics, Industry reports, BOBCAPS Research

Fig 7 – POL products to grow at 4-7% over FY28E



Source: Basic port statistics, Industry reports, BOBCAPS Research

Fig 8 – Coal traffic to remain flat over FY24-FY28E



Source: Basic port statistics, Industry reports, BOBCAPS Research

Expansion & modernisation of ports to raise cargo handling capacity

We believe that cargo traffic growth must be well supported by robust port and logistics infrastructure as achieving growth without adequate capacity expansion would be challenging. This is evident in government's initiatives such as the development of Vadhavan Port (a new major port), the expansion of container terminals at existing ports, and various modernisation projects at major ports. These efforts will play a crucial role in capacity creation and ensure sustained cargo traffic growth, in our view.

Fig 9 – Ongoing development/construction initiatives at major ports over the next 2-3 years

Initiatives at major ports	Capacity	Comment	Expected completion
Develop Vadhavan Port as world class container port	23.2mn TEUs	Developing Vadhavan-JNPT cluster in phases with 20m deep draft port; given the container traffic potential in North Maharashtra and Gujarat cluster, the Vadhavan port could act as mega port	Initial phase to be completed by Dec'29; entire project to be completed by 2034
Developing a container terminal at Kamarajar port on Design, Build, Finance, Operate and Transfer (DBFOT) basis	11.58mtpa	Construction of a 330m length quay container terminal on a DBFOT basis, with a capacity of 11.58mtpa. The port aims to increase its capacity to 254.5mtpa by 2047	Yet to commence construction for stage II of Phase 1. Stage I was completed in 2017
Development of 4th container terminal Phase II at JNPT (Phase I was completed in Apr'22)	2.4mn TEUs	Construction of Phase II of container terminal at JNPT which will take JNPT's overall port capacity to more than 10mn TEUs.	Expected commissioning by Apr'25
Developing a container terminal at Tuna Tekra Port	2.2mn TEUs	In Aug'23, a concession agreement was signed between the Deendayal Port Authority and Dubai-based DP World to construct the terminal, with operations expected to commence by early 2027. The project aims to handle 2.19mn Twenty-Foot Equivalent Units (TEUs) annually	Expected to commence by 2027
Develop Paradip Port as world class dry bulk port on East coast	112mtpa	Paradip has minimum 17m draft available, however with dredging underway the draft is expected to reach 19.8m. Paradip is well suited to be a world class mega port on the East coast	NA

Source: Industry, MIV 2030, BOBCAPS Research | JNPT: Jawaharlal Nehru Port Trust

Fig 10 – Development and modernisation project at JNPT

JNPT	Type of project	Project cost (Rs mn)	Comment
Development of 4th container terminal phase 2	DBFOT	31,960	Awarded to Bharat Mumbai Container Terminal (owned by PSA International), expected commissioning by Apr'25
Additional liquid cargo berth (LB-3 and LB-4) with a capacity of 4.5mtpa		688.7	Awarded to JSW Infra through PPP route
Third rail line connectivity from Jasai to JNPA			Project is on the verge of completion. Indian Port Rail & Ropeway Corp is carrying out the rail connectivity project
Total project cost (Rs mn)		32,700-33,000	NA

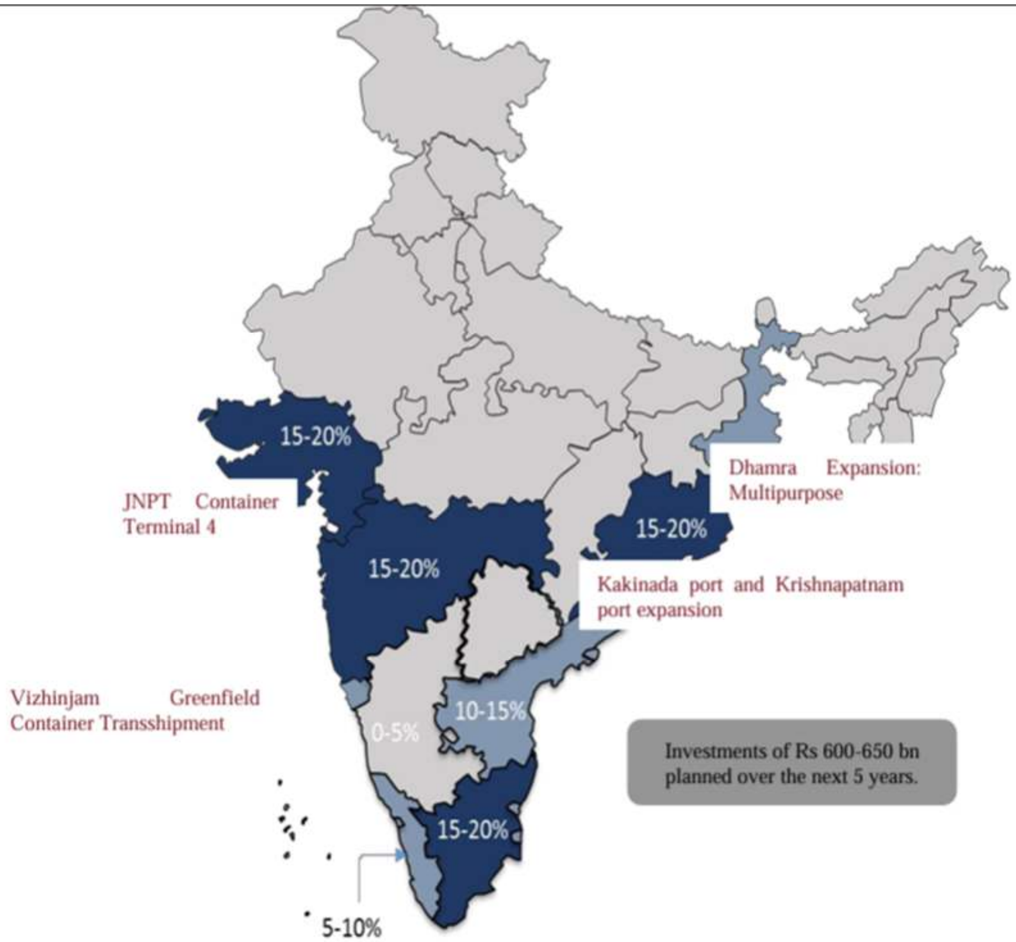
Source: JNPT website, BOBCAPS Research | JNPA: Jawaharlal Nehru Port Authority, PPP: Public-Private Partnership

Fig 11 – The modernisation project at Paradip and JNPT are among several initiatives aimed at upgrading major ports

Name of project at Paradip	Type of project	Project cost (Rs mn)
Mechanisation of EQ1-EQ2-EQ3 berths	BOT basis	14,380
Deep draft Iron ore export berth	BOT basis	7,400
LPG Terminal at South Oil jetty	BOT basis	6,900
New deep draft coal import berth	BOT basis	6,560
Multi-purpose berth to handle clean cargo including container	BOT basis	4,310
Development of western dock including deepening and optimisation of inner harbour facilities of 25mtpa		3,005
Road cum flyover serving as second exit		930
Capital dredging	BOT basis	860
Development of IWT terminal		800
Development of rail connectivity for berths	BOT basis	797
Purchase of 2 harbour mobile cranes		700
Connectivity of iron ore handling plant (IOHP) and mechanised coal handling plant (MCHP)		664.7
Container scanners		400
RFID		100
River mouth dredging of Mahanadi		210
Total project cost (Rs mn)		48,017

Source: Paradip port website, BOBCAPS Research | **IWT: Inland water terminal, RFID: Radio frequency identification**

Fig 12 – State-wise breakdown of planned investments of Rs 600bn-650bn from FY23-27E (as % of total investments)



Source: JSW Infra DRHP, BOBCAPS Research

The push to create transhipment hubs will accelerate cargo growth

India is aggressively working to develop transshipment hubs which could increase cargo traffic at major ports by reducing reliance on foreign hubs like Colombo, Jebel Ali, and Singapore. Transhipment refers to the process where cargo is moved from a bigger vessel to smaller or sometimes one vessel to another due to route constraints or shipping size constraints before reaching the destination port. Transhipment through foreign ports. Currently 75% of India's transshipment cargo (according to media reports) is routed through international ports.

ADSEZ's Vizhinjam port in Kerala is India's first deep water (draft size c. 20m) transhipment hub. Before Vizhinjam, DP World's Vallarpadam terminal was India's first dedicated transhipment hub but it could not service large vessels due to draft constraints. Besides Vizhinjam, the government has also commenced work to set up an International Container Transhipment Port at Galathea Bay, Great Nicobar Island. We believe India is now getting prepared with deep-draft ports as earlier Indian ports lacked the 14-18m draft needed to handle large mother vessels. Further, the improved policies and strong trade growth will lead to the development of self-sufficient transhipment hubs, in turn boosting cargo growth and reducing logistics costs, in our view.

Nascent hydrogen hubs at ports could support cargo growth

The government has allocated 3,900 acres of land at Deendayal Port Authority (Kandla) and Tuticorin Port for hydrogen manufacturing hubs, expected to attract Rs 5tn in investments. We believe this initiative has potential to drive sustained cargo traffic growth at major ports.

Hydrogen, emerging as a new-age export commodity, will create long-term cargo flows, particularly green hydrogen and its derivatives (such as ammonia and methanol) to Europe, Japan, and South Korea, where demand is surging due to decarbonisation targets. Also, the rise of hydrogen carriers (liquid hydrogen, ammonia tankers) will further add specialised vessel movement, boosting overall port throughput.

Ports like Kandla, Mundra and Paradip are being strategically developed as hydrogen export hubs, ensuring long-term infrastructure investments, supply chain expansion, and cargo diversification. We believe LNG imports for blue hydrogen production will drive bulk cargo movement, reinforcing the critical role of energy trade in sustaining port traffic growth despite the gradual decline of coal.

With hydrogen trade expected to scale up, these developments will contribute to higher vessel traffic, increased terminal utilisation, and the expansion of allied industries, solidifying India's port-led economic growth strategy.

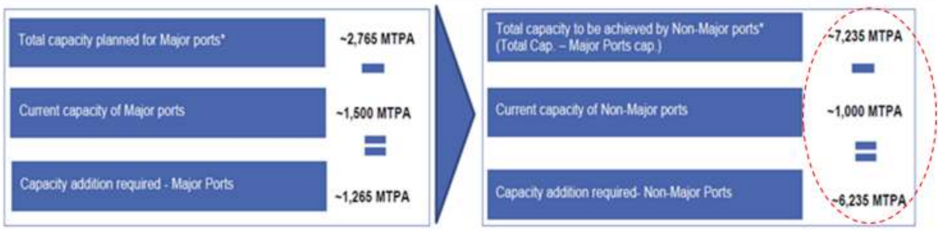
Government aims to expand ports capacity 4x by 2047

Under the Maritime Amrit Kaal Vision 2047, Government of India (GoI) aims to achieve a total port capacity – encompassing major and non-major ports – of 10,000mtpa by 2047. This target is aligned with India's strong economic growth trajectory, with the country's nominal GDP projected to reach between US$ 26tn-35tn by FY47. We expect the capacity expansion to be driven primarily by non-major ports, reflecting the growing role of private and state-run ports in handling increased trade volumes.

Significant capacity addition expected at non-major ports

The existing port capacity stands at 2,600mtpa, with major ports having a capacity of about 1,534mtpa. We expect this capacity to quadruple to 10,000mtpa by 2047 under a high-growth scenario. The capacity addition is expected to be primarily in non-major ports and terminals at major ports, with a focus on the Public-Private Partnership (PPP) route.

Fig 13 – Non major ports will add ~7,200mtpa capacity by FY47



Source: Amrit Kaal 2047, BOBCAPS Research

10,000mtpa ports capacity for high cargo traffic growth (7-8% CAGR)

Cargo traffic at ports is positively correlated with GDP growth, of which container traffic growth has higher relation/multiplier to GDP growth vs. bulk cargo traffic growth, given the bulk cargo also has a dependency on business/commodity cycles.

Under the Maritime Amrit Kaal Vision 2047, the total capacity estimated to support trade for a US$ 32tn economy by 2047 (assuming nominal GDP growth of 10% over 2022-2047) is 10,000mtpa.

- **Major ports:** Planned capacity expansion from ~1,500mtpa to ~2,765mtpa, requiring an additional ~1,265mtpa.
- **Non-major ports:** Planned capacity expansion from ~1,000mtpa to ~7,235mtpa, necessitating an addition of ~6,235mtpa.

This highlights the significant role of non-major ports in meeting the future trade demand, with private and state-run ports expected to drive capacity expansion.

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Base case cargo traffic growth will require capacity of ~8,400mtpa

Container traffic growth has a higher multiplier (1.2-1.5x) on GDP growth compared to bulk cargo growth (0.7-0.8x). Assuming container traffic growth of 10% CAGR and bulk cargo growth of 4% CAGR, the capacity required by 2047 to meet cargo demand is about 8,400mtpa (6% CAGR), which represents the base case.

Whereas in the low-case scenario, where blended traffic growth is 4%, the required capacity is about 6,000mtpa.

Fig 14 – Ports capacity requirement of ~8,400mtpa by FY47 in base case scenario

FY47	High	Low	Base
Blended traffic growth assumption (%)	7	4	6
Container traffic growth assumption (%)	11	8	10
Bulk growth assumption (%)	5	2	4
Container traffic (mn TEUs)	218	130	175
Bulk traffic (mtpa)	3,548	2,020	2,895
Total traffic (mtpa)	6,788	3,925	5,468
Capacity (mtpa) required @ 65% utilisation level	10,443	6,038	8,412

Source: BOBCAPS Research

Privatisation to drive capacity growth

Since the large part of capacity addition will be led by non-major ports, which are under state maritime bodies with limited budget for capacity enhancements, we believe it becomes imperative for these bodies to add capacities or operate ports under landlord mode/PPP route. This is also evident in the trend of privatisation of terminals at major ports. The assets considered for privatisation from FY22 to FY25 are spread across nine of the 12 major ports. This privatisation is planned under National Monetisation Pipeline by Niti Ayog and implemented by the Ministry of Ports, Shipping and Waterways (MoPSW). We believe a third of the major port terminals will be privatised over the near to medium term, which will increase the capacity at major ports by 500-550mtpa by FY28E

Fig 15 – Privatisation projects at major projects

(units)	Total projects	FY22	FY23	FY24	FY25
Paradip Port	4	2			2
Deendayal Port (Kandla)	4	2	2		
JNPT (Mumbai)	3	1	2		
Mormugao Port	3	1	2		
Mumbai Port	2	2			
Shyama Prasad Mukerji Port, Kolkata (Khidderpore)	4	1		1	2
Shyama Prasad Mukerji Port, Kolkata (Haldia)	3	1	1	1	
Visakhapatnam Port	4	1	2	1	
V. O. Chidambaram Port	3	2	1		
New Mangalore Port	1				1
Total	31	13	10	3	5

Source: National Monetisation pipeline, BOBCAPS Research

Fig 16 – Strategic aspiration for Amrit Kaal Vision 2047; 100% cargo at PPP berths of major ports by 2047

Parameter	Unit	Where we are	Aspiration 2047
Overall Port handling capacity	MMTPA	2,500+	10,000+
% of cargo handled at PPP berths of Major Ports	Percentage	51%	100%
Number of transhipment hub	Number	1	3
Number of new Major Ports	Number	-	2
Ports with 18-23 m draft	Number	5[3]	13
Enhance efficiency through technology & innovation			
Ports with just-in-time arrival	Percentage	-	100%
Smart Ports	Number	-	5

Source: Amrit Kaal 2047, BOBCAPS Research

ADSEZ aims to achieve 1,000mtpa cargo handling capacity by FY30E

With the majority of capacity addition expected at non-major ports and private sector participation playing a key role, we believe Adani Ports, as the leading port operator, is well-positioned to capitalise on India's port privatisation trend and drive domestic cargo handling capacity expansion.

Leveraging its expertise in scaling and modernising port infrastructure, ADSEZ has announced plans to expand its cargo handling capacity from the current 633mtpa to 1,000mtpa by FY30E, with 850mtpa from domestic operations and 150mtpa from international assets.

The company's aggressive expansion strategy, including new terminals, transshipment hubs (Vizhinjam), and global acquisitions, aligns with India's port-led growth and increasing private sector involvement. With government initiatives like the National Monetisation Pipeline (NMP) and Maritime Amrit Kaal Vision 2047 driving port privatisation, ADSEZ is set to consolidate further its market leadership, enhancing efficiency, cargo volumes, and global connectivity.

JSWINFRA targets expanding existing capacity 2.3x to 400mtpa by FY30E

Similarly, JSWINFRA, the second largest private port operator, has announced plans to expand its cargo handling capacity from 170mtpa in FY24 to 400mtpa (implying 15% CAGR). The expansion is structured in two phases – Phase 1, to be completed by FY28E, will add 88mtpa, while Phase 2 will contribute the remaining 108mtpa. This capacity addition will be driven primarily by privatisation bids at major port terminals, greenfield port developments at Jatadhar, Keni, and Murbe, and brownfield expansions at Jaigarh and Dharamtar. With India's increasing reliance on private sector participation in port infrastructure, JSWINFRA is strategically positioning itself to capitalise on emerging opportunities in bulk and container cargo.

DFC to spur road to rail shift

Dedicated freight corridor (DFC) is among the largest infrastructure initiatives taken by the government over last few years. It aims to improve logistics efficiency and reduce logistics costs for the country. DFC is expected to increase freight capacity as it will allow heavier and longer freight trains and reduce transit time as freight trains will shift from congested Indian Railway (IR) tracks, therefore improving overall logistics efficiency.

Fig 17 – Dedicated freight corridor benefits over pre-DFC scenario

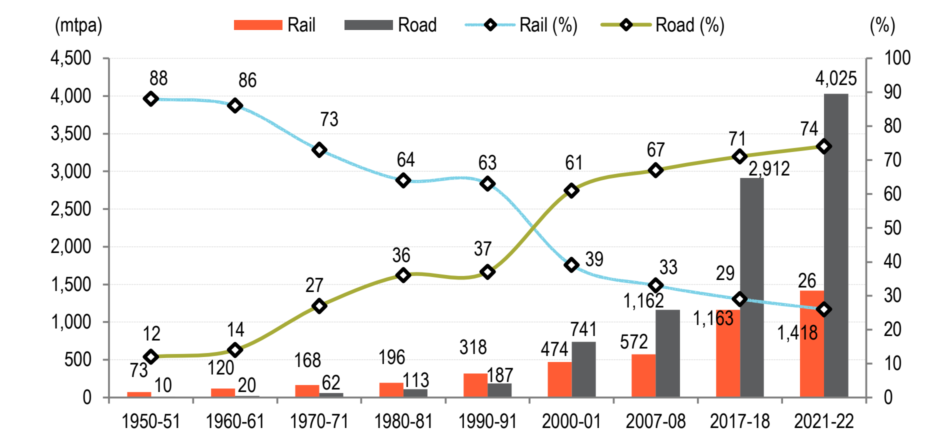
Aspect	Pre-DFC Scenario (Indian Railways)	DFC	Comments
Network congestion	High	Low	Due to absence of passenger trains the network congestion has reduced significantly
Train length	700m	700-1,500m	
Train load	5,400 tonne	12000 tonne	Due to double stacking the load capacity has more than doubled
Axle load	22.9t	25t-32.5t	The track structure, bridges and formation are designed for higher axle load of 32.5T
Average speed	23-25km/h	More than 65km/h	Passenger trains took precedence over freight trains, resulting in low freight speeds, averaging 23.6km/h.
Traction	Electrical (25KV)	Electrical (2x25 KV)	With new infrastructure the traction improved to 2x25KV

Source: Industry sources, BOBCAPS Research

Dedicated freight corridor will change the modal split

Over the last few decades, rail logistics have lost share in freight traffic from 80-90% in the 1950s to 25-26% in 2021-22. In the same period, national highways along the industrial corridors (comprising 0.5% of the total road network) carried c. 40% of the road freight. This can be attributed largely to congested networks, passenger trains taking precedence over freight trains causing low freight speeds and high rail freight tariffs. The government under the National Rail Plan aims to increase freight traffic by rail share to 45%.

Fig 18 – Rail logistics share reduced from 80-90% to 25-26% in 2021-22



Source: Industry, DFCCIL, BOBCAPS Research

DFC's total length is 2,843km (Eastern and Western combined)

The Eastern DFC is fully functional while the Western DFC is 90-95% complete and likely to be fully completed by Dec'25. The Western DFC is a container heavy route from JNPT (Mumbai) to Dadri (UP) whereas the Eastern DFC is primarily for bulk commodities such as coal, steel, and other raw materials. As of Feb'24, 96.4% of the DFC route has been completed. We believe integrated ports and logistics players have a competitive edge over pure play rail and road logistics players as they connect cargoes directly to their inland container depots (ICDs) in the hinterland, which is further connected to the last mile through road logistics capabilities.

Leading private port players tap DFC opportunity

Both ADSEZ and JSWINFRA are targeting to become integrated ports and logistics players by connecting their ports with container freight stations (CFS) and ICDs in the hinterland by a rail route. ADSEZ's Mundra port (India's largest private port) is strategically connected to the dedicated freight corridor to enhance cargo movement efficiency.

ADSEZ's Mundra Port is well positioned to leverage Western DFC

Mundra Port is directly linked to Western DFC via Palanpur junction, facilitating efficient freight movement from the industrial hubs in North India. We expect this connection to increase container traffic to the Mundra port as it allows for the expedited transportation of containers to and from the port. Due to Mundra's direct link with DFC (via Palanpur), it has become one of the preferred ports for most shipping lines.

Fig 19 – DFC status and presence of large ICDs and Adani Logistics MMLPs

Section	Length (kms)	Catchment area/ state	Large ICDs	Adani Logistics MMLPs	Commissioning	Progress
Western Dedicated Freight Corridor (WDFC)						
Dadri - Rewari	127	NCR, Uttar Pradesh, Haryana	ICD Dadri (CONCOR), ICD Garhi Harsaru (DP World), NCR logistics hubs	Dadri (upcoming), Patli	Commissioned on 25 Jan'24	93%
Rewari - Madar (Ajmer)	306	Haryana, Rajasthan	Rajasthan Industrial Areas, Jaipur-Kishangarh Marble Cluster	Kishangarh, Jaipur (upcoming)	Commissioned on 7 Jan'21	93%
Madar (Ajmer) – Palanpur (Gujarat)	353	Rajasthan, Gujarat	Palanpur Logistics hub, Ahmedabad Industrial Zone	Sanand (upcoming)	Commissioned on 18 Jun'22	93%
Palanpur - Makarpura (Vadodra)	290	Mehsana, Ahmedabad, Gandhinagar, Vadodra (Gujarat)	Vadodra industrial hub, Dholera industrial region	Valvada	Commissioned on 30 Jan'23	93%
Makarpura (Vadodra)-Sachin (Gujarat)	135	Gujarat, Maharashtra	ICD Sanand (Adani), ICD Ahmedabad (GDL)	Tumb, Taloja	Commissioned on 12 Mar'24	93%
Sachin (Gujarat)-Vaitarna (JNPT, Maharashtra)	193	Gujarat, Maharashtra	Mundra Sez, ICD Tumb (Concor), Nhava Sheva warehouse	Mundra	Commissioned	93%
Vaitarna - JNPT	102	Gujarat, Maharashtra	Mumbai Pune corridor	Mundra	31 Dec'25 (scheduled)	93%
Eastern Dedicated Freight Corridor (EDFC)						
Sahnewal - Pilkhani	179	Punjab, Haryana, West UP	ICD Ludhiana (Concor)/ (pristine)	Kanech	Commissioned on 12 Mar'24	96%
Pilkhani - Khurja	222	UP, NCR	ICD Dadri (CONCOR),	Kilaraipur, Loni	Commissioned on 12 Mar'24	96%
Khurja - Dadri	46	UP, NCR	ICD Dadri (CONCOR)	Dadri (upcoming), Loni	Commissioned on 25 Jan'24	96%
Khurja - Bhaupur	351	UP, NCR	ICD Juhi (Concor), ICD Panki (Pristine)	Dadri (upcoming)	Commissioned on 29 Dec'20	96%
Bhaupur - DDU, Mughalsarai (Bihar)	402	UP, Bihar	ICD Juhi (Concor), ICD Panki (Pristine)	NA	Commissioned on 18 Dec'23	96%
DDU - Sonnagar (Bihar)	137	UP, Bihar	ICD Mughalsarai (Concor)	NA	Commissioned on 7 Jul'23	96%

Source: DFCCIL, BOBCAPS Research | MMLP: Multi Modal Logistics Park

Deciphering India's logistics reform strategy

India's logistics sector is undergoing a structural transformation, indicated by the policies introduced by the government in recent years – the National Logistics Policy (NLP) in 2022, PM Gati Shakti – National Master Plan in 2021/ Multi-Modal Logistics Parks (MMLP) Policy, Sagarmala Programme in 2015, Dedicated Freight Corridors (DFCs), and Bharatmala Pariyojana in 2017.

The objective of key logistics policies is mainly to improve efficiency and reduce logistics costs through (a) reducing reliance on road transport by enhancing rail efficiency and expanding coastal and inland waterways, and (b) integrating ports and warehousing infrastructure with multimodal evacuation.

Reducing reliance on road transport

India's logistics cost, at 13-14% of GDP, remains significantly higher than the 8-9% benchmark seen in developed economies, impacting trade competitiveness and economic efficiency. A deep dive into cost components reveals that transportation is the largest contributor, with road transport alone accounting for 65% of transportation costs (~40% of total cost), followed by warehousing, and admin. We believe this over-reliance on high-cost road transport underscores the need for a strategic modal shift towards railways and waterways, which offer lower costs and higher efficiency for bulk and long-haul cargo.

Fig 20 – Road transportation holds the highest share of logistics cost as % of GDP

Logistics cost component	% of total cost	Cost as % of GDP	Comments
Transportation Cost	60%	7.8 - 8.4%	Modal mix: Road (~65%), Rail (~25%), Water (~5%), Air (~5%)
Warehousing & Inventory	30%	3.3 - 4.2%	Warehouse rentals, inventory holding
Administrative Costs	10%	1.0 - 1.4%	Regulatory, customs, IT, compliance
Total Logistics Cost		~13-14% of GDP	

Source: Industry reports – Niti Ayog, BOBCAPS Research

Reducing dependence on road transport for long and medium hauls – road transport, while dominant, is cost-intensive due to high fuel, labour, scalability challenges and operational expenses. Shifting freight to rail through DFCs and expanding coastal and river inland waterways (shifting bulk cargo) will reduce the share of road transport. Now with DFC operational (eastern and western), we can expect cargos to shift to rail.

Integrating ports/warehousing infrastructure with multimodal evacuation

Indian government aims to develop 100+ Gati Shakti Terminals by 2025-26

Ports serve as vital trade and industrial hubs, facilitating imports, exports, and domestic cargo movement. Enhancing their connectivity to hinterlands is crucial for streamlining cargo flows and reducing logistics costs. Similarly, key industrial hubs act as critical trade points, necessitating efficient evacuation channels.

To address this, the government is developing multi-modal logistics parks (MMLPs) near major industrial clusters and integrating them with PM Gati Shakti cargo terminals (GCTs). These terminals will provide direct rail connectivity, offering an alternative to road transport and improving freight efficiency. By shifting cargo movement from roads to rail, dependency on road transport will decrease, leading to lower fuel costs, reduced congestion, and overall logistics cost savings. This initiative is expected to enhance port-hinterland connectivity and industrial hub linkages via rail.

Additionally, MMLPs will serve as integrated logistics hubs, offering value-added services tailored to industry-specific needs, including inventory management and pre-dispatch processing for manufacturing sectors like steel and chemicals, consolidation, and containerisation for export-driven industries like Morbi tiles and auto components, and sorting and packaging for regional distribution in FMCG and retail supply chains.

For example, an auto-parts manufacturer in Ludhiana, who usually ships its products via trucks to Mundra Port (1300+kms away) can send either via WDFC to west coast or EDFC to east coast. Let us say, the manufacturer considers WDFC, given the Ludhiana is not connected directly on WDFC, the freight will require an interchange at Palanpur DFC junction to reach Mundra. The entire transit via rail will be reduced from 5-6 days (using road) to 2-3 days via rail.

Fig 21 – DFC reduces transit time from 6-8 days as well as cost (Rs/t-km)

Parameter	Before DFC (Traditional Road Transport)	With DFC (Rail via GCT & MMLP Integration)
Primary Mode	Road (Trucks – 70% of cargo)	Rail (Dedicated Freight Corridor)
Transit route	Trucks to ports via NH48 (Delhi-Mumbai Highway), 1,300+ km	Rail from New Prithala GCT to New Palanpur (DFC Interchange) to Mundra Port
Transit Time	5-6 days (Ludhiana/Faridabad to Mundra/JNPT)	3-4 days (ICD Ludhiana/ Faridabad); GCTs are upcoming
Cost (Rs/t-km)	Rs 4.5-5/t-km	Rs 3-3.5/t-km (~30-40% cheaper)
Ease	High variability due to congestion, delays	Predictable schedules with priority movement

Source: Company, BOBCAPS Research

PM GCT, MMLPs could drive container train operation market in India

The National Rail Plan (NRP) aims to increase rail freight's modal share from 27% currently to 45% by 2030, significantly boosting container transportation by rail. To achieve this, substantial investments are being directed toward railway modernisation and capacity expansion. Key policy reforms such as PM Gati Shakti Cargo Terminals (GCTs), Multi-Modal Logistics Parks (MMLPs), and Dedicated Freight Corridors (DFCs) are expected to enhance rail efficiency and drive growth in the container train operator (CTO) market.

ADSEZ and JSWINFRA adding capacities in rail logistics

Leading port operators are actively expanding their presence in the container train market, integrating rail logistics with their ports. ADSEZ currently operates 132 rakes and aims to reach 300 rakes by FY29-30E, ensuring deeper hinterland connectivity. Similarly, JSWINFRA's recent acquisition of Navkar Corporation, a key player in container train operations and inland logistics, highlights its intent to strengthen its position in the rail cargo segment. This increasing participation of port operators in the CTO market reflects the growing strategic importance of seamless multimodal connectivity in India's logistics ecosystem.

Adani Ports and Special Economic Zone (ADSEZ IN)

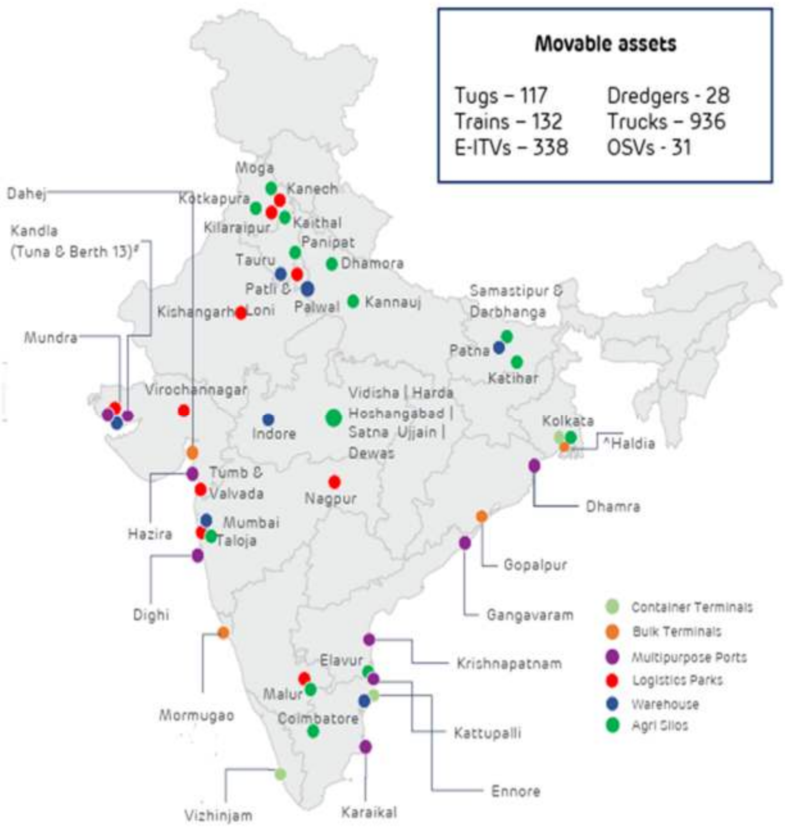
Operator with capabilities beyond port operations

Adani Ports and Special Economic Zone (ADSEZ IN), a fully integrated ports and logistics company, began its journey in 1998 with a single port at Mundra, Gujarat, and has since grown to operate 15 strategically located ports along India's east and west coasts, enabling efficient cargo movement and strengthening its position as the country's largest port operator.

Beyond port operations, the company has evolved into a comprehensive logistics service provider by integrating its ports with rail-based connectivity through the General-Purpose Wagon Investment Scheme (GPWIS), an extensive trucking network, and large-scale warehousing solutions, including Multi-Modal Logistics Parks (MMLPs). This integration allows Adani Ports to provide end-to-end logistics solutions, ensuring cost-efficient and time-sensitive cargo movement across India.

Through this extensive asset base and connectivity network, ADSEZ has gained access to nearly 90% of India's hinterland, facilitating smooth inland transportation and reinforcing its role as a key enabler of trade and economic growth in the country.

Fig 22 – Access to 90% of the country's hinterland



Source: Company presentation, BOBCAPS Research

Dominating presence across west, south, and east coasts

At present the west coast to east coast mix has improved to 57% and 43% respectively vs. 81% and 19% respectively in FY19.

Fig 23 – ADSEZ capacities and types of cargo handled

Asset	Installed capacity (mtpa)	Coast	Concession end period	Cargos handled
Mundhra Port	264	West	Feb'31	Dry bulk, break bulk, project cargo, liquid, LNG, LPG, containers, and crude oil
Hazira Port	30	West	Apr'35	Bulk and break bulk, liquid cargo, container cargo
Vizhinjam Port	18	West	Aug'55	Container cargo
Dahej Port	16	West	Dec'35	Bulk and break bulk cargo, including coal, fertilisers, agri-products, steel cargo, and minerals
Kandla Port	20	West	Jul'54	Dry bulk, liquid cargo, containers, and general cargo
Dighi Port	8	West	2052	Bulk and break bulk, liquid cargo, and container cargo
Mormugao Terminal	5	West	2054	Bulk cargo
Total West Coast Capacity	361			
Krishnapatnam Port	75	East	Mar'59	Bulk and break bulk, liquid cargo, container cargo, LPG/LNG cargo, crude oil
Gangavaram Port	64	East	2059	Bulk and break bulk, container cargo
Dhamra Port	50	East	2048	Dry bulk, break bulk, and liquid cargo
Katupalli Port	25	East	2038	Containers, Bulk and break bulk, and project cargo
Gopalpur Terminal	20	East	2036	Bulk and break bulk handling
Ennore Terminal	12	East	2044	Container cargo
Karaikal Port	22	East	2036	Dry bulk, general cargo, and liquid cargo
Haldia Terminal	4	East	2052	Dry bulk, liquid bulk, containers, and break-bulk cargo
Total East Coast Capacity	272			
Total capacity	633			

Source: Company, BOBCAPS Research | mtpa: million tonne per annum

Balanced cargo portfolio

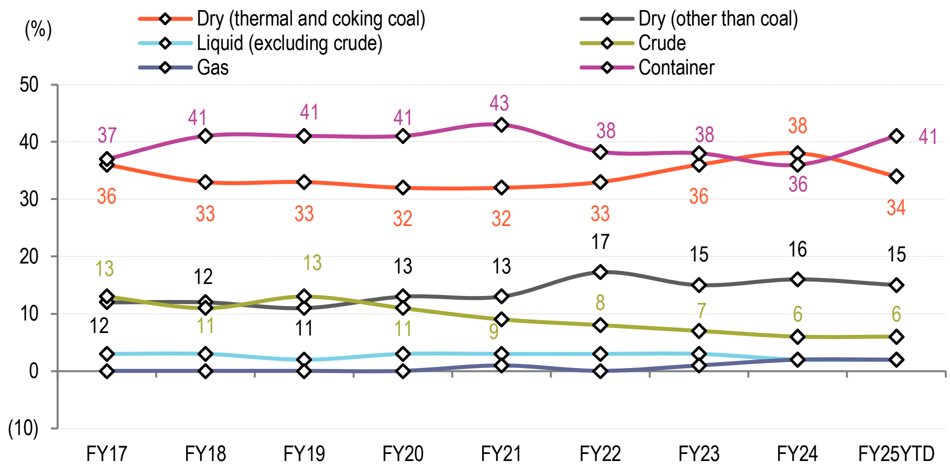
ADSEZ has transformed into a diversified port operator, capable of handling a wide range of cargo, including dry bulk, liquid bulk, and containers. Historically, its operations were heavily reliant on coal, which accounted for 47% of total volumes in FY15. However, recognising the diversification benefit, not depending largely on a single commodity and building a higher margin cargo mix, the company has strategically diversified its cargo mix. The coal mix declined to 36/37% by FY23/FY24 respectively, while container cargo steadily expanded from 29% in FY15 to 35-40% today.

A key driver of this shift has been the company's investment in container, LNG/LPG and other liquids handling terminals. This diversification is critical from a profitability perspective, as containerised and liquid cargo command higher realisation and yield stronger EBITDA margins compared to bulk commodities like coal and iron ore, which rely on higher volume but lower margins. Containers offer value-added logistics opportunities, while liquid cargo, including LPG and LNG, benefits from premium handling charges due to their specialised infrastructure needs.

As global trade expands and containerisation increases, ports with higher container and liquid cargo mix tend to achieve better operating performance. Looking ahead, we believe ADSEZ's strategic focus on high-margin cargo will further improve blended realisation and enhance EBITDA per tonne.

ADSEZ's cargo share was sticky at 60% in 9MFY25 vs. 56% in FY24

Fig 24 – ADSEZ commodity mix



Source: Company presentation, BOBCAPS Research

ADSEZ in the integration and global expansion phase

The company's growth trajectory can be categorised into four distinct phases: foundation, expansion, aggressive expansion & acquisitions, and global expansion, marking its evolution into a diversified and integrated ports and logistics player.

The foundation phase (1998-2007) was characterised by the company's focus on strengthening its capabilities while operating a single port, driving organic growth. The expansion phase (2008-2014) began as the company transitioned from a single port to a multi-port presence, adding Dahej, Hazira, Kandla, and Dhamra to its portfolio. This was followed by a period of aggressive expansion (2015-2020), marked by the rapid addition of multiple ports (Kattupalli, Krishnapatnam, Gangavaram) within a short timeframe. Currently, the company is in the fourth phase, focusing on integrating its ports with inland logistics capabilities, enhancing its position as a fully integrated logistics player.

Fig 25 – ADSEZ's four business phases – foundation, expansion, diversification and now entering global markets

Number	Time Period	Phases	Key events & developments
Phase I	1998 – 2007	Foundation and organic growth	The company started its operations with one port – Mundra Port – in 1998. Over the next 10 years, the company focused on organic expansion and building port infrastructure.
Phase II	2008 - 2014	Expansion & diversification	Expanded beyond Mundra with ports in Dahej, Hazira, and Kandla. Diversified into logistics & SEZ operations. Acquired Dhamra Port (Odisha) in 2014 to expand presence on the east coast
Phase III	2015 - 2020	Aggressive expansion & acquisitions	Acquired multiple ports: Kattupalli (2015), Ennore Terminal (2018), Krishnapatnam Port (2020), and Dighi Port (2020). Strengthened logistics & rail operations. Entered Myanmar for international expansion
Phase IV	2021 - Present	Integration of ports and logistics & expanding global footprint	Acquired Haifa Port (Israel) in 2023. Increased stake in Gangavaram Port (2021). Focus on integrated transport utility with logistics parks & end-to-end cargo solutions. Continued global expansion with potential targets in Sri Lanka, Africa and ASEAN

Source: BOBCAPS Research

Fig 26 – Milestones

1994	• Set up of Captive Jetty (Approved by Gujarat Maritime Board).
1998	• Gujarat Adani Board was incorporated in 1998 with two berths.
2001	• Mundra Port Concession Agreement signed with Gujarat Maritime Board (GMB). • Trial rail operations commenced.
2002	• Agreements signed with HMEL, IOC to set up Single Point Mooring (SPM). • The private Mundra-Adipur railway line was integrated with the Indian Railways.
2005	• Adani Port Ltd and Gujarat Adani Port Ltd were merged.
2006	• Received approval for a multi-product SEZ in Mundra, with two new berth operational at Terminal II and the launch of a double-stack train.
2007	• Operations began at Terminal II and CT-2 at Mundra Port, along with the signing of a 30-year Dahej Port concession agreement.
2008	• MPSEZ equity shares were listed on exchanges, and a service agreement was signed with Maruti Suzuki India Ltd. for automobile exports.
2009	• Adani Auto Terminal commenced operations, and a 30-year concession agreement was signed for Hazira and Mormugao Ports.
2010	• The world's largest automated import Coal Terminal was operationalized, having a 60MMT capacity at Mundra.
2011	• Adani Ports completed the acquisition of Abbot Point Coal Terminal and signed a 30-year concession agreement for Vizag Port.
2012	• "Mundra Port and Special Economic Zone Ltd." was renamed to "Adani Ports and Special Economic Zone Ltd." and the company secured a Rs 120bn bulk terminal project at Kandla Port with a 30-year concession agreement.
2013	• Adani Port & SEZ and MSC Mediterranean Shipping JV to operate a new container terminal (CT-3) in Mundra.
2014	• Adani Ports acquired Dhamra Port.
2015	• APSEZ commissioned a bulk terminal at Tuna Tekra, Kandla Port, and signed a pact with Larsen & Turbo (L&T) to oversee operations at Katupalli Port in Tamil Nadu.
2016	• APSEZ signed a JV pact with French shipping giant CMA CGM to operate a new container terminal (CT-4) at Mundra Port.
2018	• Started commercial operations of extensions of CT-3 and CT-4 terminals at Mundra. • The Andhra Pradesh government approved APSEZ as the developer of the Bhavanapadu Port project, and the company inaugrated the phase II expansion at Dhamra Port.
2019	• Completed Kattupalli acquisition, Adani Logistics Ltd. Acquires Adani Agri Logistics Ltd.
2020	• Construction of 1st International container terminal at Myanmar- in Jan'21.
2021	• APSEZ acquired 15% of existing capacity, completed 75% of the acquisition of Krishnapatnam Port, entered a definitive agreement for the remaining 25%, and finalized its Dighi Port acquisition in FY21.
2022	• APSEZ completed a 41.9% acquisition of Gangavaram Port, fully acquired Savijana Sea Foods Pvt. Ltd and took a 97.2% stake in Ocean Sparkle Ltd. • The company signed a BOT agreement for Colombo Port, acquired Haifa Port Company in July 2022, and purchased a 49.38% stake in Indian Oiltanking Ltd.
2023	• APSEZ secured a 51% stake in a new colombo container terminal, backed by \$553 million from the U.S. Development Finance Corporation.
2024	• APSEZ acquired an 80% stake in Astro Offshore for \$ 185 million, enhancing its global marine operations with 26 additional vessels.

Source: Company, BOBCAPS Research

Fig 27 – Board of Directors profile

Name	Designation	Description
Gautam Adani	Chairman	Mr. Gautam Adani is the Chairman and Founder of the Adani Group with over 33 years of business experience. He has led the group to become a global integrated infrastructure player with interests in Resources, Logistics, and Energy. His entrepreneurial vision and hard work have enabled the group to achieve significant milestones and develop a robust business model contributing to India's infrastructure.
Rajesh Adani	Non-Independent and Non-Executive Director	Mr. Rajesh Adani has been with the Adani Group since its inception. As a key figure in operations, he has developed the group's business relationships. His proactive and personalised approach to business and competitive spirit have significantly contributed to the group's growth.
Karan Adani	Managing Director	Mr. Karan Adani, holding a degree in economics from Purdue University, USA, has been with the Adani Group since 2009. He is responsible for the strategic development and day-to-day operations of the group. His efforts are focused on building the group's identity around an integrated business model, leveraging his understanding of new processes, systems, and macro-economic issues.
Ashwani Gupta	Whole-Time Director & CEO	Ashwani Gupta holds a bachelor's degree in production & industrial engineering and has completed management programmes from Harvard Business School and INSEAD. Formerly a director at Nissan Motor Co., he has substantial experience in the automotive industry, having worked extensively in senior management roles.
P. K. Pujari	Independent and Non-Executive Director	Mr. P. K. Pujari, a postgraduate in Economics, has over 36 years of service in various government roles, including the Secretary of the Ministry of Power, India. Post-retirement, he served as Chairman of the Central Electricity Regulatory Commission.
P. S. Jayakumar	Independent and Non-Executive Director	Mr. P. S. Jayakumar, with a deep background in banking and financial services, served 23 years at Citibank and later as CEO of Bank of Baroda. Post-banking, he has been involved in entrepreneurial ventures, notably in housing finance.
Ravindra H. Dholakia	Independent and Non-Executive Director	Dr. Ravindra H. Dholakia, a retired professor from IIM Ahmedabad, has an extensive background in economics with a focus on regional economic development, international economics, and policy analysis. He has served as a consultant to government and international organisations and has a significant academic output including over 140 research papers and 22 books.
Bharat Sheth	Independent and Non-Executive Director	Mr. Bharat Sheth, Deputy Chairman & Managing Director of The Great Eastern Shipping Company, has been instrumental in leading the company through significant growth phases and market cycles. His leadership has focused on making the company globally competitive and diversifying its revenue streams.
M. V. Bhanumathi	Independent and Non-Executive Director	M. V. Bhanumathi, retired Director General of Income Tax Investigation, Mumbai, has 36 years of public service experience. She has been recognised for her contributions to tax investigation and has represented India in various international bodies related to anti-money laundering and counter-financing of terrorism. Currently, she serves as an expert adviser on Tax Crime for the UNDP and holds positions in other educational and sustainable initiatives.
Rajkumar Beniwal	Non-Executive Non-Independent Director	Mr. Rajkumar Beniwal, an IAS officer, has served in various capacities within the Government of Gujarat, including roles that involve significant administrative and development responsibilities. His current roles reflect his commitment to urban development and effective administration of urban local bodies. His expertise is seen as pivotal for advancing Gujarat's ports and maritime sector, with his current position as Vice-Chairman & CEO of Gujarat Maritime Board highlighting his leadership in strategic projects.

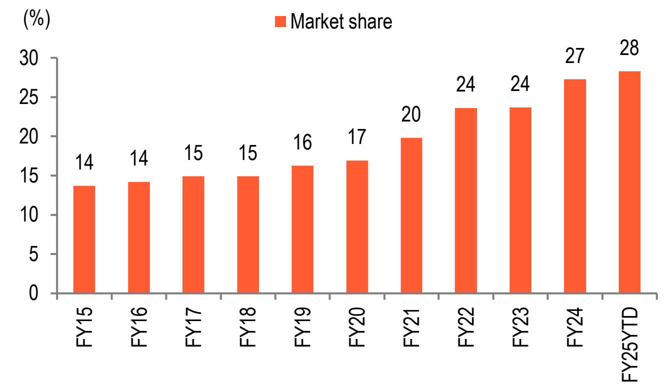
Source: Company, BOBCAPS Research | UNDP: United Nations Development Programme

Investment thesis

Dominant leading port operator poised for sustained market share gains

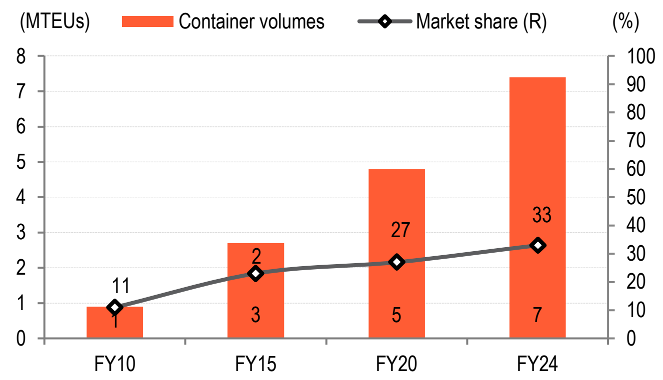
ADSEZ has established itself as the market leader in port operations, consistently expanding its market share over the past two decades. The company's share in India's total cargo handling has grown from 14% in FY15 to 28% in FY25, reflecting its sustained dominance in the sector.

Fig 29 – ADSEZ market share (%)



Source: Company, BOBCAPS Research

Fig 30 – ADSEZ container market share (%)



Source: Company, BOBCAPS Research

Starting with a single port, ADSEZ has strategically expanded both organically and inorganically, acquiring and developing ports across India. Over the past decade, it has added several ports, including Dhamra (FY15), Kattupalli (FY17), Krishnapatnam (FY21), Dighi (FY21), Gangavaram (FY22) and Gopalpur (FY25), significantly increasing its handling capacity. These acquisitions and greenfields have played a crucial role in driving growth by enabling greater operational scale, improving hinterland connectivity, and diversifying cargo handling capabilities.

Fig 31 – ADSEZ's strategic partnership with leading shipping lines – CMA CGM and MSC

Time	Shipping line	Terminal name	Annual capacity	Concession ending	Comments	Link
Apr-17	CMA CGM	Adani CMA Mundra Terminal (CT4)	1.3mn TEUSs	2032	Allowed CMA CGM priority berthing and dedicated facilities for its vessels	Link
Oct-18 (concession signing year 2015)	Adani Total	Dhamra LNG Terminal	5mtpa (regassification capacity)	2045	First LNG cargo delivery was in Apr'23	Link
Dec-23	Mediterranean Shipping Company (MSC)	Adani Ennore Container Terminal (AECT)	0.8mn TEUs expanded to 1.4mn TEUs	2044	The partnership is between Terminal Investment (TIL), an associate of MSC and ADSEZ	Link

Source: Company, BOBCAPS Research

The company's market share gains can be attributed primarily to key factors such as – (a) its strategic partnership with shipping lines, ensuring steady cargo inflows, and making its ports a preferred choice for container and bulk cargo (refer to Figure 30), (b) competitive tariff advantage vs. major ports which follow a fixed tariff structure regulated by the Tariff Authority for Major Port (TAMP) (refer to Figures 32 and 33) and (c) operational efficiency – faster turnaround times, reducing vessel waiting periods and cargo clearance days (refer to Figure 31).

Fig 32 – Lower dwell and clearance times indicate better operating efficiency at ADSEZ's Mundra port

Activity at port	EXIM	Nhava Sheva	Mundra	Comments
Average port dwell time	Export	3.5-5 days	1.5-3 days	Mundra has automated facility leading lower dwell time and congestion at port.
	Import	5-7 days	3-4 days	Having better cargo evacuation reduces port dwelling of containers
Custom clearance time		24-48 hours	12-24 hours	Digitisation helps in reducing clearance time
Rail connectivity time to ICDs / Hinterland		24-48 hours	12-24 hours	Dedicated freight corridors support in rail connectivity as well as its availability

Source: Industry sources, BOBCAPS Research

Fig 33 – Cost competitiveness of Adani Ports vs. major ports, which are TAMP regulated

Cost component (Rs/TEU)	Transaction	Nhava Sheva (JNPT - TAMP Regulated)	Mundra Port (ADSEZ)	Key Differences
Inland Transport Costs (Rail/Road to NCR, Ludhiana, Ahmedabad, etc.)	Charges paid by cargo owners to transporters (rail/ road)	13,000-16,000	11,000 - 14,000	DFC reduces inland transportation costs to Mundra port
Rail Handling Charges (if using ICDs)	Cargo owners to ICD operators	2,500	2,000	Integration benefit can help in reduction in costs
Customs & Documentation Fees	Cargo owners to customs house agents (CHA)	1,200-1,500	1,000 - 1,300	Mundra streamlines clearance with digital integration
Storage Charges (Dwell Time beyond free days)	Charges paid by cargo owner or shipping lines to terminal operator	1,500 per day (after 3-5 free days)	1,200 per day (after 5-7 free days)	Mundra provides longer free storage
Terminal Handling Charges (THC)	Shipping line to port operator	6,500-7,500	5,800 - 6,500	Mundra is marginally cheaper
Vessel-Related Charges (Port Dues, Pilotage, Berthing)	Charges paid by shipping line to port authority	9,000-11,000	8,000 - 10,000	Mundra offers volume-based discounts
Ocean Freight to US East Coast	Supplier or buyer depending on incoterms (FOB or CIF)	195,000 - 220,000	190,000 - 215,000	Slight cost advantage at Mundra due to carrier tie-ups
Total Estimated Cost (per TEU)		228,200 - 265,500	219,000 - 253,300	Mundra is 3-5% cheaper

Source: Industry sources, BOBCAPS Research

Fig 34 – Private ports charges (berthing, THC) are lower vs. major ports

Charges break-up	Major Ports	Private Ports (Mundra, Krishnapatnam, etc.)
Berthing Charges	Higher as they are regulated by TAMP	Lower due to flexible pricing feature
Pilotage & Towage	Standardised	Negotiable (can discounted on case to case)
Terminal Handling Charges (THC)	Fixed	Flexible and largely volume based
Storage & Demurrage	Higher Costs	Longer free periods
Rail Connectivity	Limited	DFC is close to Mundra
Customs Clearance	Digitisation is improving, implemented faceless customs assessment	Major processes are digitised. Adani's logistics superapp

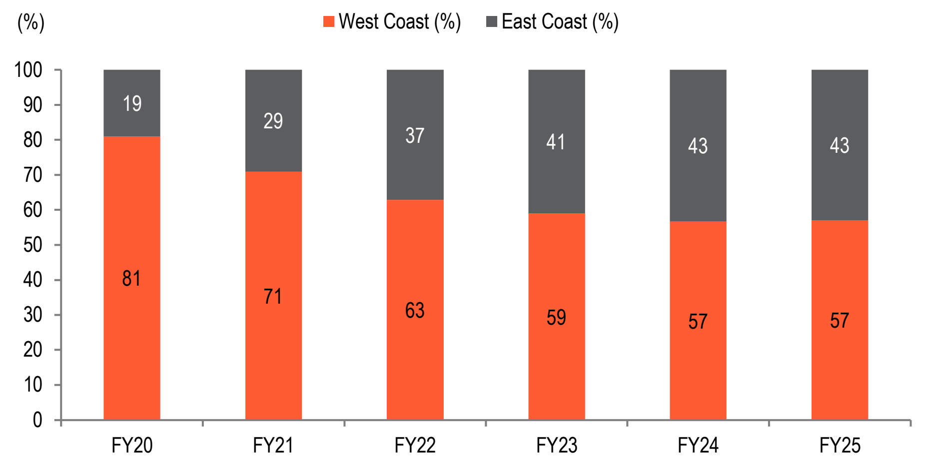
Source: Industry, BOBCAPS Research

We believe ADSEZ is further poised for continued market share gains on the back of (a) capacity expansion – the company aims to achieve 1,000mtpa of capacity by FY29-30, of which 850mtpa will be domestic (from existing 633mtpa) and 150mtpa will be international, (b) the company leveraging its extensive logistics infrastructure to provide an end-to-end supply chain solution, strengthening its market dominance, and (c) the company's investment in building digital infrastructure, which will provide another competitive edge over major ports. Digital infrastructure is expected to enhance efficiency, reduce costs and improve customer experience for the company

Strategic dual coast presence, well-balanced west and east coast mix, enhances supply chain efficiency and insulates against seasonality/ trade volatility

The west-east coast mix of ADSEZ has improved significantly, shifting from 81% west in FY20 to 57% west and 43% east. This improved dual-coast presence provides a strategic edge by ensuring trade resilience – the west coast facilitates trade with Europe, the Middle East, and Africa, while the east coast serves Southeast Asia and East Asia, reducing dependence on any single trade route. This geographical diversification mitigates risks arising from regional disruptions such as adverse weather conditions, regulatory changes, or port congestion, ensuring business continuity by enabling cargo redirection when needed.

Fig 35 – Well balanced west and east coast mix

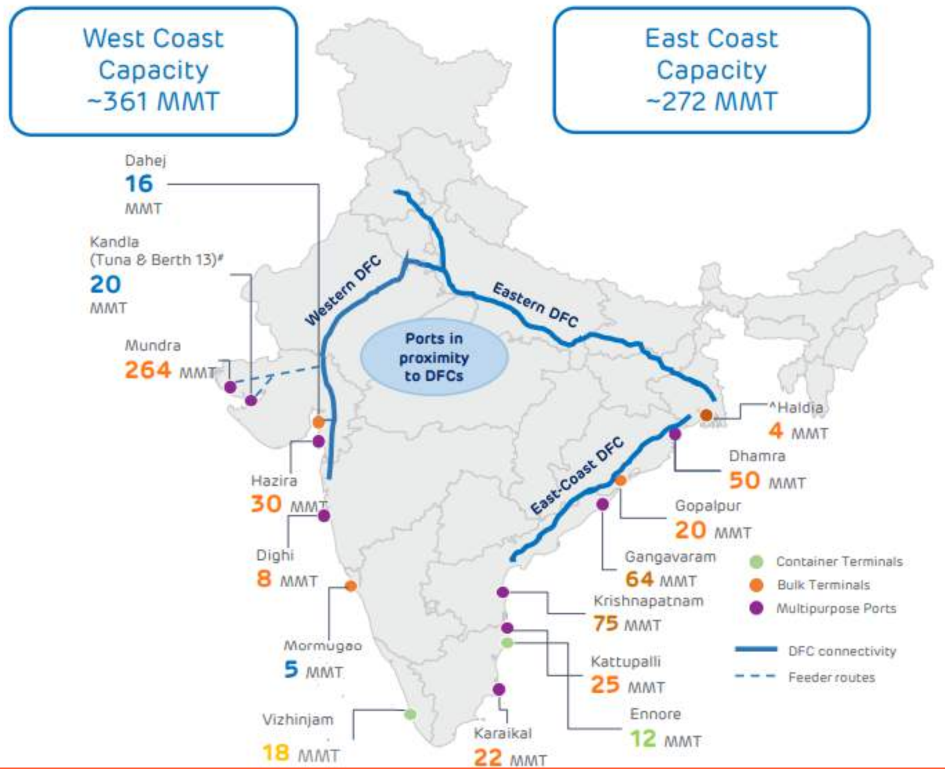


Source: Company presentation, BOBCAPS Research

Additionally, the dual-coast presence enables a diversified cargo mix. The east coast, being mineral-rich, houses mines and steel plants that require commodities such as imported coal. This coal supports steel and iron ore production, which, in turn, is exported. Meanwhile, the west coast serves as a key hub for industrial trade, facilitating the movement of commodities either via road, rail, or coastal shipping from the east coast. The west coast ports have a stronger focus on containers, crude oil, and coal, with a higher proportion of containerised cargo vs. the east coast. This balanced port distribution helps mitigate commodity cycle risks, ensuring stable trade flows across diverse sectors.

By leveraging this well-distributed port infrastructure, ADSEZ is well-positioned to capture growth opportunities across multiple industries while supporting India's expanding trade needs. This integrated approach enhances supply chain flexibility, strengthens trade competitiveness, and reinforces ADSEZ's role as a critical enabler in India's logistics ecosystem.

Fig 36 – ADSEZ dual coast presence and proximity to DFC



Source: Company presentation, BOBCAPS Research

Logistics and marine services to mitigate trade volatility and drive growth

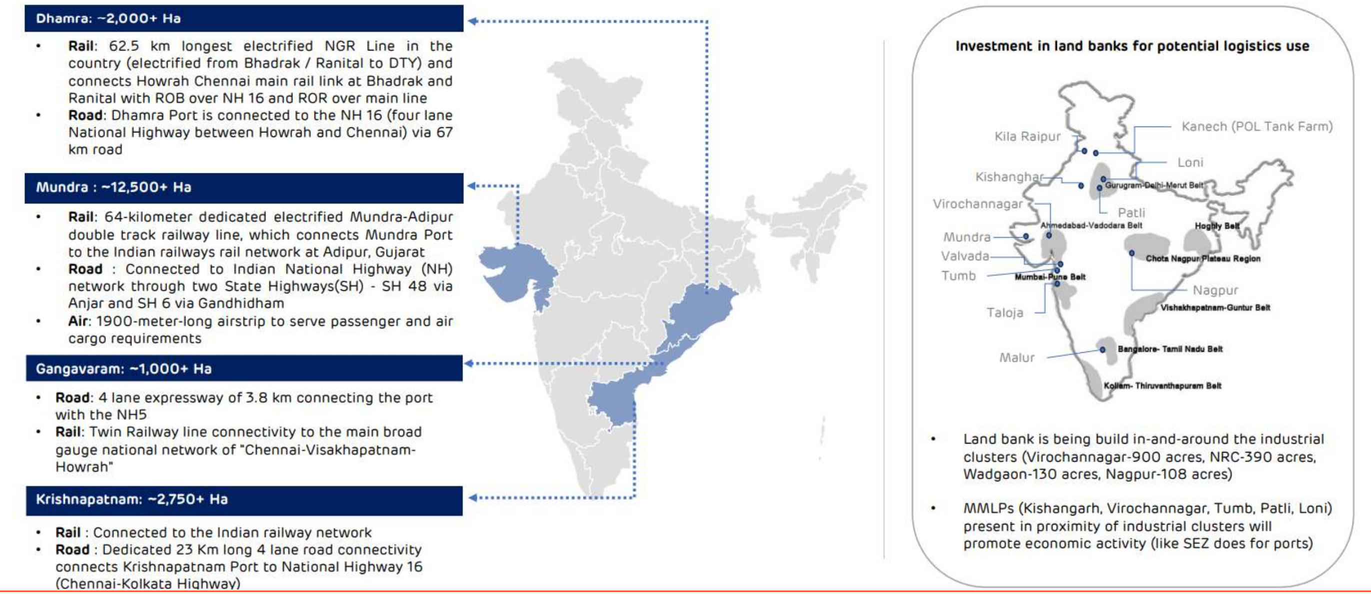
ADSEZ expanded into the logistics and marine services businesses over the last few years, Both are value-added businesses, and natural extensions of the ports business. Besides adding to the revenue stream, the logistics business is insulated from trade cycles, which are affected by global geo-political tensions – tariff changes, Red Sea crisis, etc. In such scenarios, the logistics business offers stable recurring revenues.

The company has invested in strategic assets such as rail logistics and inland container depots and is aggressively expanding its capacity to leverage both the western and eastern dedicated freight corridors through its ports on the west and east coasts of the country. Dedicated freight corridor is a game changer for port-led logistics reducing transit times between ports and industrial hubs. DFC is expected to reduce dependency on road transport, lowering logistics costs per TEU. Mundra Port has an advantageous location to leverage the western DFC, which can provide faster movement of goods to ICDs in North India.

Also, the ports have vast land banks with connectivity to road and rail giving them access to the hinterland. For instance, Dhamra Port has 2,000+ hectares of land bank and has connectivity to both the National Highway (NH) and IR. Similarly, Mundra has 12,500+ and Gangavaram 1000+ hectares which have connectivity to the NH and IR. Further, the company is investing in land banks in and around industrial clusters for potential logistics use.

The similar integration of logistics and ports has also been seen among global port operators like DP World and PSA International, where they transitioned from being a port terminal operator to an integrated logistics giant by expanding into freight forwarding, inland transport, and supply chain management although through acquisitions.

Fig 37 – Land bank and investment in logistics assets



Source: Company presentation, BOBCAPS Research

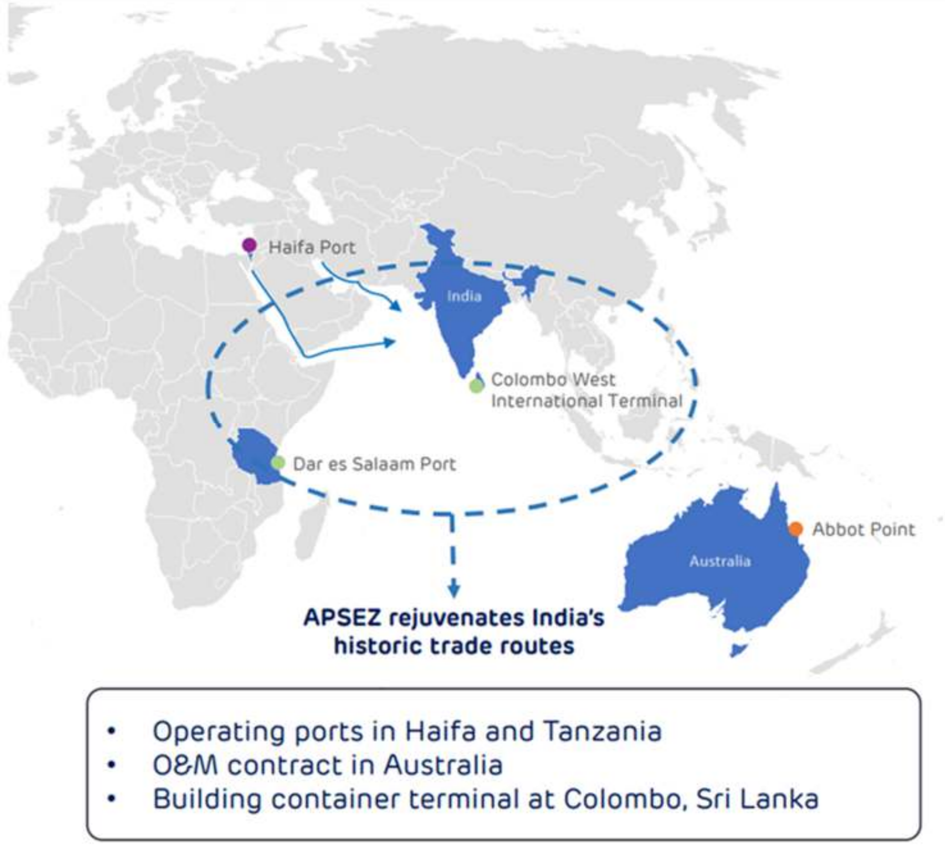
Building a global footprint through small but strategic expansion

Starting FY16, ADSEZ has been acquiring small but strategic ports. In 2016, ADSEZ acquired operational rights to Abbot Point Coal Terminal in Queensland, Australia, marking its initial foray into international port operations. Now, the terminal is known as North Queensland Export Terminal (NQXT), which serves as a critical infrastructure for coal exports.

In 2022, the company further acquired a 51% stake in a new container terminal project in Colombo. The strategic investment is expected to enhance the company's footprint in South Asia. In 2023, the company expanded in the Mediterranean and acquired a 70% stake in Israel's Haifa port for US$ 1.2bn. This acquisition positions the company to capitalise on trade between Europe and Asia. Most recently in 2024, the company entered into agreements to operate container terminals in Dar es Salaam, Tanzania, for a 30-year period. The company plans to reach 1,000mtpa capacity by FY30, of which 150mtpa capacity is expected to be contributed by international ports.

ADSEZ's global expansion strategy is unlikely to have a significant near-term impact on its growth or profitability. However, it demonstrates the company's ability to expand and operate beyond domestic markets without straining its capital allocation strategy, ensuring its overall return profile remains intact. Additionally, it reflects ADSEZ's strength and ambition to look beyond national boundaries, allowing it to position itself as a global port and logistics player.

Fig 38 – ADSEZ's international presence



Source: Company presentation, BOBCAPS Research

Capex across ports and logistics ensures strong growth visibility

ADSEZ's capacity expansion plan – increasing domestic handling from 633mtpa to 850mtpa by FY30 and adding 150mtpa in international markets – positions it for sustained volume growth and revenue expansion. This expanded throughput capacity will lead to higher volume growth, additionally as utilisation levels improve at both existing and new ports and operating efficiencies strengthen, driving higher EBITDA per tonne and enhancing overall profitability.

Beyond ports, the company is scaling its logistics network, integrating rail, road, and warehousing solutions to create an end-to-end supply chain. By expanding rakes, trucks, MMLPs, and warehousing, the company enhances connectivity, increases penetration level and access to hinterland. This multi-modal infrastructure not only improves cargo evacuation efficiency but also drives higher third-party volumes, enabling ADSEZ to diversify beyond captive cargo and capture a larger share of India's trade flows.

With a larger cargo base, improved service offerings, and integrated logistics solutions, ADSEZ is well-positioned to expand market share, improve pricing power, and enhance margins. Higher utilisation of assets and bundled service offerings allow for better cost efficiencies, supporting sustained earnings growth and long-term value creation. As capacity additions come online and utilisation ramps up, the company is set to witness strong volume growth, superior return ratios, and continued leadership in India's port and logistics sector.

Fig 39 – ADSEZ expansion in ports and logistics assets by FY29E

ADSEZ's asset portfolio by FY29E	FY20	FY25	FY29E
Tugs (units)	26	117	140
Rakes (units)	58	132	300
MMLPs (units)	5	12	20
Warehouse (mn sqft)	0.4	3.1	20
Trucks	Nil	936	5,000
Domestic cargo capacity at ports (mtpa)	410	633	850

Source: Company presentation, BOBCAPS Research DSEZ's

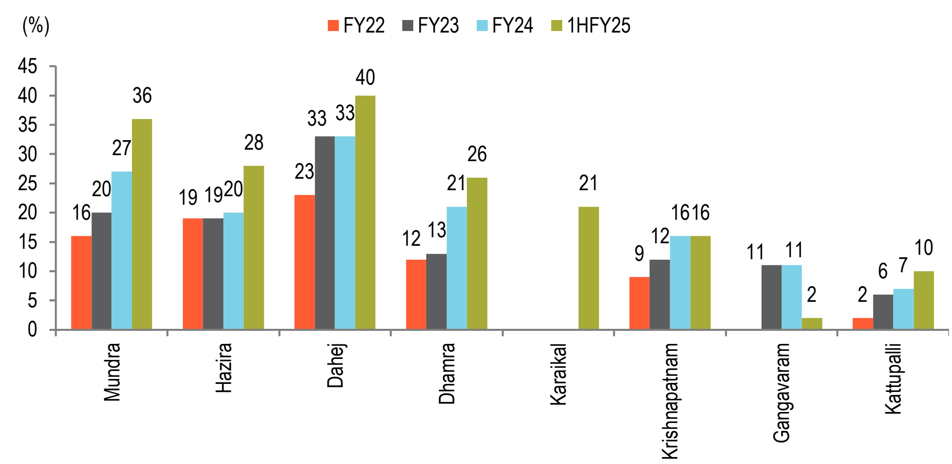
Improving port-wise returns indicate strong ability to turnaround assets

ADSEZ has a proven strategy of turning around underperforming ports by improving efficiency, reducing costs, and integrating them into its broader network (port infrastructure, logistics capabilities and management bandwidth).

Krishnapatnam Port, acquired in 2020, is a key example where the company streamlined operations, optimised cargo handling, and implemented cost efficiencies, leading to improved margins and higher throughput. Similarly, Dighi Port, acquired in 2021, is being redeveloped with better infrastructure, and aligned with ADSEZ's ecosystem to create natural cargo synergies.

These acquisitions highlight ADSEZ's ability to revive struggling assets, drive scale benefits, and generate strong returns. By consistently applying this model, the company strengthens its overall port and logistics network, ensuring each new addition enhances its long-term growth strategy.

Fig 40 – ROCEs improving YoY for key ports



Source: Company presentation, BOBCAPS Research

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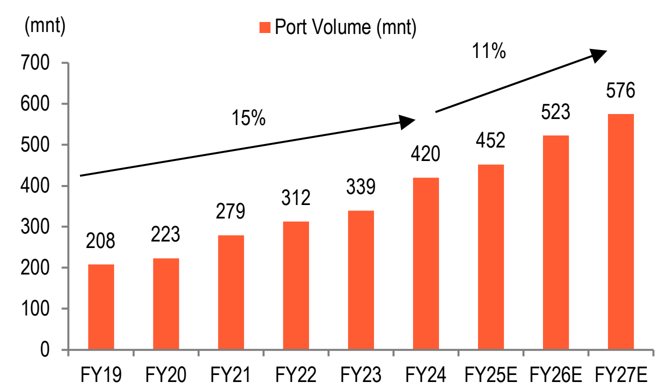
Financial analysis

Ports to witness volume CAGR of 11% over FY24-27E

We estimate ADSEZ's volume growth at 11% CAGR over FY24-27E, driven by (a) ramp-up in capacity utilisation at recently added ports, including domestic ports Vizhinjam (full-year operation in FY26), Gopalpur, and Karaikal, as well as international ports in Colombo and Tanzania and (b) sustained market share gains, with overall cargo traffic growth at major and non-major ports in India expected to be 3-6%. In contrast, ADSEZ's volume growth is projected to outpace industry growth at twice the rate. The market share gains for ADSEZ are largely on account of its superior operating performance and better pricing vs. other ports.

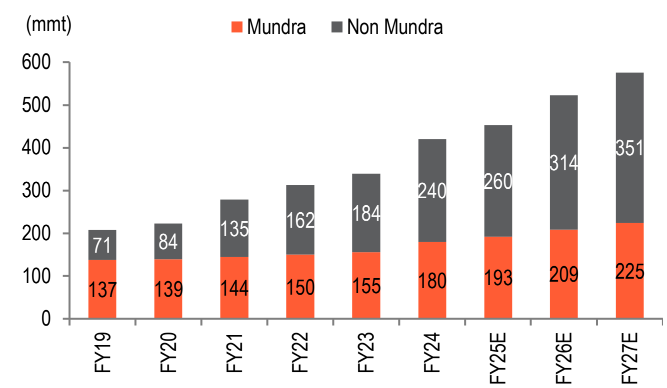
Historically, over FY19-24, ports volume has grown at 15% CAGR largely on account of significant volume growth at Dhamra, Mundra, and the addition of new ports Krishnapatnam, Gangavaram and Karaikal and the international port Haifa.

Fig 41 – 11% ports volume CAGR over FY24-27E



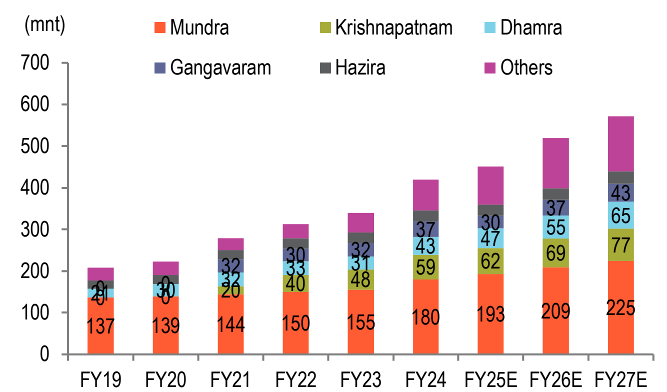
Source: Company, BOBCAPS Research

Fig 42 – Reducing dependence on Mundra



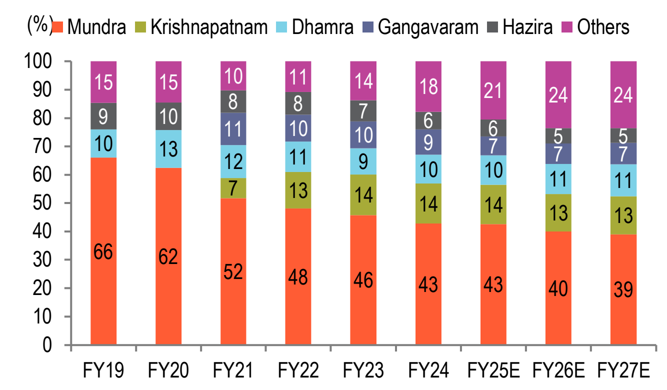
Source: Company, BOBCAPS Research

Fig 43 – Port-wise volume (mt)



Source: Company, BOBCAPS Research

Fig 44 – Port-wise volume mix (%)



Source: Company, BOBCAPS Research

Revenue to grow at 14% CAGR over FY24-27E

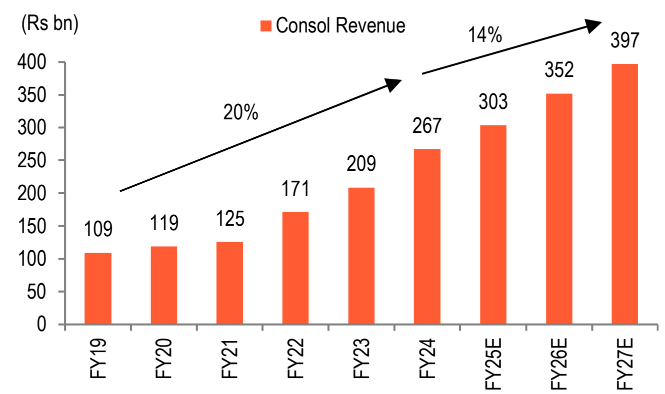
We expect ADSEZ's revenue to grow at a 14% CAGR over FY24-27E, driven by 11% volume CAGR and ~3% realisation CAGR. The improvement in realisation will primarily stem from a better product mix, as recently added ports – Vizhinjam and Haifa – command higher pricing compared to other ports. Additionally, pricing across all ports is expected to improve with the introduction of value-added services offered by ADSEZ.

Historically, over FY19-24, ADSEZ witnessed a 19% revenue CAGR, supported by 15% volume growth and 4% realisation growth. The realisation growth was driven by a mix of tariff increases and the addition of container ports like Krishnapatnam, which enhanced the product mix and boosted realisation. Haifa's higher pricing also contributed to blended realisation growth.

Over the last five to six years, new port additions and significant capacity expansion at Mundra helped Adani Ports balance its cargo mix, with container share in total cargo remaining within the 37-41% range.

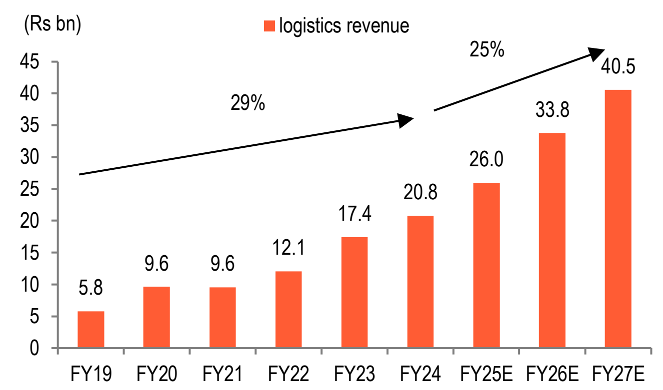
Furthermore, we expect Adani Logistics to report a 25% revenue CAGR over FY24-27E, driven by (a) capacity expansion, including the addition of more MMLPs, (b) leveraging Mundra Port's proximity to the Western Dedicated Freight Corridor and (c) enhancing tech capabilities by integrating all logistics services.

Fig 45 – Consolidated revenue to grow at 14% CAGR



Source: Company, BOBCAPS Research

Fig 46 – Logistics revenue to grow at 25% CAGR



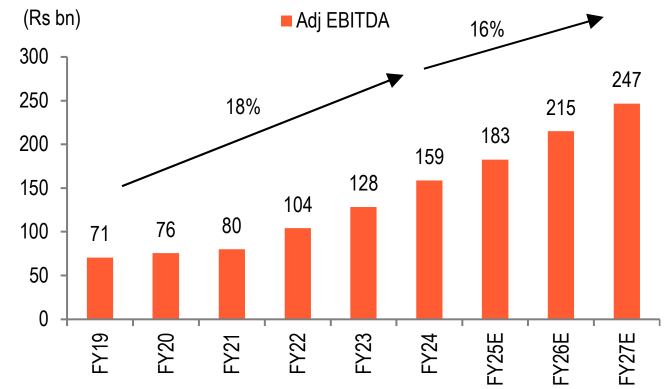
Source: Company, BOBCAPS Research

Adj. EBITDA/PAT to grow at 16%/18% CAGR over FY24-27E

We estimate ADSEZ EBITDA to grow at a 16% CAGR over FY24-27E, driven by margin expansion from improved utilisation levels and a better product mix, leading to higher operating performance at large ports. The ramp-up of recently added ports is also expected to contribute to overall margin improvement.

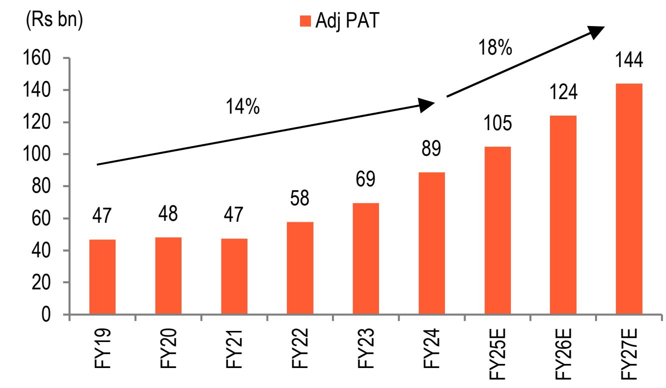
In the Adani Logistics and the marine services businesses, we anticipate margin expansion from FY27, as these segments remain in the investment phase, keeping margins subdued in FY25-26E. As a result, we project overall adjusted EBITDA margin to increase slightly from 59.4% in FY24 and 61% in 9MFY25 to 62.1% in FY27E.

Fig 47 – Adj EBITDA at 16% CAGR over FY24-27E



Source: Company, BOBCAPS Research

Fig 48 – Adj PAT to grow at 18% CAGR



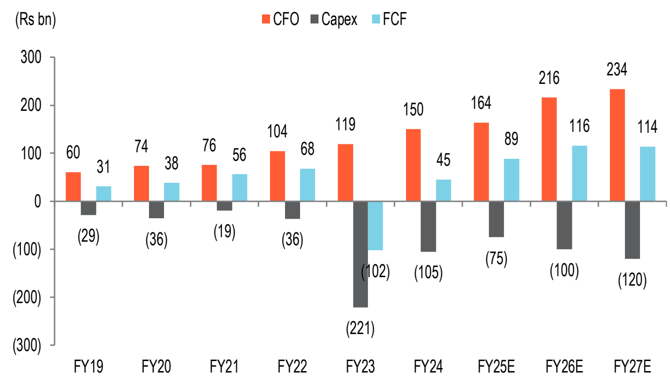
Source: Company, BOBCAPS Research

Significant free cash flow to de-lever the balance sheet over FY24-27E

As of Dec'25, ADSEZ's gross debt (excluding lease liabilities) stood at Rs 456bn, while net debt was Rs 380bn. Over FY25-27E, we expect the company to generate Rs 600bn in cumulative operating cash flow, supported by steady cargo volume growth and operational efficiencies. During FY26 and FY27, we estimate ADSEZ to incur Rs 220bn in capital expenditure, primarily for port expansions, transshipment hubs, and logistics infrastructure.

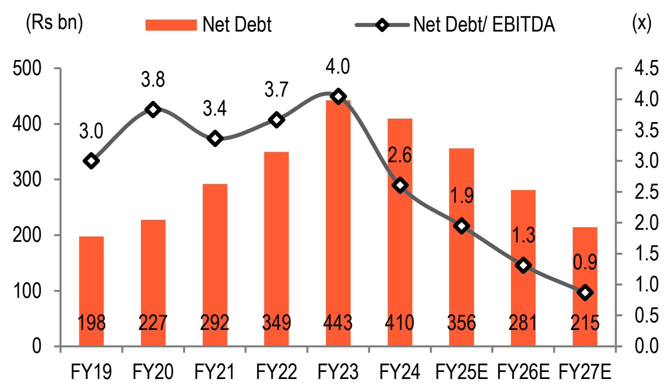
Despite the planned capex, ADSEZ is expected to generate free cash flow (FCF) of Rs 318bn over FY25-27E, which could be largely directed toward debt repayment. As a result, we project net debt (excluding lease liabilities) to decline to Rs 175bn by FY27E. This deleveraging would improve financial flexibility and strengthen the company's ability to invest in future growth opportunities.

Fig 49 – Cumulative FCF of Rs 318bn over FY25-27E



Source: Company, BOBCAPS Research

Fig 50 – Robust FCF to de-leverage the debt



Source: Company, BOBCAPS Research

Valuation

We estimate ADSEZ will deliver a strong growth trajectory, with revenue, adjusted EBITDA and adjusted PAT expected to grow at a CAGR of 14%/16%/18% respectively over FY24–27E. This growth will be driven by volume expansion, improving operational efficiencies, and a strengthening market position as India's largest private port operator.

We value ADSEZ on a relative valuation basis, assigning a 14x EV/EBITDA on Mar'27 EBITDA, which aligns with its five-year historical average trading multiple. This valuation results in a Mar'26 TP of Rs 1,490.

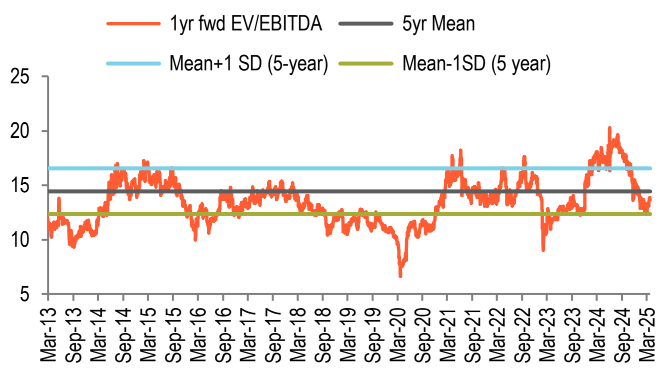
At present, the stock is trading at 12x FY27 EV/EBITDA, leaving room for more expansion. We believe this potential re-rating will be supported by a structurally improving investment case, underpinned by factors such as the improving profile of the parent group, ADSEZ's strengthening market leadership, its critical role in India's port infrastructure, an improving balance sheet, and robust return metrics, with RoE expected to remain above 18% over FY25-FY27E. Considering these structural growth drivers, we initiate coverage with a BUY rating.

Fig 51 – Mar'26 TP of Rs 1,490

(Rs bn)	Mar-27E
EBITDA	246.7
1-year forward EV/EBITDA (x)	14
Enterprise value	3,454
Net debt	231
Equity value (target)	3,223
No of shares (mn)	2,160
Mar- 26 TP (Rs per share)	1,490

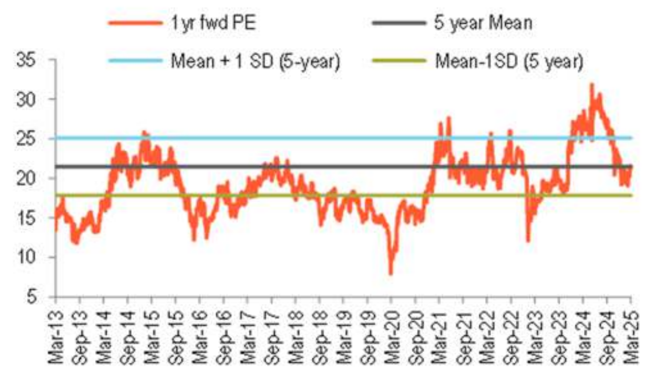
Source: Company, BOBCAPS Research

Fig 52 – ADSEZ's 1Y forward EV/EBITDA band chart



Source: Bloomberg, Company, BOBCAPS Research

Fig 53 – 1Y forward P/E band chart



Source: Bloomberg, Company, BOBCAPS Research

Key risks

Dependence on Mundra and concession expiry risk

Mundra Port handles ~40% of ADSEZ's total cargo, making it the company's most critical asset but also a key risk. Any disruption could significantly impact revenue. Additionally, the Mundra concession expires in Feb'31 and if renewal terms are unfavourable or delayed (unlikely given its importance in Indian trade), it could affect earnings. Reducing Mundra's dependency by adding capacity with similar or higher return profile, which has been the trend, will continue to attract higher valuations.

Regulatory and policy challenges

Port operations are subject to regulations on tariffs, environmental approvals, and land use, which can directly impact profitability. Changes in tariff structures or stricter environmental norms could reduce margins and delay expansion plans. Uncertainty around policy changes also affects long-term capital allocation.

Execution risks in expansion and acquisitions

Land acquisition delays, regulatory approvals, cost overruns, and integration challenges could impact timelines and cash flows. If newly acquired ports do not meet performance expectations, it could weigh on profitability.

Risks linked to Adani Group

As part of the Adani Group, ADSEZ is exposed to group-level risks, including governance concerns, reputational issues, and financial linkages. Negative developments within the broader group could affect access to funding. Ensuring financial independence from the group is key to mitigate this risk.

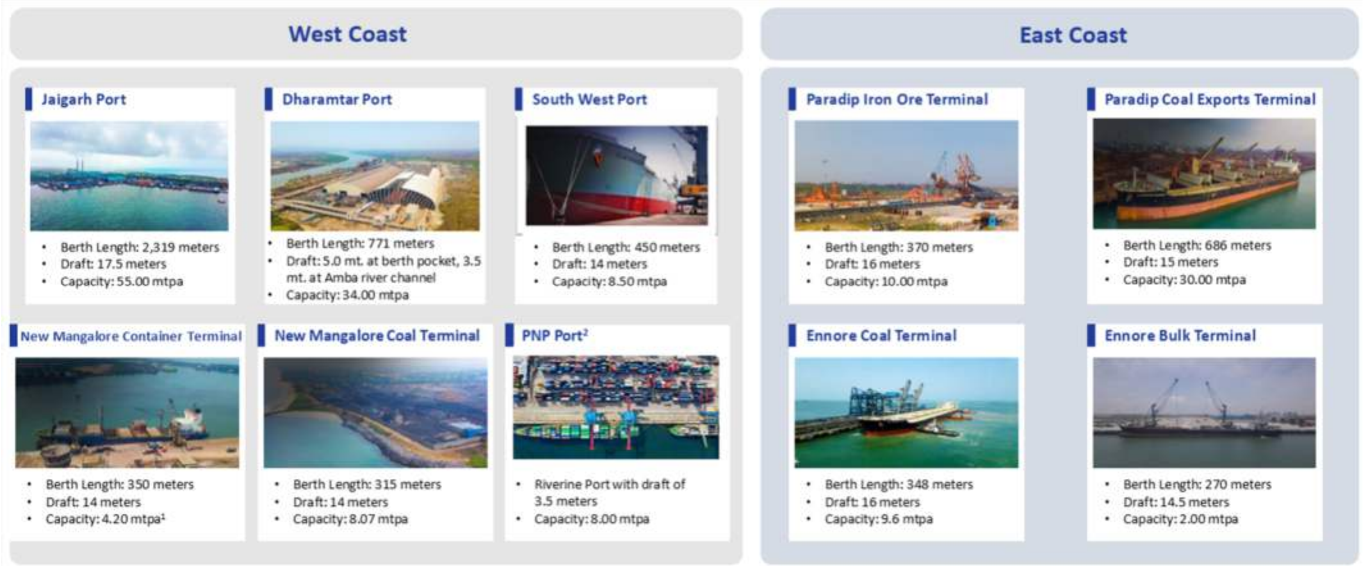
JSW Infrastructure

2nd-largest private port operator with presence in west and east coasts

JSWINFRA, part of JSW Group, is the second-largest private port operator with a cargo-handling capacity of 174mtpa. Established in 2004, JSWINFRA was initially developed to support the logistics and supply chain needs of JSW Steel and other group entities.

The company's operation has expanded from one port concession at Mormugao, Goa, to 10 ports (three non-major ports and seven terminals at major ports) across India, with a presence on both the west and east coasts, catering to key industrial hubs. It acquired the ports from the JSW Group. Its Indian ports and terminals are strategically positioned near major consumption and cargo origination centres across Maharashtra, Goa, Karnataka through Jaigarh, Dharmtar Port in the west and Tamil Nadu, Andhra Pradesh, Telangana, Chhattisgarh, Jharkhand, and Odisha through terminals at Paradip and Ennore in the east.

Fig 54 – JSW Infra ports presence on west and east coast



Source: Company presentation, BOBCAPS Research

Internationally, JSWINFRA has expanded its presence through a 5mtpa liquid storage terminal in Fujairah, UAE, along with the management of two dry bulk terminals in Fujairah (21mtpa) and Dibba (17mtpa) with a combined capacity of 41mtpa.

Diverse cargo capabilities with multi-modal evacuation

The company's ports and terminals are equipped to handle various cargo types, including dry bulk, break bulk, liquid bulk, LPG, LNG, and containers. The company specialises in handling commodities such as coal (thermal and coking), iron ore, steel products, fertilisers, rock phosphate, edible oils, and gypsum, among others. Its mechanised cargo handling systems and multimodal evacuation connectivity (Jaigarh, Dharamtar, Southwest Goa, terminal at Paradip Port and the upcoming Keni Port) enable cost-efficient and seamless operations, providing a competitive edge in transportation cost optimisation.

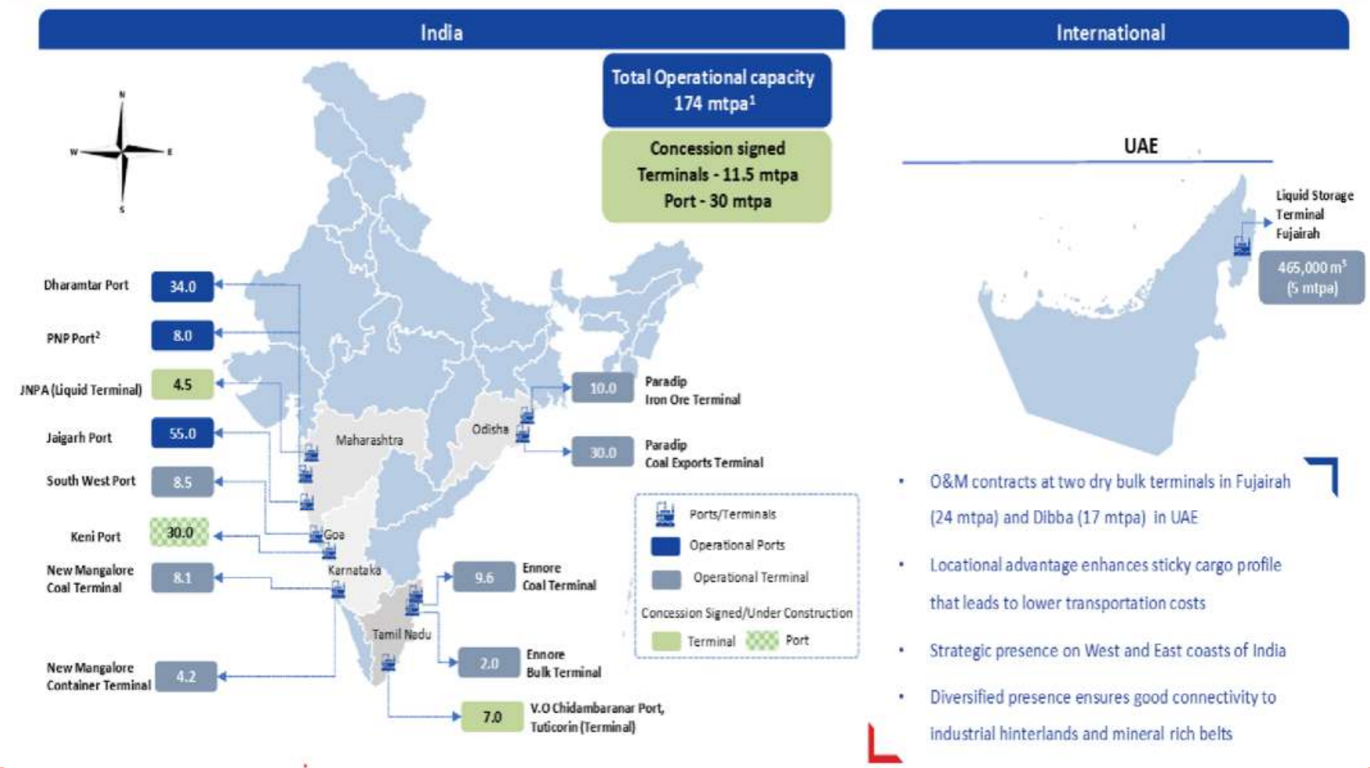
We believe JSWINFRA is on a robust growth trajectory, targeting a cargo-handling capacity of 400mtpa by 2030 through organic and inorganic expansion. The company is diversifying its cargo mix and enhancing value-added logistics services to strengthen its market position. With concession periods ranging between 30 and 50 years, JSWINFRA benefits from long-term revenue visibility and enduring relationships with key anchor customers.

JSWINFRA operates captive, semi-captive, and commercial ports, ensuring steady volume throughput

JSWINFRA operates a strategically-diversified port portfolio comprising captive, semi-captive and commercial ports which ensures a steady volume throughput and revenue mix. This structure allows JSWINFRA to balance stable cargo flows from JSW Group companies (largely JSW Steel) while aggressively expanding third-party business.

The company's key captive ports are the Dharamtar, Jaigarh, and Paradip terminals, which are critical for (a) raw materials such as coal, iron ore and limestone and (b) finished goods – steel, cement. The semi captive ports are Southwest, PNP – which serve JSW steel and third-party customers. Whereas the commercial ports, largely for third party are – liquid terminal at JNPT, terminal at Fujairah and upcoming Keni Port.

Fig 55 – JSW Infra domestic and international ports



Source: Company presentation, BOBCAPS Research

Fig 56 – Milestones

2004	• Commenced Operations at SWPL in Mormugao, Goa with two terminals.
2008	• Executed concession agreement for Jaigarh port for common user multicargo port.
2010	• Started operations at Jaigarh Port.
2012	• Commenced operations at Dharamtar Jetty.
2015	• Awarded concession for iron ore export terminal at Paradip Port; first cape vessel handled at Jaigarh Port.
2016	• Awarded concession for coal export terminal at Paradip Port.
2017	• Entered O&M agreement with Ports of Fujairah, UAE for two berths.
2020	• Commissioned LNG terminal at Jaigarh; acquired three terminals in Ennore and New Mangalore; signed concession for container terminal at New Managlore.
2021	• Paradip East Quay Coal Terminal commenced operations; various expansions and operations enhancements.
2022	• Commenced operations at New Mangalore Container Terminal; entered O&M agreement at Dibba Port, Fujairah; LPG handling and capacity enhancement at Jaigarh and Dharamtar Ports.
2023	• Acquired liquid storage terminal in Fujairah, UAE; acquired majority stake in PNP Port; signed concession for greenfield port in Keni, Karnataka; listed on stock exchanges.
2024	• Signed concession with JNPT for two liquid berths; won PPP for dry bulk terminal in Tuticorin; acquired 70.37% stake in Navkar Corporation; received LOI for multipurpose port in Murbhe, Palghar.

Source: Company, BOBCAPS Research

Fig 57 – JSWINFRA board of directors and key management

Name	Designation	Description
Sajjan Jindal	Chairman and Non-Executive Director	Mr. Jindal, aged 64, is the Chairman and Non-Executive Director of JSW Infrastructure. He holds a BE in Mechanical Engineering from Bangalore University. His leadership has been instrumental in transforming the steel industry and expanding JSW Group's presence across sectors including energy, infrastructure, sports, cement, and paints. He has received multiple awards and was the first Indian to serve as Chairman of the World Steel Association.
Nirmal Kumar Jain	Vice Chairman and Independent Director	Mr. Jain, aged 78, has been with JSW Group since 1992, bringing in over 50 years of experience in finance, legal, and capital structuring, especially in mergers and acquisitions. He is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. Currently, he serves as the Vice-Chairman of JSWINFRA and holds positions on the boards of various JSW Group companies.
Arun Sitaram Maheshwari	Non-Executive Director	Mr. Maheshwari, aged 54, has been with JSW Group since 1995. Holding an MBA in Marketing and Finance, he has been pivotal in sourcing major materials for steel and power generation, corporate strategy, and international marketing. With over 25 years in the steel industry, he has served in multiple leadership roles and is recognised as a key strategist and ideator within the group.
Rinkesh Roy	JMD and CEO	Mr. Roy, aged 54, joined the company as Joint Managing Director and CEO in Nov'24. His career began in the Indian Railway Traffic Service (IRTS) in 1992, and he has over 30 years of experience in railway operations, shipping, ports, and logistics. He holds a Master's degree in Public Management from the Kennedy School of Government – Harvard University, and a BA in Economics (Honours) from Utkal University, India.
Lalit Chandanmal Singhvi	Whole-time Director and Chief Financial Officer	Mr. Singhvi, aged 60, has been with JSWINFRA since Jan'15. He has about 38 years of experience in finance, strategy, and management from previous roles with the Vedanta, Aditya Birla, and Suhail Bahwan groups. He holds a Bachelor of Commerce (Honours) from the University of Jodhpur and is a fellow member of the Institute of Chartered Accountants of India.
Ameeta Chatterjee	Independent Director	Ms. Chatterjee, aged 51, has over 20 years of experience in Corporate Finance, focusing on developing, managing, and executing infrastructure projects in India and the UK. She is a Bachelor of Commerce graduate from Lady Shriram College for Women, Delhi University, and holds a management degree from IIM Bangalore.
Amitabh Kumar Sharma	Independent Director	Mr. Sharma, aged 52, is an Independent Director with significant experience in corporate law, mergers and acquisitions, private equity, and project financing. He was previously a managing partner at HSA Advocates and a partner with Khaitan and Co, and J Sagar and Associates. He holds an LLB degree and is currently a partner at NorthExcel Associates, Advocates, and Legal Consultants.
Kantilal Narandas Patel	Non-Executive Director	Mr. Patel, aged 73, has over 45 years of experience in corporate finance, accounts, taxation, and legal matters. He has been associated with the JSW Group since August 1995 and holds a Bachelor of Commerce degree from Mumbai University. He is a Fellow Member of the Institute of Chartered Accountants of India and has held significant roles including joint managing director and CEO at JSW Holdings.
Gerard Earnest Paul Da Cunha	Independent Director	Mr. Da Cunha, aged 69, is an architect with notable achievements including winning the 'Prime Minister's National Award for Excellence in Urban Planning and Design, 1998–99'. He holds a Bachelor's degree in Architecture from the University of Delhi and is the founder of the firm Architecture Autonomous.
Anoop Kumar Mittal	Independent Director	Dr. Mittal, aged 64, is a veteran in the construction industry with over four decades of experience. He led NBCC (India) to achieve Navratna status and has served in various advisory roles in the public and private sectors. His expertise spans M&A, infrastructural development, and real estate. He holds prominent positions among civil engineers in India and continues to contribute significantly to infrastructure development and policymaking.

Source: Company, BOBCAPS Research

Investment thesis

Leveraging deep-draft ports, multi modal evacuation and captive cargo for sustained growth in bulk logistics

JSW Infrastructure operates deep-draft ports, including Jaigarh (17.5m draft, among the deepest in India) and Paradip (15m draft), which enable the handling of Cape-size and post-Panamax vessels. The ability to accommodate such large vessels enhances the ports' efficiency and cost-effectiveness, making them attractive for bulk cargo handling.

Strategically positioned across key industrial hubs and mineral-rich hinterlands, JSWINFRA's ports provide significant logistical advantages. For instance, Jaigarh Port is in close proximity to Maharashtra's industrial belt, including the Ratnagiri MIDC and Kolhapur industrial region. Dharamtar Port is merely 1km from the JSW Steel plant at Dolvi, Maharashtra, and connected via a conveyor belt, enabling bulk material transportation. The recently-acquired PNP Port, with an 8mtpa capacity, is strategically located near Mumbai's industrial cluster and the JSW Steel plant at Dolvi, further strengthening its connectivity with key manufacturing zones. Additionally, the company's terminal at Southwest Port, Goa, is just 10km from the Goa Industrial Development region and 320km from the JSW Steel plant at Vijayanagar, with efficient rail and national highway connectivity facilitating smooth cargo movement.

Beyond mere proximity to industrial hubs, JSWINFRA has developed a comprehensive multimodal evacuation network integrating rail, road, slurry pipelines, and coastal shipping. This multi-channel connectivity significantly reduces logistics costs and enhances operational efficiency, leading to lower turnaround times for cargo handling. The integration of different transportation modes ensures flexibility, minimises dependency on any single mode, and enhances supply chain resilience, making it an attractive option for industrial clients.

Fig 58 – JSW Infra ports capacity and their features

Port	Capacity (mtpa)	Nearest Industrial Hub(s)	Approximate Distance to Industrial Hub (km)	Nearest JSW Steel Plant	Approximate Distance to JSW Steel Plant (km)	Evacuation
Jaigarh Port	50	Ratnagiri MIDC, Kolhapur Industrial Area	50 km (Ratnagiri), 140 km (Kolhapur)	JSW Dolvi Works (Maharashtra)	~300 km	National Highway, Conveyor, Coastal shipment
Dharamtar Port	34	Taloja MIDC, Mumbai Industrial Belt	40 km (Taloja), 80 km (Mumbai)	JSW Dolvi Works (Maharashtra)	~1 km	Conveyor
PNP Port	8	Navi Mumbai, Pune Industrial Zone	70 km (Navi Mumbai), 120 km (Pune)	JSW Dolvi Works (Maharashtra)	~25 km	National Highway, Rail (connected to central and Konkan railway networks)
Southwest Port (Goa)	8.5	Goa Industrial Development Corporation (GIDC)	10 km	JSW Vijayanagar Works (Karnataka)	~320 km	National Highway, Rail
New Mangalore Coal Terminal	8.1	Mangalore SEZ, NMPT Industrial Area	10 km	JSW Vijayanagar Works (Karnataka)	~380 km	National Highway, Rail
Paradip Iron Ore Terminal	10	Kalinganagar Industrial Complex	100 km	JSW Jatadhar Works (Odisha - upcoming)	~40 km	National Highway, Rail, Coastal shipping
Paradip East Quay Coal Terminal	30	Kalinganagar Industrial Complex	100 km	JSW Jatadhar Works (Odisha - upcoming)	~40 km	National Highway, Rail, Coastal shipping
Ennore Coal Terminal	9.6	Chennai Industrial Region	30 km	JSW Salem Works (Tamil Nadu)	~230 km	National Highway, Rail

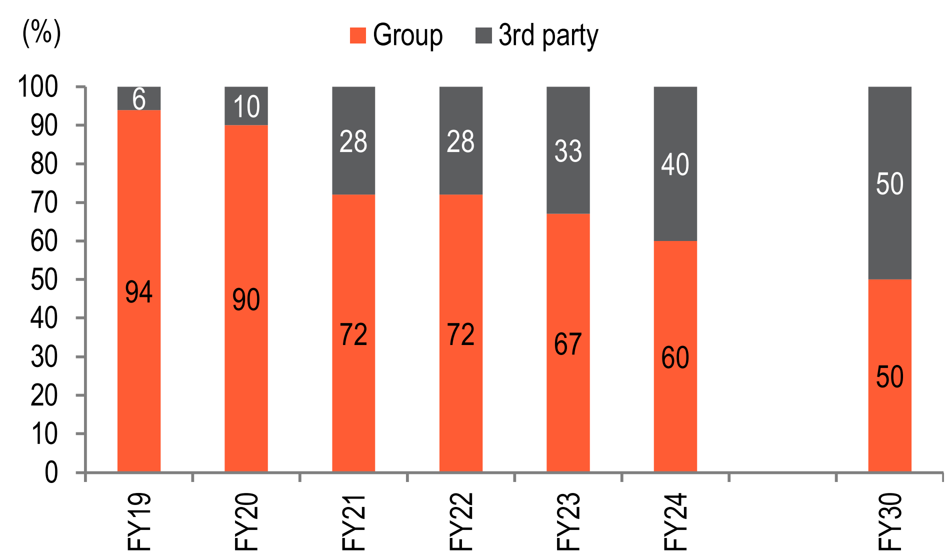
Source: Company, BOBCAPS Research

These strategic advantages contribute to a strong competitive edge for JSWINFRA. The cost savings and efficiency improvements offered by proximity and multimodal connectivity make its ports attractive to customers, fostering long-term relationships and customer stickiness. Given these factors, JSWINFRA is well-positioned to outperform its peers in the port sector by offering an optimised, cost-efficient logistics ecosystem tailored to key industrial players.

Capitalising on JSW Group's expansion while strengthening 3rd-party customer base

As part of the US$ 24bn JSW Group, JSWINFRA benefits from a stable cargo base and long-term contracts with its group companies, ensuring revenue stability and growth visibility. In FY24 and 9MFY25, group companies accounted for 60% and 51% of total cargo handled, respectively. Among them, a key customer JSW Steel has planned capacity expansion to 51.5mtpa by FY31, which is expected to drive higher shipments of iron ore and coking coal. Similarly, JSW Energy's target of reaching 20GW by FY30 will contribute to increased coal and bulk cargo handling, further reinforcing captive cargo volumes. As JSW Group scales up its operations, JSWINFRA is set to benefit from higher captive cargo.

Fig 59 – Group vs. third-party mix to improve to 50% by FY30E

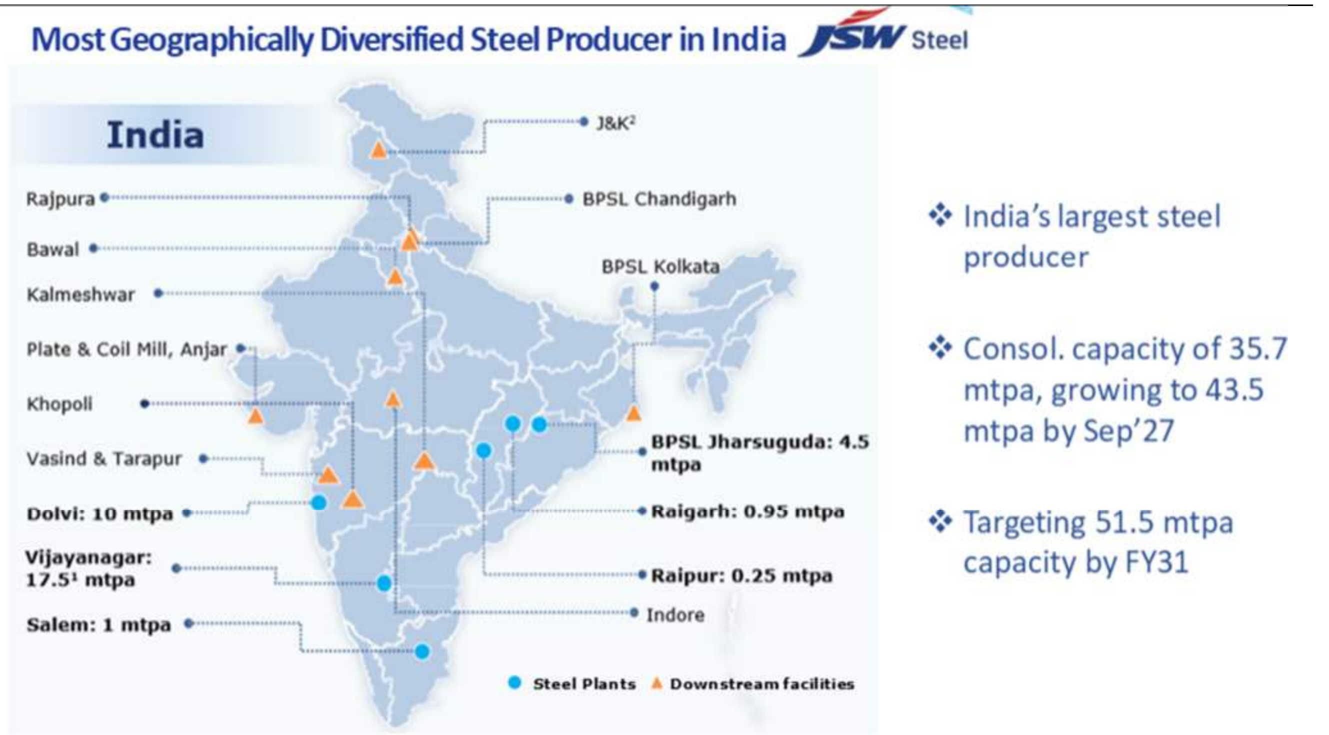


Source: Company, BOBCAPS Research

While JSW Group historically contributed 94% of JSWINFRA's revenue in FY19, its share has declined steadily to 60% in FY24 as the company aggressively expands its third-party cargo business. This strategic shift aligns with JSWINFRA's broader vision to capitalise on India's growing trade volumes and establish itself as a diversified port operator rather than a captive infrastructure provider. As a result, third-party cargo now contributes 49% of total volumes (Q3FY25), reflecting strong momentum in external customer acquisition.

The company's recent acquisitions – PNP Port, the terminal at Fujairah, and the liquid terminal at JNPT – highlight its strategic push to strengthen its third-party cargo mix and reduce dependence on captive volumes. PNP Port enhances access to industrial regions near Mumbai, the Fujairah terminal expands JSWINFRA's global presence in a key trade hub, and the JNPT liquid terminal boosts its capabilities in handling third-party liquid bulk cargo.

Fig 60 – JSW Infra anchor customer – JSW Steel, among the largest steel producer in India



Source: Company, BOBCAPS Research

A key driver of this transition is the difference in realisations between group and third-party customers. Transactions with the JSW Group entities are cost-optimised (assuming at group level), limiting revenue potential compared to market-based pricing from third parties. Expanding third-party cargo handling not only enhances revenue diversification but also improves profitability as these contracts typically command higher margins.

This dual approach – leveraging steady cargo from the JSW Group while aggressively scaling third-party business – will also strengthen JSWINFRA's competitive positioning as India's second-largest private port operator will enable it to steadily bridge the gap with the country's leading private port operator, which is large in current and targeted capacity terms (by FY30 JSWINFRA targets capacity of 400mtpa while ADSEZ targets to achieve 1,000mtpa).

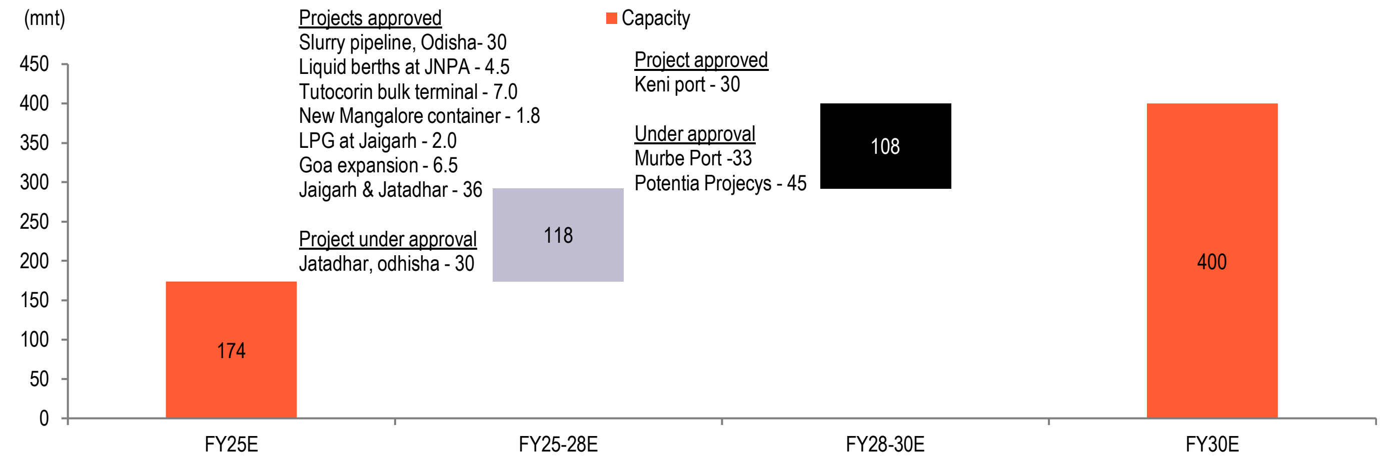
Aggressive capacity expansion provides revenue visibility over FY25-30E

JSWINFRA has established itself as India's second-largest private port operator by expanding its portfolio from a single port to 10 ports, which includes three non-major ports – Jaigarh, Dharamtar, PNP and seven terminals at major ports – two at Paradeep (iron ore and coal), two at Ennore (Coal and bulk), two at New Mangalore (coal and container) and one at South West Port, Goa. The company's existing handling capacity is 174mtpa.

The company also has overseas operations in the UAE, including Fujairah and Dibba terminals (24mtpa and 17mtpa, respectively), which enhance its global presence and revenue diversification.

The company plans to aggressively add its capacity from the existing 174mtpa to 400mtpa (2.5x the existing capacity) by FY30, which is in line with the government's target to quadruple the country's existing port capacity to 10,000mtpa by FY47. The additional 226mtpa will be added in two tranches / phases – (1) 118mtpa capacity by FY28E and (2) another 112mtpa by FY30E. The company is actively pursuing and exploring various organic and inorganic growth opportunities and guided for capex of Rs 300bn over FY25-30, of which Rs 150bn is likely to be spent over the next two years and Rs 160bn over the remaining term. We believe the government's push towards privatisation of terminals at major ports and the company's intent to increase third-party cargo handling will support the expansion plan and improving the utilisation level of the ports.

Fig 61 – JSW Infra expansion plan over FY25-30E



Source: Company, BOBCAPS Research

Fig 62 – JSW Infra capacity expansion plan over two phase (I & II)

Port / Terminals	Brownfield / Greenfield	Project Status	Expansion (mnt)	Concession agreement	Expected completion	Estimated capex (INR bn)
Phase 1 (FY25-28E)						
JNPA (liquid berths)	Terminal	Project approved	5	Signed in Apr'24	Q2FY26	INR 1bn
Tuticorin	Terminal	Project approved	7	Signed in July'24	Q4FY26	INR 6bn
Jaigarh & Mangalore	Brownfield	Project approved	4		Jaigarh - Q4FY26 and MCT - Q1FY26	Jaigarh - INR 9bn and MCT - INR 1.5bn
Goa	Terminal	Project approved	7		Q4FY25	INR 1.5bn
Jaigarh and Dharamtar	Brownfield	Project approved	36		Q4FY27	INR 24bn
Jatadhar	Greenfield	Under review	30	Signed during Q3FY25	FY28	INR 30bn
Slurry Pipeline	Connectivity project	Under review	30		Q1FY28	INR 40bn
Incremental addition			**118**			
Total capacity			**288**			
Phase 2 (FY28-30E)						
Keni port	Greenfield	Project approved	30	Signed in Nov'23	FY29	INR 41.1bn
Murbe port	Greenfield	Under review	33	LOI received	FY29-30	INR 30-40bn
Potential projects			49			
Incremental addition			**112**			
Total capacity			**400**			

Source: Company, BOBCAPS Research

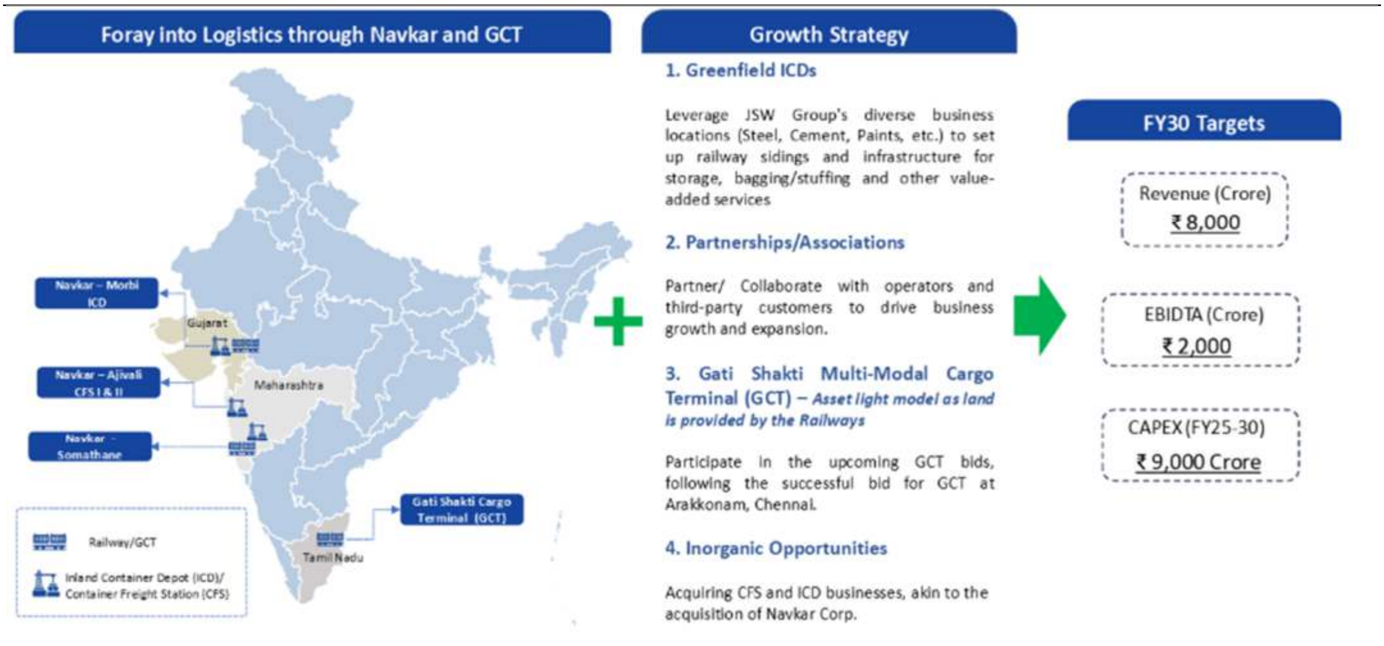
An integrated ports and logistics player in the making; integration to drive stickiness and growth

JSWINFRA is strategically expanding into the logistics sector, replicating the industry leader's approach of building an integrated logistics ecosystem through aggressive capacity additions. The industry leader has leveraged its strong port network to diversify into rail logistics, warehousing, and inland container depots (ICDs), creating a well-connected cargo transportation network. Similarly, JSWINFRA is now pursuing an inorganic growth strategy (acquired Navkar Corporation) to establish an end-to-end logistics value chain across its key assets.

JSWINFRA has aggressively acquired strategic logistics assets to strengthen its multi-modal connectivity and reduce dependence on third-party logistics providers. The company's key acquisitions include (a) the purchase of a Container Train Operator (CTO) licence from Sical Multimodal and Rail Transport Ltd. (Nov'23), (b) securing the contract to construct and operate the Gati Shakti multimodal cargo terminal (MCT) at Arakkonam (Jun'24), (c) acquiring a 70.37% stake in Navkar Corporation (Jun'24), and (d) purchasing the assets of a 30mtpa under-construction slurry pipeline from JSW Utkal Steel (Jul'24). Among these, the Navkar acquisition is particularly significant, as it provides access to established rail-linked inland container depots (ICDs) and private freight terminals (PFTs), positioning JSWINFRA to compete more effectively in containerised cargo movement.

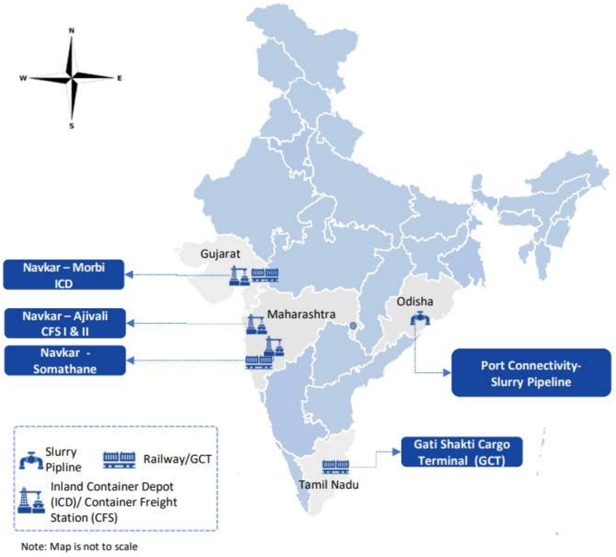
By integrating these assets, JSWINFRA is transitioning from a pure port operator to an integrated logistics player, enhancing supply chain efficiencies for its customers while also improving its own cargo stickiness. This strategy aligns with India's broader push toward lowering logistics costs and improving multimodal connectivity under the PM Gati Shakti initiative.

Fig 63 – JSW Infra targets to achieve Revenue/EBITDA to the tune of Rs 80bn/20bn by FY30 by investing Rs 90bn



Source: Company presentation, BOBCAPS Research

Fig 64 – JSWINFRA footprint in logistics and port connectivity



Key Equipments

2426+ Domestic standard containers

602 Trailers for last mile delivery

11[1] Rakes

6 RTG Cranes

Land Bank (Acres)

Particulars	Developed	Undeveloped	Total
Panvel Maharashtra	84	59	143
Morbi, Gujarat	99	41	140
Total	183	100	283

Source: Company presentation, BOBCAPS Research

Fig 65 – Navkar Corporation has 3 CFS, 2 Gati Shakti terminals and 1 ICD

Established in	2008
Operates	3 CFS, 2 GCT & 1 ICD
Owns CTO Licence	Category 1 & 2
Listed Entity	NSE/BSE
Promoter Shareholding	70.45%
Land Bank Owned	283 Acres

	Somathane (Maharashtra)	Ajivali CFS I & II (Maharashtra)	Morbi ICD (Gujarat)
Operational since	May' 09	CFS-I : May'08 CFS-II – May'06	Jan'23
Land Area (acres)	61 acres	CFS-I : 10 acres CFS-II :24 acres	140 acres
Custom Notified Area	25 acres	CFS-I : 3 acres CFS-II :10 acres	24 acres
Domestic Warehouse	80,000 s.q.feet	-	-
PFT Facility	Yes	No	Yes
Connectivity	Rail & Road	Road	Rail & Road

Source: Company presentation, BOBCAPS Research

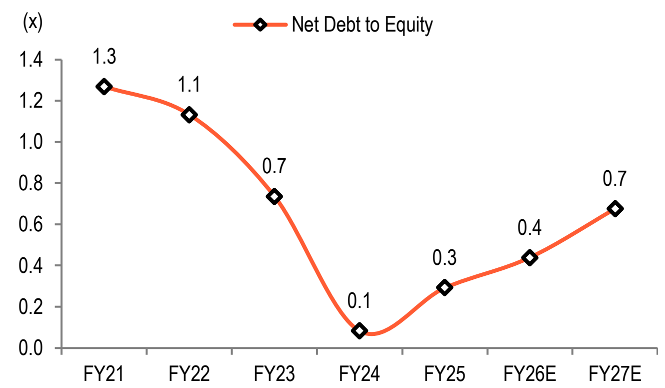
With these acquisitions, JSWINFRA is well-positioned to capitalise on the upcoming Eastern and Western DFC opportunities which will provide faster and more cost-efficient rail connectivity for bulk and containerised cargo.

Robust financials to support ambitious capex plans

Over FY19-24, JSWINFRA's financial strength has improved significantly, driven by (a) an increase in cash flow from operations from Rs 3.3bn to Rs 18bn in FY24, supported by tight control over working capital days, which reduced from 155 days in FY19 to 42 days in FY24, and (b) proceeds from its IPO issuance of Rs 28bn in Sep'23. The company allocated the IPO proceeds toward debt repayment (Rs 9bn), the construction of a terminal at Jaigarh Port (Rs 9bn), and general corporate purposes.

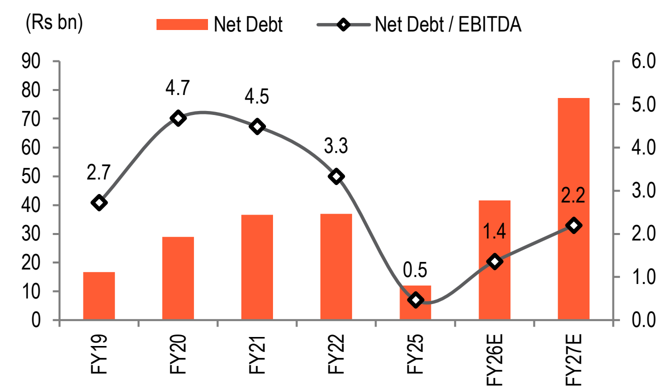
In FY24, the company's net debt-to-equity ratio stood at 0.1x (compared to 1.3x in FY21), while net debt-to-EBITDA improved to 0.1x (4.5x in FY21). We believe JSWINFRA's ambitious capex plan will reach a capacity of 400mtpa by FY30E, requiring Rs 390bn-400bn in capex, supported by robust cash flow generation, a strong balance sheet with leverage flexibility within its guided range of 2.5x net debt-to-EBITDA, and potential equity dilution to comply with public market regulations, which mandate a maximum 75% promoter holding (~85.6% as of Sep'24).

Fig 66 – Net debt to equity over FY25-27Et



Source: Company, BOBCAPS Research

Fig 67 – Net debt/EBITDA at comfortable level



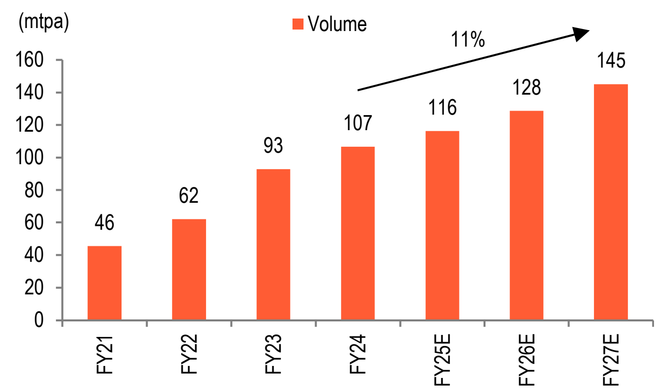
Source: Company, BOBCAPS Research

Financial analysis

We expect JSWINFRA to witness volume CAGR of 11% over FY24-27E

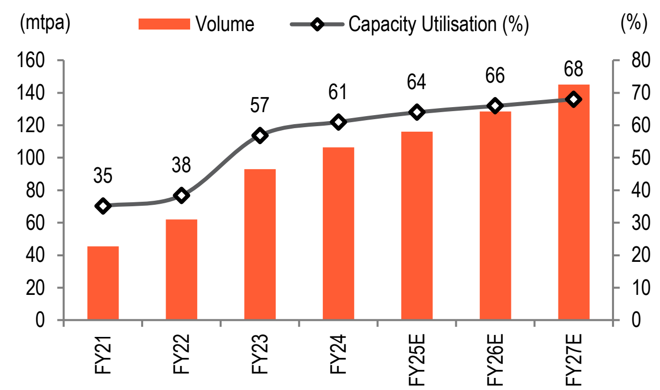
We estimate JSWINFRA to report a volume CAGR of 11% over FY24-27E, driven by the expansion of both JSW Group's captive volumes and third-party cargo. Volume growth is supported by (a) brownfield expansion at South West Port, Goa, and the Mangalore Container Terminal, with completion expected by Q1FY26, (b) the JNPA liquid terminal, scheduled for completion by Q2FY26, and (c) the mechanisation and development of the North Cargo Berth-III at Tuticorin Port, expected to be operational by Q4FY26. These capacity additions will strengthen JSWINFRA’s market position and enhance its ability to handle higher cargo volumes efficiently.

Fig 68 – Volume to grow at 11% CAGR over FY24-27E



Source: Company, BOBCAPS Research

Fig 69 – Utilisation level at ports to improve



Source: Company, BOBCAPS Research

Revenue to grow at 19% CAGR over FY24-27E

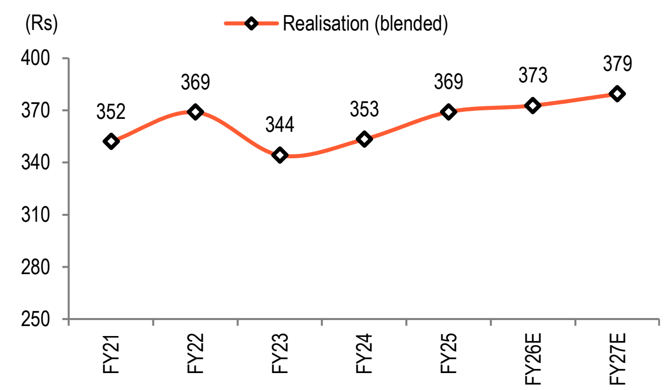
We expect JSWINFRA’s total revenue to grow at a 19% CAGR over FY24-27E, driven by higher port operations revenue and the rapid scale-up of the logistics segment. Port operations revenue is expected to grow at a 13% CAGR, supported by 11% volume growth and 2% realisation improvement, aided by a better cargo mix – particularly with an increasing share of liquid cargo following the commissioning of the JNPA liquid terminal by FY26 – along with higher third-party cargo volumes.

The logistics segment, which currently has an insignificant revenue contribution, is expected to account for 12-13% of total revenue by FY27E, driven by the recently acquired Navkar Corporation and the CTO licence.

Historically, JSWINFRA has reported a strong 33% revenue CAGR over FY21-24, entirely volume-driven, as realisation remained flat during this period. Given this historical trend, the projected 2% realisation CAGR over FY24-27E marks a shift toward a more value-driven growth model. While past growth was primarily led by capacity addition, we expect the next phase of growth to be driven by improved utilisation, better cargo mix, and expansion into the logistics segment.

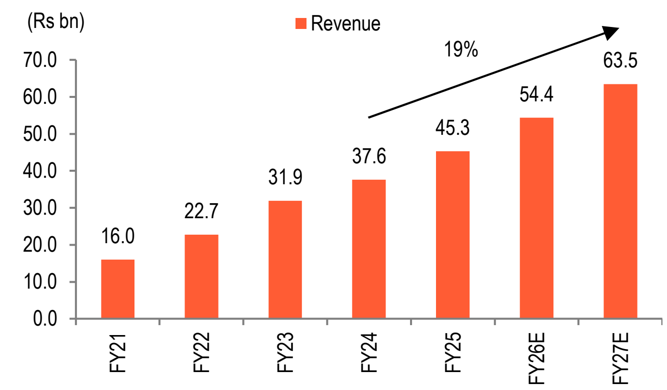
Beyond FY27, however, growth is expected to be capacity addition-driven again, as the company aims to achieve a total handling capacity of 400mtpa by FY30E.

Fig 70 – Realizations to grow at 2% CAGR over FY24-27E



Source: Company, BOBCAPS Research

Fig 71 – Revenue to grow at 19% CAGR



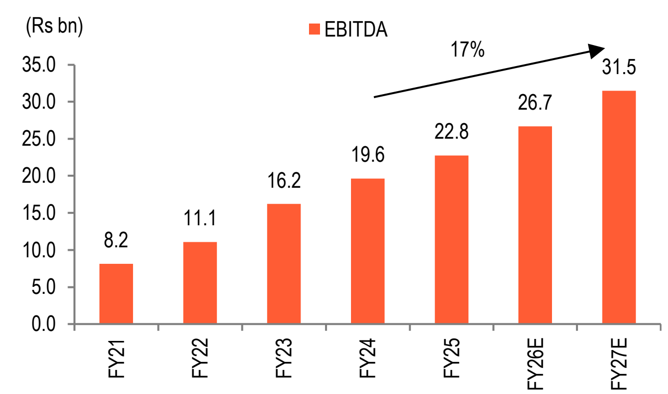
Source: Company, BOBCAPS Research

Adj. EBITDA/PAT to grow at 17%/14% CAGR over FY24-27E

We expect JSWINFRA's adjusted EBITDA (adjusted for forex gains/losses) to grow at a 17% CAGR over FY24-27E, trailing revenue growth of 19% CAGR. This is on account of higher operating expenses associated with the newly acquired Navkar logistics business, integration-related costs, and an evolving revenue mix that initially dilutes margins. As a result, we estimate EBITDA margin compression of 300bps in FY26, which is expected to narrow to 260bps by FY27E from the base margin of 52.2% in FY24.

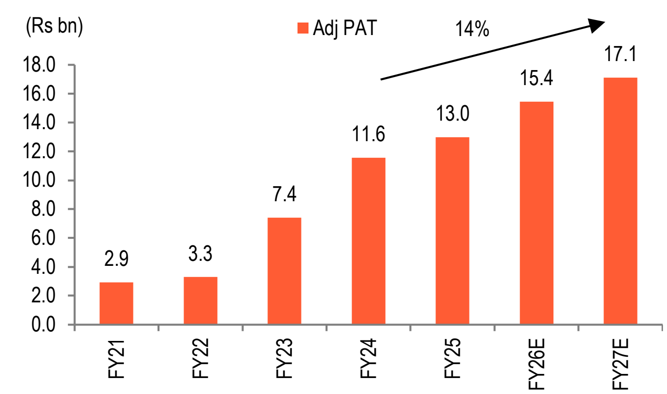
However, we expect margins to recover beyond FY27E on account of operational synergies between JSWINFRA's port assets and Navkar's logistics network. We expect the scalability of an integrated logistics offering to enhance asset utilisation, improve pricing power and generate cost efficiencies, leading to gradual margin improvement. While logistics will weigh on margins in the near term, long-term profitability should benefit from better integration, higher throughput, and a more optimised cost structure

Fig 72 – EBITDA to grow at 17% CAGR over FY24-27E



Source: Company, BOBCAPS Research

Fig 73 – Adj PAT to grow at 14% CAGR over FY24-27E



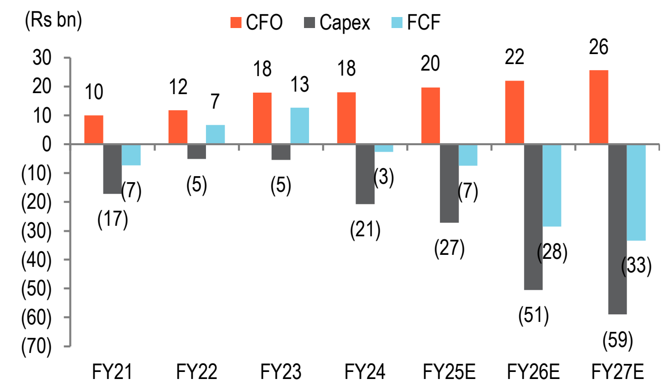
Source: Company, BOBCAPS Research

Debt flexibility (2.5x net debt to EBITDA), robust cash flow and equity dilution to fund Rs 390bn capacity expansion over FY30E

We expect JSWINFRA to generate robust cash flows from operations over FY25-27, cumulatively Rs 67bn, on account of an improved working capital cycle, with net working capital days expected to reduce from 42 in FY24 to 30 in FY25-27E. However, given the company's ongoing investment phase (capex assumed over FY25-27E is Rs 135bn-140bn), where it is actively expanding capacities, we anticipate free cash outflows during this period to the tune of Rs 69bn (cumulatively over FY25-27E).

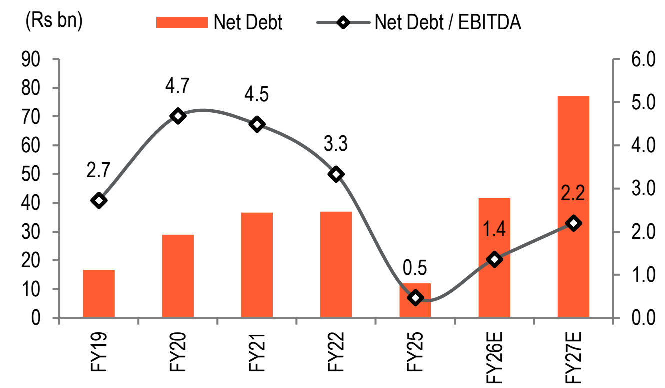
Capex is expected to be partially funded through internal accruals, supplemented by additional borrowings, as management has indicated comfort in leveraging up to 2.5x EBITDA (can incrementally add debt of Rs 72bn). Potential equity dilution could provide further cash inflows to support expansion plans. Given this structured funding approach, we do not foresee any balance sheet stress as robust operating cash flows and planned equity raising will help maintain financial flexibility

Fig 74 – FCF (outflows) of Rs 69bn over FY25-27E



Source: Company, BOBCAPS Research

Fig 75 – Net debt to remain within 2.5x EBITDA



Source: Company, BOBCAPS Research

Valuation

We value JSWINFRA on a relative valuation basis (EV/EBITDA), assigning 25x FY27 EBITDA, which translates to a Mar'26 TP of Rs 360. We initiate coverage on JSWINFRA with a HOLD rating as we believe the current valuation captures much of the near-term upside while still offering long-term growth potential. JSWINFRA's strong growth trajectory is supported by revenue, EBITDA and PAT which are projected to grow at a CAGR of 19%/17%/14% over FY24-FY27E.

We expect earnings acceleration in FY27E-FY30E, driven by capacity expansions at existing and upcoming ports (Jatadhar and Keni), enhancing volume throughput; greater integration of ports and logistics, facilitating a higher share of third-party cargo; and an improving return profile, as operating leverage strengthens with higher utilisation levels at semi-captive and commercial ports, leading to margin expansion. Additionally, JSWINFRA's robust balance sheet and strong cash flow generation provide financial flexibility to pursue both organic and inorganic growth opportunities.

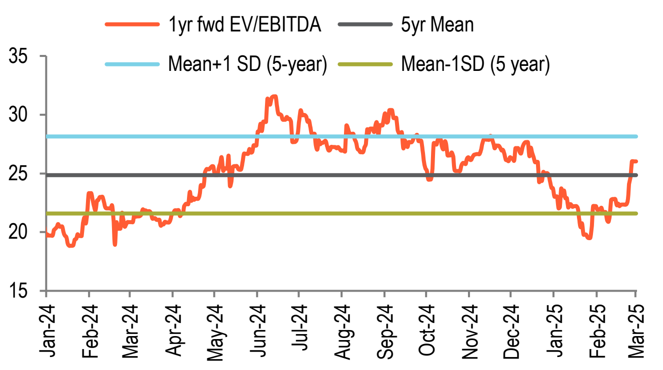
With the stock currently trading at 24x 1-year forward EV/EBITDA, we do not see potential for a valuation re-rating. Instead, any upside from here is likely to come from the roll forward of estimates. While the company remains well-positioned for sustained long-term growth, we believe the stock is fairly valued at present levels, warranting a HOLD rating while awaiting a better entry point for fresh investments.

Fig 76 – We ascribe 25x to arrive at Mar'26 TP of Rs 360

(Rs bn)	Mar'27E
EBITDA	31.5
1-year forward EV/EBITDA (x)	25
Enterprise value	787
Net debt	42
Equity value (target)	746
No of share (mn)	2,055
Mar'26 target price – (Rs per share)	360

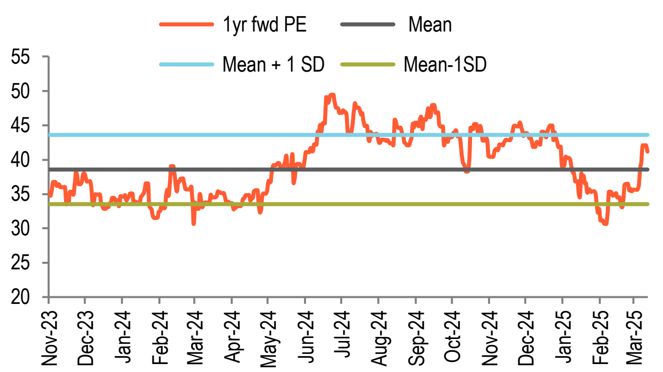
Source: BOBCAPS Research

Fig 77 – JSW INFRA 1 year forward EV/EBITDA chart



Source: Bloomberg, Company, BOBCAPS Research

Fig 78 – JSW INFRA 1 year forward P/E chart



Source: Bloomberg, Company, BOBCAPS Research

Key risks

High concentration of group cargo volumes

JSWINFRA derives a significant portion of its cargo volumes from its group companies, primarily JSW Steel, with group cargo accounting for c.51% of total volumes in 9MFY25. This high dependence on the JSW Group also results in concentration risk within a single commodity cycle – steel.

Any slowdown in JSW Steel's production or JSW Energy's expansion plans could directly impact cargo growth, port utilisation levels, and overall throughput at JSWINFRA's ports. While the company is actively expanding its third-party cargo mix to diversify revenue streams and reduce dependence on captive volumes, the success of this strategy will be key to mitigating cyclicality risks and sustaining long-term growth.

Delay in execution of upcoming ports can impact growth

One of the key justifications for assigning a higher valuation multiple to JSWINFRA compared to the industry leader, ADSEZ, is its potential for significant earnings acceleration beyond FY27E, driven by the capacity expansion of two major upcoming ports – Jatadhar and Keni. We expect these ports, with large handling capacities, to boost cargo volumes substantially, enhance operational efficiencies, and drive long-term growth.

However, timely execution of these projects remains critical, as delays in land acquisition, environmental clearances, or construction could defer revenue realisation and impact growth projections. Regulatory risks, such as changes in port tariffs, environmental norms, or modifications in concession agreements, could affect profitability.

To sustain its growth trajectory and justify the premium valuation, JSWINFRA must ensure seamless execution of these capacity expansions, proactively manage regulatory compliance, and optimise operational efficiencies.

Exposure to global trade and commodity cycle

JSWINFRA primarily handles bulk commodities such as coal, iron ore, and steel, which are inherently cyclical and highly sensitive to global demand-supply dynamics. Any downturn in global steel demand, reduced coal imports, or volatility in commodity prices could directly impact cargo volumes, port utilisation levels, and overall profitability.

The evolving geopolitical landscape, including protectionist trade policies and tariffs imposed by developed nations, poses a risk to global trade flows. Stricter import/export regulations or disruptions in international supply chains could slow cargo throughput, particularly for raw materials linked to steel production and energy sectors. Given these external uncertainties, diversification of cargo mix, expansion of third-party business, and strong operational efficiencies will be critical for mitigating risk and sustaining long-term volume growth.

Stock performance

Fig 79 – ADSEZ

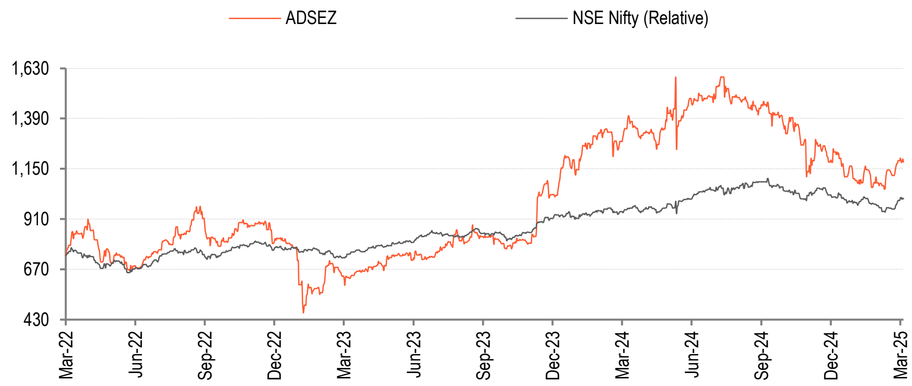
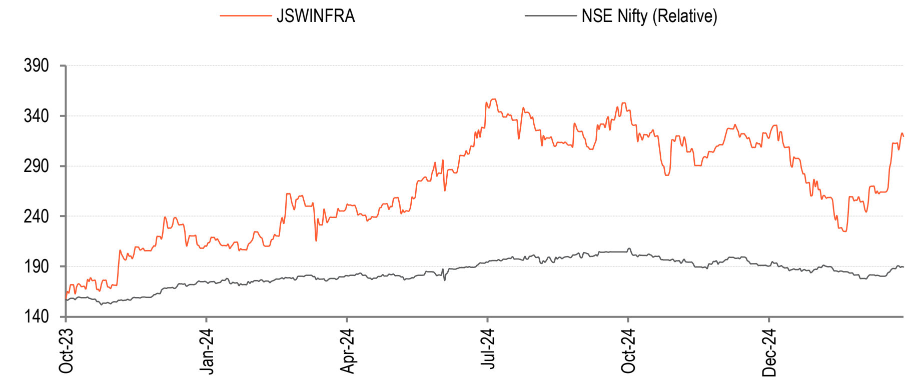


Fig 80 – JSWINFRA



Source: NSE

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Financials – ADSEZ

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Total revenue	**2,08,519**	**2,67,106**	**3,03,453**	**3,51,769**	**3,97,162**
EBITDA	1,09,471	1,57,511	1,82,538	2,14,751	2,46,687
Depreciation	34,247	38,885	43,162	48,341	53,175
EBIT	75,224	1,18,626	1,39,376	1,66,410	1,93,511
Net interest inc./(exp.)	(25,936)	(27,844)	(28,401)	(28,969)	(29,548)
Other inc./(exp.)	15,527	14,994	14,994	11,995	9,596
Exceptional items	(2,310)	(515)	0	0	0
EBT	67,125	1,06,291	1,25,969	1,49,436	1,73,559
Income taxes	960	15,346	21,415	25,404	29,505
Extraordinary items	0	8,289	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**66,642**	**81,040**	**1,03,180**	**1,23,276**	**1,43,827**
Adjustments	(2,811)	(7,617)	0	0	0
Adjusted net profit	**69,453**	**88,657**	**1,03,180**	**1,23,276**	**1,43,827**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	22,960	21,674	24,941	28,912	32,643
Other current liabilities	4	5	6	7	8
Provisions	57,871	48,723	54,039	62,644	70,727
Debt funds	4,98,193	4,62,792	4,52,792	4,22,792	3,67,792
Other liabilities	65,191	68,861	73,781	79,094	84,836
Equity capital	4,320	4,320	4,320	4,320	4,320
Reserves & surplus	4,64,850	5,41,110	6,22,688	7,20,042	8,35,104
Shareholders' fund	4,69,170	5,45,430	6,27,009	7,24,363	8,39,424
Total liab. and equities	**11,13,389**	**11,47,485**	**12,32,569**	**13,17,813**	**13,95,431**
Cash and cash eq.	43,343	76,319	1,25,234	1,72,962	1,88,356
Accounts receivables	39,571	36,669	54,039	59,752	65,287
Inventories	4,520	4,375	4,970	5,762	6,505
Other current assets	1,75,277	1,48,903	1,41,924	1,27,253	1,23,317
Investments	87,339	56,340	54,722	54,722	54,722
Net fixed assets	7,09,215	7,38,025	8,39,224	9,00,883	9,57,707
CWIP	66,368	1,09,361	40,000	30,000	40,000
Intangible assets	4	5	6	7	8
Deferred tax assets, net	(12,247)	(22,512)	(27,551)	(33,528)	(40,471)
Other assets	0	0	0	0	0
Total assets	**11,13,389**	**11,47,485**	**12,32,569**	**13,17,813**	**13,95,431**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow from operations	**1,19,333**	**1,50,176**	**1,63,760**	**2,16,066**	**2,33,597**
Capital expenditures	(2,21,431)	(1,04,913)	(75,000)	(1,00,000)	(1,20,000)
Change in investments	24,824	35,448	1,618	0	0
Other investing cash flows	10	11	12	13	14
Cash flow from investing	**(1,96,036)**	**(69,466)**	**(58,388)**	**(88,005)**	**(1,10,404)**
Equities issued/Others	9,455	10,130	0	0	0
Debt raised/repaid	(20,257)	(41,290)	(10,000)	(30,000)	(55,000)
Interest expenses	10	11	12	13	14
Dividends paid	(10,929)	(10,797)	(21,602)	(25,922)	(28,765)
Other financing cash flows	10	11	12	13	14
Cash flow from financing	**(27,338)**	**(78,001)**	**(60,002)**	**(84,891)**	**(1,13,314)**
Chg in cash & cash eq.	**(1,04,042)**	**2,709**	**45,370**	**43,170**	**9,879**
Closing cash & cash eq.	**9,367**	**15,757**	**1,21,689**	**1,68,405**	**1,82,841**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	30.9	37.5	47.8	57.1	66.6
Adjusted EPS	32.2	41.0	47.8	57.1	66.6
Dividend per share	6.0	8.0	10.0	12.0	13.3
Book value per share	210.9	245.1	282.9	327.9	381.2

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	13.9	11.2	10.0	8.4	7.2
EV/EBITDA	26.4	18.9	16.6	13.7	11.5
Adjusted P/E	36.8	28.8	24.8	20.7	17.8
P/BV	5.6	4.8	4.2	3.6	3.1

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	99.3	82.7	81.9	82.5	82.9
Interest burden (PBT/EBIT)	89.2	82.6	90.4	89.8	89.7
EBIT margin (EBIT/Revenue)	36.1	44.4	45.9	47.3	48.7
Asset turnover (Rev./Avg TA)	21.8	25.3	27.2	29.6	31.5
Leverage (Avg TA/Avg Equity)	2.3	2.2	2.0	1.9	1.7
Adjusted ROAE	15.9	16.5	18.1	18.7	18.8

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Revenue	21.8	28.1	13.6	15.9	12.9
EBITDA	14.9	43.9	15.9	17.6	14.9
Adjusted EPS	17.5	27.7	16.4	19.5	16.7
Profitability & Return ratios (%)					
EBITDA margin	61.5	59.4	60.2	61.0	62.1
EBIT margin	36.1	44.4	45.9	47.3	48.7
Adjusted profit margin	33.3	33.2	34.0	35.0	36.2
Adjusted ROAE	15.9	16.5	18.1	18.7	18.8
ROCE	10.0	11.6	12.5	13.5	14.5
Working capital days (days)					
Receivables	69	50	65	62	60
Inventory	8	6	6	6	6
Payables	40	30	30	30	30
Ratios (x)					
Gross asset turnover	0.2	0.3	0.3	0.3	0.3
Current ratio	3.3	3.8	4.1	4.0	3.7
Net interest coverage ratio	4.2	5.7	6.4	7.4	8.3
Adjusted debt/equity	1.1	0.8	0.6	0.4	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – JSWINFRA

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Total revenue	**31,947**	**37,629**	**45,285**	**54,391**	**63,513**
EBITDA	16,202	19,646	22,774	26,697	31,488
Depreciation	3,912	4,365	5,375	5,697	7,146
EBIT	12,290	15,281	17,399	20,999	24,342
Net interest inc./(exp.)	(5,961)	(3,325)	(2,882)	(2,750)	(3,200)
Other inc./(exp.)	1,781	2,694	3,299	2,605	2,156
Exceptional items	0	0	0	0	0
EBT	8,110	14,650	17,816	20,854	23,298
Income taxes	615	3,043	4,810	5,213	5,824
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	97	48	24	198	366
Reported net profit	**7,398**	**11,559**	**12,982**	**15,442**	**17,108**
Adjustments	0	0	0	0	0
Adjusted net profit	**7,398**	**11,559**	**12,982**	**15,442**	**17,108**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	3,016	3,562	4,342	5,216	6,090
Other current liabilities	0	0	0	0	0
Provisions	1,682	1,739	2,233	2,682	3,132
Debt funds	42,437	43,807	42,702	52,702	77,702
Other liabilities	5,098	5,518	6,218	6,918	7,618
Equity capital	3,596	4,103	4,111	4,111	4,111
Reserves & surplus	37,293	78,207	90,224	1,04,320	1,20,083
Shareholders' fund	40,889	82,310	94,335	1,08,431	1,24,194
Total liab. and equities	**93,121**	**1,36,936**	**1,49,830**	**1,75,949**	**2,18,736**
Cash and cash eq.	16,316	40,902	19,704	10,233	(164)
Accounts receivables	4,023	6,768	6,824	8,196	9,570
Inventories	1,022	1,117	1,241	1,490	1,740
Other current assets	6,363	4,893	4,929	4,929	5,414
Investments	3,070	2,445	15,253	5,253	5,253
Net fixed assets	59,755	77,806	67,550	68,478	1,02,984
CWIP	450	1,089	33,127	77,002	94,350
Intangible assets	0	0	0	0	0
Deferred tax assets, net	2,121	1,916	1,203	369	(411)
Other assets	0	0	0	0	0
Total assets	**93,121**	**1,36,936**	**1,49,830**	**1,75,949**	**2,18,736**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow from operations	**17,972**	**18,032**	**19,736**	**22,018**	**25,658**
Capital expenditures	(5,414)	(20,712)	(27,157)	(50,500)	(59,000)
Change in investments	(5,232)	(14,741)	(12,808)	10,000	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(6,208)**	**(42,047)**	**(36,666)**	**(37,895)**	**(56,844)**
Equities issued/Others	0	28,000	58	0	0
Debt raised/repaid	(7,912)	1,126	(1,105)	10,000	25,000
Interest expenses	0	0	0	0	0
Dividends paid	0	0	(1,039)	(1,544)	(1,711)
Other financing cash flows	(2,953)	(4,088)	(2,882)	(2,750)	(3,200)
Cash flow from financing	**(10,866)**	**25,039**	**(4,968)**	**5,706**	**20,089**
Chg in cash & cash eq.	**899**	**1,024**	**(21,898)**	**(10,171)**	**(11,097)**
Closing cash & cash eq.	**6,187**	**7,211**	**19,004**	**9,533**	**(864)**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	4.1	6.0	6.3	7.5	8.3
Adjusted EPS	4.1	6.0	6.3	7.5	8.3
Dividend per share	0.0	0.0	0.5	0.8	0.8
Book value per share	22.2	39.1	44.9	51.7	59.1

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	21.7	18.4	15.3	12.6	10.9
EV/EBITDA	42.9	35.3	30.4	25.7	21.9
Adjusted P/E	77.6	53.2	50.6	42.6	38.4
P/BV	14.4	8.2	7.1	6.2	5.4

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	91.2	78.9	72.9	74.1	73.4
Interest burden (PBT/EBIT)	66.0	95.9	102.4	99.3	95.7
EBIT margin (EBIT/Revenue)	38.5	40.6	38.4	38.6	38.3
Asset turnover (Rev./Avg TA)	36.0	34.2	32.9	34.9	33.6
Leverage (Avg TA/Avg Equity)	2.2	1.6	1.5	1.6	1.7
Adjusted ROAE	20.4	19.2	15.0	15.6	15.0

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Revenue	40.5	17.8	20.3	20.1	16.8
EBITDA	46.0	21.3	15.9	17.2	17.9
Adjusted EPS	126.4	45.9	5.1	19.0	10.8
Profitability & Return ratios (%)					
EBITDA margin	50.7	52.2	50.3	49.1	49.6
EBIT margin	38.5	40.6	38.4	38.6	38.3
Adjusted profit margin	23.2	30.7	28.7	28.4	26.9
Adjusted ROAE	20.4	19.2	15.0	15.6	15.0
ROCE	15.7	13.3	11.3	11.7	10.8
Working capital days (days)					
Receivables	46	66	55	55	55
Inventory	12	11	10	10	10
Payables	34	35	35	35	35
Ratios (x)					
Gross asset turnover	0.4	0.4	0.5	0.5	0.5
Current ratio	5.9	10.1	5.0	3.1	1.8
Net interest coverage ratio	2.7	5.9	7.9	9.7	9.8
Adjusted debt/equity	0.7	0.1	0.3	0.4	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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