

India

**Neutral** (no change)

**Highlighted Companies**

**Adani Ports & Special Economic Zone**  
ADD, TP Rs1457, Rs1083 close

We factor in an EBITDA CAGR of 15% (FY25F-27F). APSEZ trades at 12.3x FY26F EV/EBITDA, at a 15% discount to the seven-year average. Listed Adani group's finances were healthy in FY24.

**Gujarat Pipavav Port**  
HOLD, TP Rs137, Rs136 close

Over 3QFY23-3QFY25, GPPV's container traffic lagged Jawaharlal Nehru Port Trust (JNPT) and Mundra port. We believe this is a major cause of concern.

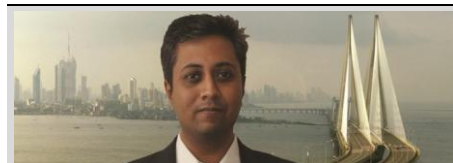
**JSW Infrastructure**  
REDUCE, TP Rs172, Rs259 close

We expect the company's ports EBITDA to rise by 12% CAGR (FY25F-27F), driven by an 8% volume CAGR. JSW Infrastructure trades at 20x FY26F EV/EBITDA, at a 60% premium to APSEZ.

**Summary Valuation Metrics**

P/E (x)	Mar25-F	Mar26-F	Mar27-F
Adani Ports & Special Economic Zone	22.9	18.2	15.3
Gujarat Pipavav Port	16.6	15.4	14.1
JSW Infrastructure	38.9	37.4	34.2
P/BV (x)	Mar25-F	Mar26-F	Mar27-F
Adani Ports & Special Economic Zone	3.8	3.2	2.7
Gujarat Pipavav Port	3.1	3.0	3.0
JSW Infrastructure	5.8	5.0	4.4
Dividend Yield	Mar25-F	Mar26-F	Mar27-F
Adani Ports & Special Economic Zone	0.6%	0.9%	1.1%
Gujarat Pipavav Port	5.1%	5.9%	6.7%
JSW Infrastructure	0.0%	0.0%	0.0%

**Research Analyst(s)**



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# Ports

## Tepid sector growth barring containers

- We expect 4.4% port volume CAGR in FY25F-27F vs. 3.9% in FY20-25F.
- Outlook: ADD APSEZ; HOLD Gujarat Pipavav; REDUCE JSW Infrastructure.

**We expect 4.4% volume CAGR over FY25F-27F vs. 3.9% in FY20-25F**

While cargo CAGR was just 0.7% over FY20-22, the CAGR was rapid over FY22-24 (7.6%). In FY25F, yoy cargo growth was 3% (slightly below the five-year CAGR). Port cargo was driven by containers (6.5% CAGR in FY20-25F). Ex-containers, volume CAGR was just 3.1%. This is one of the reasons why we expect strong volume growth for Adani Ports and SEZ or APSEZ vs. JSW Infrastructure (JSWI). The weak growth in FY20-22 was due to (a) the Covid-19 pandemic, (b) surge in shipping costs in FY22, and (c) a surge in prices of imported coal in FY22. Over FY20-25F, coal/container/petroleum, oil and lubricants (POL) grew at 4.3%/ 6.5%/1.4% CAGRs, respectively. We expect a 6.5% CAGR for container cargo (FY25F-27F) but ex-containers, we expect a lower 3.7% CAGR. Contrary to popular belief, major ports (MPs) & private ports grew at a similar rate in FY20-25F. Thus, we expect private ports' growth to outpace MPs' growth over FY25F-27F by a slim margin of 60bp p.a.

**Historic resilience of crude oil cargo to price volatility is comforting**

Over FY09-25F, crude oil imports rose at a 3.7% CAGR. Over FY10-12/ FY21-23, despite 63%/114% rise in prices, crude oil imports rose 8%/18%, respectively. On the other hand, over FY14-16, despite a 58% decline in prices, crude oil imports rose by just 7%. We expect ports' POL cargo to rise at a 3% CAGR (FY25F-27F) vs. a 1.4% CAGR over FY20-25F.

**Coal: Neither the dip (FY20-22) nor the rise (FY22-24) is structural**

Extraordinary measures were taken in FY22 to reduce imports – domestic non-coking coal dispatch was 5% more than output. Over FY22-24, while non-coking coal production rose at a 13.2% CAGR, dispatches rose at a 9% CAGR (lower than the 10.8% demand CAGR). This led to a surge in imports. In FY25F, non-coking coal imports dipped a tad. Over FY25F-27F, we expect domestic non-coking coal output CAGR of 6.7% (like in FY19-25F) and 5.9% demand CAGR (vs. 4.9% in FY19-25F). We expect thermal & coking-coal imports to rise at a 3.3% CAGR over FY25F-27F. We note that coal at ports rose faster (4.3% CAGR in FY20-25F) than coal import CAGR (0.9% in FY20-25F), likely due to an uptick in coastal cargo. We estimate coal at ports CAGR at 4% (FY25F-27F).

**We expect 6.5% CAGR for container cargo over FY25F-27F**

JNPT has two volume triggers in FY26F like (a) completion of phase-2 of the fourth container terminal will raise waterfront capacity by 30%, & (b) It may get connected to Indian Railways' Dedicated Freight Corridor in FY26F while GPPV and Mundra ports are connected. These improvements may negatively impact GPPV's cargo in FY26F-27F.

**Outlook: ADD APSEZ, HOLD GPPV, REDUCE JSW Infrastructure**

We factor in a 15% EBITDA CAGR (FY25F-27F) for APSEZ. The stock trades at a 15% discount to its seven-year average EV/EBITDA. GPPV's container growth is lagging other main ports in the region. The expensive valuation of JSW Infrastructure (20x FY26F EV/EBITDA) is at odds with a likely muted 6% volume CAGR ex-new terminals (FY24-27F).

**Figure 1: Break-up of our estimates for port volume by commodity**

(mt)	FY20	FY25F	CAGR %			CAGR % FY25F-27F
			FY20-25F	FY24-25F	FY27F	
POL	391	420	1.4	3.0	446	3.0
Coal	267	329	4.3	(2.1)	356	4.0
Container	259	354	6.5	7.7	402	6.5
Iron Ore	64	67	1.0	(14.2)	67	-
Fertiliser and others	168	219	5.5	10.6	244	5.5
<b>Total</b>	<b>1,149</b>	<b>1,390</b>	<b>3.9</b>	<b>3.0</b>	<b>1,515</b>	<b>4.4</b>
<b>Total ex-containers</b>	<b>890</b>	<b>1,035</b>	<b>3.1</b>	<b>1.5</b>	<b>1,113</b>	<b>3.7</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Tepid sector growth barring containers

Yoy rise in FY25F is a tad lower than the FY20-25F CAGR ▶

Figure 2: Break-up of total cargo at ports – Cargo CAGR was 3.9% over FY20-25F; while cargo CAGR was just 0.7% over FY20-22, CAGR was more rapid over FY22-24 (7.6%); in FY25F, yoy cargo growth was 3%, slightly below the five-year CAGR

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>704</b>	<b>673</b>	<b>720</b>	<b>784</b>	<b>819</b>	<b>843</b>	<b>3.7</b>	<b>1.1</b>	<b>6.6</b>	<b>2.9</b>
Kolkata	64	61	58	66	66	59	(1.7)	(4.3)	6.6	(11.6)
Paradip	113	115	116	135	145	151	6.0	1.5	11.9	3.8
Vizag	73	70	69	74	81	82	2.4	(2.6)	8.4	0.9
Ennore	32	26	39	44	45	48	8.5	10.4	8.1	5.6
Chennai	47	44	49	49	52	54	3.1	2.0	3.1	5.5
Tuticorin	36	32	34	38	41	42	3.1	(2.6)	10.2	1.1
Cochin	34	32	35	35	36	37	1.9	0.8	2.5	3.0
New Mangalore	39	37	39	41	46	45	2.7	0.1	7.8	(2.0)
Mormugao	16	22	18	17	21	18	1.9	7.4	5.7	(14.6)
Mumbai	61	53	60	64	67	69	2.6	(0.7)	6.0	2.6
JNPT	68	65	76	84	86	92	6.1	5.4	6.3	7.0
Kandla	122	118	127	138	132	147	3.7	1.9	2.1	11.1
<b>Total - Main private ports</b>	<b>444</b>	<b>427</b>	<b>445</b>	<b>477</b>	<b>530</b>	<b>547</b>	<b>4.2</b>	<b>0.0</b>	<b>9.2</b>	<b>3.1</b>
Mundra	139	144	150	155	180	201	7.6	3.9	9.3	12.0
Dhamra	30	32	33	31	43	48	10.0	6.1	13.1	12.0
Hazira	22	22	25	25	26	27	4.7	7.3	3.0	3.0
Dahej	6	6	8	11	11	10	10.2	12.2	17.9	(7.0)
Katupalli	11	9	7	11	12	14	5.7	(17.7)	26.9	21.0
Sikka (Reliance)	124	113	119	121	121	126	0.3	(2.0)	0.8	4.0
Gujarat Pipavav	16	15	14	16	16	14	(2.8)	(5.5)	5.7	(13.0)
Krishnapatnam	49	40	40	48	59	57	3.0	(9.6)	21.5	(4.0)
Gangavaram	35	33	30	32	37	26	(5.7)	(7.2)	11.4	(30.0)
JSW Infra - Dharamtar	13	13	17	24	25	23	12.4	15.8	20.8	(8.4)
<b>Grand Total</b>	<b>1,149</b>	<b>1,099</b>	<b>1,165</b>	<b>1,261</b>	<b>1,349</b>	<b>1,390</b>	<b>3.9</b>	<b>0.7</b>	<b>7.6</b>	<b>3.0</b>

NOTE: WE CONSIDERED THE 12 MPS AND PRIVATE PORTS OF MUNDRA, DHAMRA, HAZIRA, DAHEJ, KATUPALLI, SIKKA, PIPAVAV (GPPV), KRISHNAPATNAM, GANGAVARAM AND DHARAMTAR

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

Figure 3: Break-up of total cargo at MPs and main private ports – in FY25F, MPs handled 61% of total cargo; in FY20-25F, volume CAGR of MPs (3.7%) and main private ports' (4.2%) was similar; ports on the west coast handled 58% of total cargo in FY25F

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>704</b>	<b>673</b>	<b>720</b>	<b>784</b>	<b>819</b>	<b>843</b>	<b>3.7</b>	<b>1.1</b>	<b>6.6</b>	<b>2.9</b>
Major Ports - East	364	347	365	405	431	436	3.7	0.2	8.7	1.0
Major Ports - West	341	326	355	379	388	408	3.7	2.1	4.5	5.1
<b>Total - Main private ports</b>	<b>444</b>	<b>427</b>	<b>445</b>	<b>477</b>	<b>530</b>	<b>547</b>	<b>4.2</b>	<b>0.0</b>	<b>9.2</b>	<b>3.1</b>
Main private ports - East	125	114	111	123	151	145	3.1	(5.6)	16.7	(3.9)
Main private ports - West	320	313	334	353	379	401	4.6	2.1	6.6	5.9
<b>Grand Total</b>	<b>1,149</b>	<b>1,099</b>	<b>1,165</b>	<b>1,261</b>	<b>1,349</b>	<b>1,390</b>	<b>3.9</b>	<b>0.7</b>	<b>7.6</b>	<b>3.0</b>
East Coast	488	461	476	529	582	581	3.5	(1.3)	10.6	(0.2)
West Coast	661	638	689	732	767	809	4.1	2.1	5.5	5.5

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

The 3.9% CAGR (FY20-25F) in port cargo was driven by containers (6.5% CAGR). Ex-containers, volume CAGR was just 3.1%. This is one of the reasons why we expect strong volume growth for Adani Ports and SEZ or APSEZ (~40% of 9MFY25 cargo comprised containers) than JSW Infrastructure or JSWI (just 2-3% of 9MFY25 cargo comprised containers).

Figure 4: In FY25F, POL accounted for 30%, coal 24%, containers 25% and iron ore 5%; the weak growth over FY20-22 was due to the decline in POL & coal; the bounce-back in FY22-24 was driven by coal; the yoy decline in coal has dented FY25F growth

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
POL	391	353	378	391	408	420	1.4	(1.8)	3.9	3.0
Coal	267	238	248	310	336	329	4.3	(3.6)	16.4	(2.1)
Container	259	260	289	302	329	354	6.5	5.7	6.7	7.7
Iron Ore	64	80	62	62	78	67	1.0	(0.9)	11.6	(14.2)
Fertiliser and others	168	169	188	196	198	219	5.5	5.7	2.8	10.6
<b>Total</b>	<b>1,149</b>	<b>1,099</b>	<b>1,165</b>	<b>1,261</b>	<b>1,349</b>	<b>1,390</b>	<b>3.9</b>	<b>0.7</b>	<b>7.6</b>	<b>3.0</b>
<b>Total ex-containers</b>	<b>890</b>	<b>839</b>	<b>876</b>	<b>959</b>	<b>1,020</b>	<b>1,035</b>	<b>3.1</b>	<b>(0.8)</b>	<b>7.9</b>	<b>1.5</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

Apart from the Covid-19 pandemic, there are a couple of other factors which contributed to the weak volume growth over FY20-22.

**Figure 5: The Baltic Dry Index in FY22 was 2.3x that in FY20; in FY23, it declined 45% yoy and was 1.3x of that in FY20; over FY23 till now, the index fell by another 50%**

Period		Baltic dry Index	As a % of Peak
FY17	average	820	15
FY18	average	1,205	21
FY19	average	1,257	22
FY20	average	1,298	23
FY21	average	1,357	24
Peak 7 Oct 21		5,650	100
2-3QFY22	average	3,619	64
FY22	average	3,020	53
FY23	average	1,668	30
FY24	average	1,587	28
FY25F	average	1,627	29
Latest		815	14

SOURCE: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

POL and coal declined at CAGR of 1.8%/ 3.6%, respectively, over FY20-22. Container cargo remained unscathed, growing at a 5.7% CAGR over FY20-22. We believe this was because the cargo in containers was more expensive than dry bulk cargo, and freight costs constitute a smaller portion of the landed cost.

**The sharp rise in the price of imported coal (up 150% over Mar 2021 to Mar 2022) and some extraordinary measures taken in India dented coal cargo at ports. Domestic coal dispatch in FY22 (818mt) was 5% more than production (777mt), while average dispatch/ production was 99% over FY16-21.**

**The price of imported coal declined by ~60% over Mar 2022 to Mar 2024 and reverted to the Mar 2021 level. Over Mar 2024 to Feb 2025F, imported coal price has been similar.**

**POL (30% of total port cargo in FY25F): Historic resilience of crude oil import volume to price volatility provides comfort; we expect a 3% volume CAGR over FY25F-27F ➤**

**Figure 6: Crude oil imports & prices – over FY09-25F, crude oil imports rose at a 3.7% CAGR; historically, crude oil import volume was resilient to price fluctuations; over FY10-12/FY21-23, despite 63%/ 114% rise in prices, crude oil imports rose by 8%/ 18%, respectively; on the other hand, over FY14-16, despite a 58% decline in prices, crude oil imports rose by just 7%**

	Crude Oil import (mt)	yoy growth %	Crude Oil price (USD/bbl)	yoy growth %
FY09	133	9.1	79	4
FY10	159	19.9	68	(14)
FY11	164	2.7	83	22
FY12	172	5.0	111	33
FY13	185	7.6	107	(4)
FY14	189	2.4	103	(3)
FY15	189	0.1	81	(21)
FY16	203	7.1	43	(47)
FY17	214	5.5	45	4
FY18	220	3.0	54	21
FY19	226	2.8	67	24
FY20	227	0.2	61	(10)
FY21	196	(13.4)	43	(29)
FY22	212	8.1	78	79
FY23	233	9.6	92	19
FY24	234	0.7	78	(16)
FY25F	239	2.1	78	0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, PETROLEUM PLANNING AND ANALYSIS CELL

**Figure 7: POL cargo at ports grew at a 1.4% CAGR over FY20-25F (-1.8%/ 3.9%/ 3% CAGR over FY20-22/ FY22-24/ FY24-25F, respectively)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>237</b>	<b>207</b>	<b>222</b>	<b>234</b>	<b>246</b>	<b>250</b>	<b>1.1</b>	<b>(3.3)</b>	<b>5.3</b>	<b>1.8</b>
Kandla	63	53	59	60	64	64	0.4	(3.4)	4.6	(0.1)
Paradip	37	33	35	38	38	37	(0.2)	(3.0)	4.0	(2.6)
Mumbai	38	34	37	38	40	40	1.0	(1.7)	4.0	0.7
Cochin	23	20	22	22	24	24	0.8	(2.4)	4.6	0.0
New Mangalore	23	22	24	27	26	28	4.6	2.5	5.4	7.3
Vizag	19	16	14	16	19	23	3.9	(13.2)	15.4	20.6
Kolkata	10	9	11	10	10	10	(0.7)	1.5	(2.8)	(1.0)
Chennai	13	10	12	14	15	14	0.8	(6.0)	11.5	(5.6)
Other major ports	10	9	9	9	9	10	(1.1)	(8.3)	4.9	2.3
<b>Total - main private ports</b>	<b>154</b>	<b>146</b>	<b>156</b>	<b>157</b>	<b>162</b>	<b>170</b>	<b>1.9</b>	<b>0.4</b>	<b>2.0</b>	<b>4.9</b>
Sikka (Reliance)	124	113	119	121	121	126	0.3	(2.0)	0.8	4.0
Mundra	22	24	26	27	29	31	7.4	9.9	4.6	8.0
Hazira	3	4	4	5	4	5	5.6	10.2	2.2	3.4
Dhamra	3	3	4	1	4	4	8.1	17.4	4.5	(2.0)
Krishnapatnam	2	2	1	2	2	3	13.4	(1.5)	24.5	25.0
Gujarat Pipavav	1	1	1	1	1	1	11.6	(0.7)	26.2	10.0
<b>Grand Total</b>	<b>391</b>	<b>353</b>	<b>378</b>	<b>391</b>	<b>408</b>	<b>420</b>	<b>1.4</b>	<b>(1.8)</b>	<b>3.9</b>	<b>3.0</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 8: Break-up of POL cargo at MPs and main private ports - in FY25F, MPs handled 60% of POL cargo; in FY20-25F, volume CAGR at MPs/ private ports was 1.1%/ 1.9%, respectively; ports on the west coast handled 77% of the total POL cargo in FY25F**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>237</b>	<b>207</b>	<b>222</b>	<b>234</b>	<b>246</b>	<b>250</b>	<b>1.1</b>	<b>(3.3)</b>	<b>5.3</b>	<b>1.8</b>
Major Ports - East	86	74	77	83	87	90	0.9	(5.1)	6.3	2.6
Major Ports - West	152	133	145	151	159	161	1.2	(2.3)	4.7	1.3
<b>Total - Main private ports</b>	<b>154</b>	<b>146</b>	<b>156</b>	<b>157</b>	<b>162</b>	<b>170</b>	<b>1.9</b>	<b>0.4</b>	<b>2.0</b>	<b>4.9</b>
Main private ports - East	4	5	5	3	6	7	10.1	11.1	10.4	7.6
Main private ports - West	150	141	150	154	155	163	1.7	0.1	1.7	4.8
<b>Grand Total</b>	<b>391</b>	<b>353</b>	<b>378</b>	<b>391</b>	<b>408</b>	<b>420</b>	<b>1.4</b>	<b>(1.8)</b>	<b>3.9</b>	<b>3.0</b>
East Coast	90	79	82	86	94	96	1.4	(4.2)	6.6	3.0
West Coast	302	274	295	305	314	324	1.4	(1.1)	3.2	3.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 9: Main components of ports' POL cargo in FY25F comprised import of crude oil (57%) and petroleum products (12%), export of petroleum products (15%), and import of LNG (7%); over FY25F-27F, we expect crude oil imports/ POL imports/ POL exports/ LNG imports to grow at a CAGR of 3.5%/ 3.5%/ 0%/ 3.5%, respectively; we expect ports' POL cargo to rise at a 3% CAGR (FY25F-27F)**

(mt)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR		CAGR
												FY20-25F %	FY27F	
Crude oil import	189	203	214	220	226	227	196	212	233	234	239	1.1	256	3.5
% yoy growth		7	5	3	3	0	(13)	8	10	1	2			
Import - petroleum products	21	29	36	35	33	44	43	39	45	49	51	3.2	55	3.5
% yoy growth		38	23	(2)	(6)	31	(1)	(10)	14	9	5			
Export - petroleum products	64	61	66	67	61	66	57	63	61	63	64	(0.6)	64	-
% yoy growth		(5)	8	2	(9)	8	(14)	11	(3)	3	2			
LNG Import	14	16	19	21	22	26	25	23	20	24	28	2.2	31	3.5
% yoy growth		15	16	10	5	18	(2)	(7)	(15)	21	19			
<b>Total</b>	<b>289</b>	<b>309</b>	<b>334</b>	<b>343</b>	<b>343</b>	<b>362</b>	<b>322</b>	<b>338</b>	<b>358</b>	<b>370</b>	<b>383</b>	<b>1.1</b>	<b>406</b>	<b>2.9</b>
% yoy growth		7	8	3	(0)	6	(11)	5	6	3	4			

SOURCE: INCRED RESEARCH, COMPANY REPORTS, PETROLEUM PLANNING AND ANALYSIS CELL

**Coal (24% of total port cargo in FY25F): we expect a 4% volume CAGR over FY25F-27F ➔**

**Figure 10: Coal cargo at ports grew at a 4.3% CAGR over FY20-25F (-3.6%/ 16.4%/ -2.1% CAGR over FY20-22/ FY22-24/ FY24-25F, respectively)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>149</b>	<b>132</b>	<b>148</b>	<b>188</b>	<b>192</b>	<b>186</b>	<b>4.5</b>	<b>(0.4)</b>	<b>13.9</b>	<b>(3.2)</b>
Paradip	39	37	45	63	64	67	11.4	6.9	20.1	4.3
Ennore	20	15	21	24	24	25	4.6	2.9	6.1	4.9
Kolkata	20	20	16	24	23	15	(6.1)	(9.6)	19.5	(37.5)
Kandla	18	20	20	22	18	18	0.4	6.7	(5.5)	0.2
Vizag	18	12	14	18	17	16	(1.7)	(9.8)	8.8	(5.0)
Tuticorin	13	11	12	16	19	18	6.5	(4.5)	23.7	(1.9)
Mormugao	9	9	9	10	10	9	(0.7)	(1.3)	6.3	(12.5)
Other major ports	12	8	9	11	16	17	8.1	(9.6)	29.9	7.2
<b>Total - main private ports</b>	<b>118</b>	<b>106</b>	<b>100</b>	<b>122</b>	<b>144</b>	<b>143</b>	<b>4.0</b>	<b>(7.8)</b>	<b>20.1</b>	<b>(0.7)</b>
Mundra	35	29	18	20	30	32	(1.4)	(28.3)	30.1	7.0
Krishnapatnam	32	26	27	35	43	43	6.1	(8.5)	26.7	-
Gangavaram	21	18	18	21	24	18	(3.4)	(7.9)	15.0	(25.0)
Dhamra	15	17	19	21	23	26	11.1	11.9	9.7	12.0
Hazira	6	6	7	7	7	8	7.3	9.2	3.3	12.0
Dahej	5	5	5	9	9	9	12.9	8.4	26.4	(2.0)
Pipavav	1	1	1	1	1	1	7.8	35.3	(10.8)	-
JSW Infra - Dharamtar	4	4	6	8	8	8	12.4	15.8	20.8	(8.4)
<b>Grand Total</b>	<b>267</b>	<b>238</b>	<b>248</b>	<b>310</b>	<b>336</b>	<b>329</b>	<b>4.3</b>	<b>(3.6)</b>	<b>16.4</b>	<b>(2.1)</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 11: Break-up of coal cargo at MPs and main privately-owned ports – in FY25F, MPs handled 56% of coal cargo; in FY20-25F, coal cargo CAGR at MPs/private ports was 4.5%/ 4%, respectively; ports on the west coast handled 31% of the total coal cargo in FY25F**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>149</b>	<b>132</b>	<b>148</b>	<b>188</b>	<b>192</b>	<b>186</b>	<b>4.5</b>	<b>(0.4)</b>	<b>13.9</b>	<b>(3.2)</b>
Major Ports - East	110	95	109	145	148	142	5.1	(0.6)	16.3	(4.1)
Major Ports - West	39	37	39	43	44	44	2.7	0.2	6.8	(0.3)
<b>Total - Main private ports</b>	<b>118</b>	<b>106</b>	<b>100</b>	<b>122</b>	<b>144</b>	<b>143</b>	<b>4.0</b>	<b>(7.8)</b>	<b>20.1</b>	<b>(0.7)</b>
Main private ports - East	68	62	63	78	89	86	4.8	(3.4)	18.6	(3.5)
Main private ports - West	50	45	37	44	55	57	2.9	(14.2)	22.7	3.8
<b>Grand Total</b>	<b>267</b>	<b>238</b>	<b>248</b>	<b>310</b>	<b>336</b>	<b>329</b>	<b>4.3</b>	<b>(3.6)</b>	<b>16.4</b>	<b>(2.1)</b>
East Coast	179	157	173	222	237	228	5.0	(1.7)	17.2	(3.9)
West Coast	89	81	76	88	100	102	2.8	(7.6)	14.8	2.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 12: The sharp fall (FY20-22) and rise (FY22-24) in non-coking coal imports are not structural trends; extraordinary measures were taken in FY22 – domestic coal dispatch was 5% more than production; over FY22-24, while coal production CAGR was 13.2%, dispatch CAGR was 9% (lower than the 10.8% demand CAGR); in FY25F, non-coking coal imports dipped a tad**

	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %				CAGR % FY25-27F	
							FY20-25F	FY20-22	FY22-24	FY24-25F		
Coal production (non-coking)	678	671	726	832	931	1,006	8.2	3.5	13.2	8.1	1,146	6.7
Coal despatch (non-coking)	656	647	765	818	909	979	8.3	8.0	9.0	7.7	1,115	6.7
Imports - non coking coal	197	164	152	182	206	199	0.2	(12.2)	16.4	(3.5)	212	3.3
Coal consumption equivalent domestic (non-coking)	965	905	1,003	1,103	1,232	1,291	6.0	2.0	10.8	4.8	1,448	5.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS, CENTRAL ELECTRICITY AUTHORITY (CEA), MINISTRY OF COAL

Over FY25F-27F, we expect domestic non-coking coal output CAGR of 6.7% (like in FY19-25F) and 5.9% non-coking coal demand CAGR (vs. 4.9% in FY19-25F). Thus, we expect thermal coal imports to rise at a 3.3% CAGR over FY25F-27F.

**Figure 13: We expect coal import CAGR of 3.3% (FY25-27F); we note that coal at ports rose faster (4.3% CAGR in FY20-25F) than coal import CAGR (0.9% in FY20-25F), likely due to an uptick in coastal cargo; we estimate coal at ports CAGR of 4% (FY25F-27F)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %				CAGR % FY25-27F	
							FY20-25F	FY20-22	FY22-24	FY24-25F		
Coking-coal imports	55	54	60	60	63	64	3.2	4.4	2.6	1.9	68	3.2
Non-coking coal imports (ex Power)	127	119	125	126	140	130	0.4	(1.1)	5.9	(7.0)	137	2.5
Coal for Import based power plants	45	35	19	21	42	51	2.5	(35.5)	48.8	23.0	51	-
Coal imports: domestic coal power	24	10	8	35	24	17	(6.5)	(41.6)	71.8	(29.2)	24	18.5
<b>Total coal imports</b>	<b>251</b>	<b>218</b>	<b>211</b>	<b>241</b>	<b>268</b>	<b>262</b>	<b>0.9</b>	<b>(8.3)</b>	<b>12.7</b>	<b>(2.2)</b>	<b>280</b>	<b>3.3</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, CENTRAL ELECTRICITY AUTHORITY (CEA), MINISTRY OF COAL

**Figure 14: Import of coking coal (24% of coal imports in FY25F): we expect a 3% volume CAGR (FY25F-27F), similar to FY20-25F; domestic output of coking coal rose faster, at a 6.2% CAGR (FY20-25F), and consumption of coking coal rose at a 5% CAGR**

	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
Coking-coal despatch	50.7	44.0	54.4	59.4	63.5	68.5	6.2	3.6	8.0	8.0
Coking-coal imports	54.7	53.7	59.6	59.7	62.8	64.0	3.2	4.4	2.6	1.9
Coking-coal consumption	105.4	97.7	114.0	119.1	126.2	132.5	4.7	4.0	5.2	5.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, CENTRAL ELECTRICITY AUTHORITY (CEA), MINISTRY OF COAL

**Non-coking coal imports (excl. for power generation) comprised 50% of coal imports in FY24F.** We expect flat volume over FY25F-27F, similar to FY20-25F CAGR. Over FY20-25F, 81% (263mt) of India's incremental non-coking coal dispatches (323mt) were made to the power sector.

**Coal imports for imported coal-based power (20% of coal imports in FY25F)** declined from 45mt (FY20) to 19mt (FY22) due to rise in imported coal prices. Since then, they have risen to 51mt in FY25F. We factor in the same in FY27F.

**Figure 15: Imported coal-based power plants: Even if blended with domestic coal, this should not impact coal at ports as most plants are near the coast and will use coal transported by sea, thereby protecting port cargo**

Company	Location	State	Region	Capacity (GW)
Gujarat State Electricity	Sikka	Gujarat	West	0.5
Adani Power	Mundra	Gujarat	West	4.6
Tata Power	Mundra	Gujarat	West	4.0
Essar	Salaya	Gujarat	West	1.2
JSW Energy	Ratnagiri	Maharashtra	West	0.3
Tata Power	Trombay	Maharashtra	West	0.8
Simhapuri	Thamminapatnam	Andhra Pradesh	South	0.6
SEPC	Tuticorin	Tamil Nadu	South	0.5
<b>JSW Energy (not coastal)</b>	<b>Torangallu</b>	<b>Karnataka</b>	<b>South</b>	<b>0.9</b>
Adani Power	Udupi	Karnataka	South	1.2
IL&FS	Cuddalore	Tamil Nadu	South	1.2
Coastal Energen	Muthiara	Tamil Nadu	South	1.2
OPG Power Ventures	Chennai	Tamil Nadu	South	0.4
<b>Total</b>				<b>17.3</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, CENTRAL ELECTRICITY AUTHORITY (CEA),

**Figure 16: Coal imports for domestic coal-based power (6% of coal imports in FY25F): We project an 18% CAGR over FY25F-27F**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %				CAGR % FY25F-27F	
							FY20-25F	FY20-22	FY22-24	FY24-25F		
Coal-based power generation (BU)	961	951	1,041	1,146	1,261	1,298	6.2	4.1	10.0	2.9	1,472	6.5
Coal consumed for Power	622	615	697	777	850	884	7.3	5.9	10.4	4.1	1,004	6.6
Domestic coal used for power	553	570	670	721	784	816	8.1	10.1	8.1	4.1	929	6.7
Coal imports for power	69	45	27	56	66	68	(0.2)	(37.5)	56.0	4.0	75	4.9
Coal imports for domestic coal-based power plants	24	10	8	35	24	17	(6.5)	(41.6)	71.8	(29.2)	24	18.5
India non-coking coal despatch/production %	96.8	96.4	105.3	98.3	97.7	97.3					97.3	

SOURCE: INCRED RESEARCH, COMPANY REPORTS, CENTRAL ELECTRICITY AUTHORITY (CEA), MINISTRY OF COAL

**Coastal coal (domestic coal transported by sea):** We estimate this at 80-90mt in FY25F and expect a 6-7% CAGR over FY25F-27F. 20% of India's coal power capacity is in South India, which may source some coal via sea transport.

As per India's coal ministry, ~40mt domestic coal in FY23 was dispatched via ports (port cargo of ~80mt). Demand for coal via coastal shipping is expected to rise to 112mt by FY30F. Source: [Coal ministry report on coastal shipping](#).

We believe that imported coal replaced by domestic coal (transported via sea) could boost ports' volume as 1) two Indian ports are used, i.e. origin and destination, and 2) lower quality domestic coal requires higher volume (1t imported coal = 1.4t of domestic coal in equivalent calorific value).

**Container (25% of total port cargo in FY25F): We expect a 6.5% volume CAGR over FY25F-27F (similar to FY20-25F) ➤**

**Figure 17: Container cargo at ports grew at a 6.5% CAGR over FY20-25F (5.7%/ 6.7%/ 7.7% CAGR over FY20-22/ FY22-24/ FY24-25F, respectively)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>147</b>	<b>144</b>	<b>167</b>	<b>170</b>	<b>182</b>	<b>191</b>	<b>5.5</b>	<b>6.7</b>	<b>4.3</b>	<b>5.4</b>
JNPT	61	58	69	76	78	84	6.6	6.5	6.3	7.2
Chennai	27	27	31	28	31	35	5.3	7.6	(0.4)	12.5
Tuticorin	16	15	15	15	15	16	(0.5)	(3.0)	(1.6)	7.0
Kolkata	13	11	12	11	12	12	(0.9)	(4.0)	0.7	2.2
Cochin	9	10	10	10	10	12	6.1	9.3	(0.5)	13.6
Vizag	9	8	9	8	11	10	3.9	(0.4)	13.6	(5.6)
Kandla	7	8	9	9	9	7	(0.5)	11.2	(0.9)	(19.9)
Ennore	3	4	9	11	13	13	39.7	92.6	18.2	2.8
Other major ports	3	3	3	3	3	3	(2.3)	(4.9)	4.1	(9.3)
<b>Total - Main private ports</b>	<b>112</b>	<b>116</b>	<b>122</b>	<b>132</b>	<b>148</b>	<b>163</b>	<b>7.8</b>	<b>4.5</b>	<b>9.9</b>	<b>10.4</b>
Mundra	70	83	95	99	111	128	12.8	16.4	8.2	15.0
Hazira	9	10	9	9	12	11	5.0	0.9	14.3	(4.0)
Katupalli	11	8	6	10	11	13	3.9	(23.5)	29.8	23.0
Gujarat Pipavav	13	11	9	11	12	10	(4.8)	(14.9)	13.3	(16.0)
Krishnapatnam	9	5	2	2	2	0	(47.5)	(48.6)	(13.0)	(80.0)
<b>Grand Total</b>	<b>259</b>	<b>260</b>	<b>289</b>	<b>302</b>	<b>329</b>	<b>354</b>	<b>6.5</b>	<b>5.7</b>	<b>6.7</b>	<b>7.7</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 18: Break-up of container cargo at MPs and the main privately-owned ports – in FY25F, MPs handled 54% of container cargo; in FY20-25F, volume CAGR at MPs/ private ports was 5.5%/ 7.8%, respectively; ports on the west coast handled 72% of container cargo in FY25F**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>147</b>	<b>144</b>	<b>167</b>	<b>170</b>	<b>182</b>	<b>191</b>	<b>5.5</b>	<b>6.7</b>	<b>4.3</b>	<b>5.4</b>
Major Ports - East	67	65	76	73	82	87	5.3	6.4	3.6	6.3
Major Ports - West	80	78	91	97	100	105	5.6	6.8	4.8	4.8
<b>Total - Main private ports</b>	<b>112</b>	<b>116</b>	<b>122</b>	<b>132</b>	<b>148</b>	<b>163</b>	<b>7.8</b>	<b>4.5</b>	<b>9.9</b>	<b>10.4</b>
Main private ports - East	20	13	9	12	13	14	(7.5)	(33.8)	19.6	8.0
Main private ports - West	92	103	113	120	135	149	10.2	11.1	9.1	10.6
<b>Grand Total</b>	<b>259</b>	<b>260</b>	<b>289</b>	<b>302</b>	<b>329</b>	<b>354</b>	<b>6.5</b>	<b>5.7</b>	<b>6.7</b>	<b>7.7</b>
East Coast	87	79	85	85	94	100	2.9	(1.3)	5.4	6.5
West Coast	171	182	204	217	235	254	8.2	9.1	7.2	8.1

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 19: Performance of JNPT – capacity utilization so far in FY25 is 96%; construction of 2.4 mTEU phase-2 (Rs32bn capex) at the fourth container terminal is likely to be completed by Apr 2025F – this would raise waterfront capacity of JNPT by 30%**

(kTEU)	Capacity	Volume								
		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F
JNPCT & NSFT	1,500	1,534	1,482	1,056	719	544	440	256	570	610
yoy growth %			(3)	(29)	(32)	(24)	(19)	(42)	123	7
NSICT	1,200	729	641	561	531	751	948	1,097	1,132	1,201
yoy growth %			(12)	(13)	(5)	41	26	16	3	6
NSIGT	800	445	659	948	987	780	1,186	1,137	1,112	1,142
yoy growth %			48	44	4	(21)	52	(4)	(2)	3
APM	1,800	1,793	2,028	2,048	1,985	1,669	1,866	1,847	1,588	2,211
yoy growth %			13	1	(3)	(16)	12	(1)	(14)	39
PSA	2,400	-	23	520	809	933	1,245	1,714	2,028	2,193
yoy growth %				56	15	33	38	18		8
<b>Total</b>	<b>7,700</b>	<b>4,500</b>	<b>4,833</b>	<b>5,133</b>	<b>5,031</b>	<b>4,677</b>	<b>5,685</b>	<b>6,051</b>	<b>6,430</b>	<b>7,356</b>
yoy growth %			7	6	(2)	(7)	22	6	6	14

SOURCE: INCRED RESEARCH, COMPANY REPORTS, JAWAHARLAL NEHRU PORT TRUST

JNPT is likely to get connected to the Indian Railways' Dedicated Freight Corridor in FY27F while GPPV and Mundra are connected. Of the three ports, JNPT has the lowest proportion of cargo using rail evacuation (17%) vs. 60% for GPPV and 25% for Mundra port. The improvement in waterfront capacity and connectivity of DFC to JNPT is likely to negatively impact GPPV's cargo in FY26F-27F.

**Figure 20: Comparison of GPPV and Mundra port: Over FY19-24F, GPPV's volume CAGR (-0.1%) lagged Mundra port (5.5%); despite the divergence in volume CAGR, EBITDA CAGR of GPPV (8.3%) was more than Mundra port (6.5%); however, GPPV's volume & EBITDA growth in FY25F is significantly below that of Mundra port**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %	
								FY19-24	FY24-25F
<b>Mundra</b>									
Total volume (mt)	137.3	139.2	144.3	150.2	155.3	179.6	201.4	5.5	12.1
Container volume (mt)	66.4	70.3	82.6	95.1	99.3	111.4	127.8	10.9	14.7
EBITDA ex SEZ (Rs bn)	31.6	29.2	28.9	25.1	30.7	43.3	54.5	6.5	26.1
<b>GPPV</b>									
Total volume (mt)	15.9	15.9	14.8	14.2	16.1	15.8	13.7	(0.1)	(13.5)
Container volume (mt)	13.2	12.7	10.9	9.2	11.2	11.7	9.9	(2.3)	(15.7)
EBITDA (Rs bn)	3.9	4.5	4.3	4.2	5.1	5.8	5.9	8.3	1.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Iron ore (5% of total port cargo in FY25F): We estimate flat volume over FY25-27F ➤**

We estimate India's iron ore exports in FY25F at 34mt (vs. 25mt in FY20). We believe the remaining 33mt iron ore cargo at ports in FY25F is coastal cargo. We expect iron ore volume at ports at 67mt in FY27F.

**Figure 21: Break-up of iron-ore cargo handled by ports – iron ore cargo grew at 1% CAGR over FY20-25F (-1%/ 11.6%/ -14.2% CAGR over FY20-22/ FY22-24/ FY24-25F, respectively)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>55</b>	<b>71</b>	<b>51</b>	<b>46</b>	<b>61</b>	<b>51</b>	<b>(1.4)</b>	<b>(3.8)</b>	<b>9.5</b>	<b>(15.8)</b>
Paradip	23	29	20	19	26	25	2.1	(6.5)	13.4	(1.5)
Vizag	14	19	15	14	16	12	(2.9)	0.6	3.5	(20.4)
Mumbai	7	7	7	6	5	6	(3.6)	(1.9)	(9.8)	6.1
New Mangalore	5	5	4	3	4	1	(30.1)	(7.1)	2.1	(81.5)
Mormugao	2	7	4	2	5	3	15.4	44.5	18.5	(30.1)
Other major ports	4	4	2	2	5	3	(3.2)	(34.6)	65.1	(27.2)
<b>JSW Infra - Dharamtar</b>	<b>9</b>	<b>9</b>	<b>11</b>	<b>16</b>	<b>17</b>	<b>15</b>	<b>12.4</b>	<b>15.8</b>	<b>20.8</b>	<b>(8.4)</b>
<b>Grand Total</b>	<b>64</b>	<b>80</b>	<b>62</b>	<b>62</b>	<b>78</b>	<b>67</b>	<b>1.0</b>	<b>(0.9)</b>	<b>11.6</b>	<b>(14.2)</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 22: Break-up of iron ore cargo handled by MPs and main private ports – in FY25F, MPs handled 77% of overall coal cargo**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>55</b>	<b>71</b>	<b>51</b>	<b>46</b>	<b>61</b>	<b>51</b>	<b>(1.4)</b>	<b>(3.8)</b>	<b>9.5</b>	<b>(15.8)</b>
Major Ports - East	41	51	36	34	44	40	(0.5)	(6.3)	11.2	(10.3)
Major Ports - West	15	20	15	12	17	12	(3.9)	2.8	5.2	(30.2)
<b>JSW Infra - Dharamtar</b>	<b>9</b>	<b>9</b>	<b>11</b>	<b>16</b>	<b>17</b>	<b>15</b>	<b>12.4</b>	<b>15.8</b>	<b>20.8</b>	<b>(8.4)</b>
<b>Grand Total</b>	<b>64</b>	<b>80</b>	<b>62</b>	<b>62</b>	<b>78</b>	<b>67</b>	<b>1.0</b>	<b>(0.9)</b>	<b>11.6</b>	<b>(14.2)</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION



**Fertilizer & others (16% of total port cargo in FY25F): We expect 5.5% CAGR over FY25-27F, like in FY20-25F ➤**

**Figure 23: Break-up of fertilizer and other cargo handled by ports - fertilizer and other cargo grew at a 5.5% CAGR over FY20-25F (5.7%/ 2.8%/ 10.6% CAGR over FY20-22/ FY22-24/ FY24-25F, respectively)**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>116</b>	<b>119</b>	<b>132</b>	<b>146</b>	<b>139</b>	<b>164</b>	<b>7.2</b>	<b>6.8</b>	<b>2.3</b>	<b>18.4</b>
Kandla	34	36	38	46	39	56	10.7	7.0	1.0	42.3
Kolkata	18	17	19	20	19	21	4.0	3.5	1.4	10.5
Paradip	13	15	16	16	17	21	9.9	11.0	2.7	23.2
Vizag	13	15	17	17	18	20	8.7	14.9	3.3	7.8
Mumbai	9	7	11	13	14	15	10.2	9.0	13.1	7.0
Chennai	7	7	6	6	5	5	(5.4)	(6.4)	(3.8)	(6.7)
Other major ports	23	22	26	27	26	27	2.7	4.4	0.5	3.6
<b>Total - main private ports</b>	<b>52</b>	<b>50</b>	<b>55</b>	<b>50</b>	<b>60</b>	<b>55</b>	<b>1.2</b>	<b>3.1</b>	<b>4.0</b>	<b>(7.5)</b>
Mundra	12	9	11	10	9	10	(5.0)	(6.2)	(8.3)	4.6
Dhamra	12	12	11	8	16	18	9.1	(4.8)	21.6	15.6
Hazira	4	3	5	4	3	3	(1.9)	16.8	(21.9)	9.2
Dahej	2	1	3	2	2	2	1.3	22.0	(2.5)	(24.7)
Katupalli	0	1	1	1	1	1	99.1	410.4	7.9	3.4
Gujarat Pipavav	2	2	3	3	2	2	(1.5)	32.0	(20.9)	(15.0)
Krishnapatnam	7	6	9	10	12	11	10.4	20.9	13.1	(12.2)
Gangavaram	14	15	12	11	14	8	(9.5)	(6.1)	5.9	(38.6)
<b>Grand Total</b>	<b>168</b>	<b>169</b>	<b>188</b>	<b>196</b>	<b>198</b>	<b>219</b>	<b>5.5</b>	<b>5.7</b>	<b>2.8</b>	<b>10.6</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 24: Break-up of fertilizer and other cargo handled by government-owned major ports and the main privately-owned ports**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Total - Major Ports</b>	<b>116</b>	<b>119</b>	<b>132</b>	<b>146</b>	<b>139</b>	<b>164</b>	<b>7.2</b>	<b>6.8</b>	<b>2.3</b>	<b>18.4</b>
Major Ports - East	60	61	67	71	70	78	5.4	5.8	2.5	10.7
Major Ports - West	56	58	65	75	68	86	8.9	7.8	2.1	26.4
<b>Total - Main private ports</b>	<b>52</b>	<b>50</b>	<b>55</b>	<b>50</b>	<b>60</b>	<b>55</b>	<b>1.2</b>	<b>3.1</b>	<b>4.0</b>	<b>(7.5)</b>
Main private ports - East	32	34	33	31	43	39	3.7	1.9	13.2	(9.9)
Main private ports - West	20	16	22	19	17	16	(3.4)	5.1	(12.3)	(1.3)
<b>Grand Total</b>	<b>168</b>	<b>169</b>	<b>188</b>	<b>196</b>	<b>198</b>	<b>219</b>	<b>5.5</b>	<b>5.7</b>	<b>2.8</b>	<b>10.6</b>
East Coast	92	95	101	102	113	117	4.8	4.5	6.2	2.9
West Coast	76	73	87	95	85	103	6.2	7.1	(1.3)	21.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**We estimate a 4.4% volume CAGR over FY25F-27F, similar to the FY20-25F CAGR ➤**

**Figure 25: Break-up of our estimates for port volume by commodity – we expect a 6.5% CAGR for container cargo over FY25F-27F; ex-containers, we expect a lower 3.7% CAGR leading to a blended 4.4% CAGR for overall cargo**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %				CAGR % FY25F-27F	
							FY20-25F	FY20-22	FY22-24	FY24-25F		
POL	391	353	378	391	408	420	1.4	(1.8)	3.9	3.0	446	3.0
Coal	267	238	248	310	336	329	4.3	(3.6)	16.4	(2.1)	356	4.0
Container	259	260	289	302	329	354	6.5	5.7	6.7	7.7	402	6.5
Iron Ore	64	80	62	62	78	67	1.0	(0.9)	11.6	(14.2)	67	-
Fertiliser and others	168	169	188	196	198	219	5.5	5.7	2.8	10.6	244	5.5
<b>Total</b>	<b>1,149</b>	<b>1,099</b>	<b>1,165</b>	<b>1,261</b>	<b>1,349</b>	<b>1,390</b>	<b>3.9</b>	<b>0.7</b>	<b>7.6</b>	<b>3.0</b>	<b>1,515</b>	<b>4.4</b>
<b>Total ex-containers</b>	<b>890</b>	<b>839</b>	<b>876</b>	<b>959</b>	<b>1,020</b>	<b>1,035</b>	<b>3.1</b>	<b>(0.8)</b>	<b>7.9</b>	<b>1.5</b>	<b>1,113</b>	<b>3.7</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

**Figure 26: Cargo growth at MPs and private ports – contrary to popular perception, MPs and private ports grew at similar rate in FY20-25F; thus, we expect private ports' growth to outpace MPs' growth over FY25F-27F by a slim margin of 60bp per annum**

(mt)	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %				CAGR % FY25F-27F	
							FY20-25F	FY20-22	FY22-24	FY24-25F		
Major Ports	704	673	720	784	819	843	3.7	1.1	6.6	2.9	915	4.2
Main Private ports	444	427	445	477	530	547	4.2	0.0	9.2	3.1	600	4.8
<b>Total</b>	<b>1,149</b>	<b>1,099</b>	<b>1,165</b>	<b>1,261</b>	<b>1,349</b>	<b>1,390</b>	<b>3.9</b>	<b>0.7</b>	<b>7.6</b>	<b>3.0</b>	<b>1,515</b>	<b>4.4</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS, INDIA PORTS ASSOCIATION

India

**ADD** (no change)

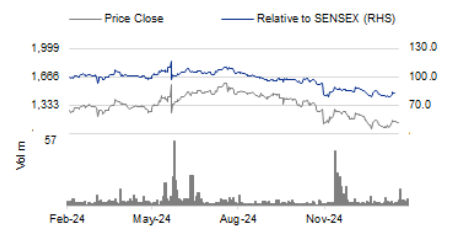
Consensus ratings\*: Buy 17 Hold 0 Sell 0

Current price:	Rs1,083
Target price:	Rs1,457
Previous target:	Rs1,500
Up/downside:	34.5%
InCred Research / Consensus:	-7.1%
Reuters:	APSE.NS
Bloomberg:	ADSEZ IN
Market cap:	US\$26,985m
	Rs2,339,971m
Average daily turnover:	US\$54.0m
	Rs4684.6m
Current shares o/s:	2,031.8m
Free float:	6,413.0%

\*Source: Bloomberg

**Key changes in this note**

- Reduce FY27F EBITDA by 3%.
- Marginally reduce our target price by 3% to Rs1,457.

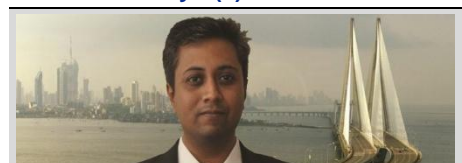


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(2.1)	(2.8)	(16.1)
Relative (%)	(0.9)	2.1	(18.5)

Major shareholders	% held
Promoter and Promoter Group	6,513.0
Life Insurance Corporation of India	9.1
Camas Investments Pvt. Ltd.	1.2

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# Adani Ports & Special Economic Zone Ltd

## Stick to the leader

- We estimate an 8% volume CAGR (ex-new terminals) over FY25F-27F.
- Retain ADD rating on the stock, but with a new TP of Rs1,457 (Rs1,500 earlier).

### FY20-25F commodity-wise performance

Adani Ports & Special Economic Zone or APSEZ's cargo's organic CAGR was 5.5% (FY20-25F), 190bp more than at major ports (MPs) due to containers (9.1 % CAGR), which comprised 40% of its cargo but 23% of MPs' cargo. Ex-containers, APSEZ's CAGR was 3.7%, just 50bp above that of MPs. The muted growth in FY20-22 subsequently picked up in FY22-24. Coal cargo grew at 3.6% CAGR (FY20-25F). The decline over FY20-22 (lower cargo at Tata Power/ Adani Power plants at Mundra - 28mt in FY20 to 10mt in FY22) was followed by growth in FY22-24. APSEZ's (ex-new terminals) cargo rose by 4% yoy in 9MFY25, like that of MPs.

### We estimate an 8% volume CAGR (ex-new terminals) over FY25F-27F

We estimate 449mt cargo in FY25F (vs. 332mt in 9MFY25), a tad lower than management's guidance of 460-480mt. We estimate a 13% yoy volume growth in FY26F, driven by new terminals and the rebound at Gangavaram (impacted by maintenance shutdown in 1QFY25) and a 6% yoy rise in FY27F. We estimate 4-5% CAGR for coal (30% of 9MFY25 cargo), like our estimate for the sector. We expect 10% CAGR for containers (40% 9MFY25 cargo) vs. 6.5% estimate for the sector. We expect 8.5% volume CAGR at Mundra (45% of FY25F cargo), driven by containers. We estimate 5.5% volume CAGR (FY25F-27F) at Dhamra, Dahej, Hazira & Krishnapatnam ports together (32% of 9MFY25 cargo) and 22% volume CAGR at Gangavaram (mainly the low base effect).

### Seven listed Adani companies' (SLAC) finances (FY24) are healthy

FY24 net external debt (NED)/EBITDA ratio was 2.9x. Ex-Ambuja Cements or ACL, NED/EBITDA was at 3.4x, much better (lower) than in FY20/23 (5x each). Ex-APSEZ and ACL, it was 3.7x, much better (lower) than in FY20/23 (6.1x/ 5.7x, respectively).

### Maintain ADD rating, but with a slightly lower target price of Rs1,457

We cut our FY27F EBITDA estimate by 3%. We maintain our ADD rating on APSEZ with a slightly lower target price of Rs1,457 (Rs1,500 earlier). We factor in an EBITDA CAGR of 15% (FY25F-27F). APSEZ trades at 12.3x FY26F EV/EBITDA, at a 15% discount to the seven-year average (14.2x). NED/EBITDA ratio was just 2.4x in FY24. Prolonged economic slowdown is a downside risk.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	208,519	267,106	297,263	356,589	399,518
Operating EBITDA (Rsm)	128,335	158,639	177,323	211,510	236,555
Net Profit (Rsm)	53,103	80,292	102,019	128,721	152,656
Core EPS (Rs)	38.1	39.7	45.9	59.6	70.7
Core EPS Growth	43.8%	4.1%	15.6%	29.9%	18.6%
FD Core P/E (x)	28.43	27.30	23.61	18.18	15.33
DPS (Rs)	5.0	6.0	5.6	7.6	9.8
Dividend Yield	0.56%	0.68%	0.63%	0.86%	1.10%
EV/EBITDA (x)	21.69	17.29	14.89	11.88	10.02
P/FCFE (x)	(22.84)	91.73	30.12	23.66	19.84
Net Gearing	97.1%	70.9%	47.0%	22.4%	2.4%
P/BV (x)	5.13	4.42	3.79	3.23	2.75
ROE	19.4%	17.4%	17.3%	19.2%	19.4%
% Change In Core EPS Estimates			(5.43%)	(0.72%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Stick to the leader

**Figure 27: APSEZ cargo's organic CAGR was 5.6% (FY20-25F), 200bp more than of major ports or MPs, due to containers (9.1 % CAGR) which accounted for 40% of its cargo but 23% of MPs' cargo; ex-containers, APSEZ's CAGR was 3.7%, just 50bp above that of MPs; muted growth witnessed in FY20-22 picked up in FY22-24; coal grew at 3.6% CAGR (FY20-25F); the decline over FY20-22 (lower cargo at Tata Power/ Adani Power plants at Mundra - 28mt in FY20 to 10mt in FY22) was followed by growth in FY22-24**

	FY20	FY21	FY22	FY23	FY24	FY25F	CAGR %			
							FY20-25F	FY20-22	FY22-24	FY24-25F
<b>Major Ports</b>	<b>704</b>	<b>673</b>	<b>720</b>	<b>784</b>	<b>819</b>	<b>843</b>	<b>3.7</b>	<b>1.1</b>	<b>6.6</b>	<b>2.9</b>
POL	237	207	222	234	246	250	1.1	(3.3)	5.3	1.8
Coal	149	132	148	188	192	186	4.5	(0.4)	13.9	(3.2)
Container	147	144	167	170	182	191	5.5	6.7	4.3	5.4
Others	171	190	183	192	200	216	4.7	3.5	4.3	8.0
<b>Major ports (ex-containers)</b>	<b>558</b>	<b>529</b>	<b>553</b>	<b>614</b>	<b>638</b>	<b>652</b>	<b>3.2</b>	<b>(0.4)</b>	<b>7.3</b>	<b>2.2</b>
<b>Adani Ports *</b>	<b>292</b>	<b>286</b>	<b>294</b>	<b>316</b>	<b>368</b>	<b>381</b>	<b>5.5</b>	<b>0.4</b>	<b>11.9</b>	<b>3.6</b>
POL	29	32	36	35	40	42	7.6	10.1	5.2	7.4
Coal	113	101	93	113	135	135	3.6	(9.1)	20.4	(0.3)
Container	99	106	113	120	136	153	9.1	6.7	9.6	12.7
Others	50	47	52	48	58	51	0.4	1.9	5.3	(11.5)
<b>Adani Ports * (ex-containers)</b>	<b>193</b>	<b>180</b>	<b>181</b>	<b>195</b>	<b>232</b>	<b>228</b>	<b>3.5</b>	<b>(3.0)</b>	<b>13.3</b>	<b>(1.7)</b>

\* Considered Mundra, Dahej, Hazira, Dhamra, Krishnapatnam, Gangavaram, Katupalli

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 28: APSEZ's (ex-new terminals) cargo rose by 4% yoy in 9MFY25, like the growth at MPs, boosted by containers**

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25 yoy growth %
<b>Major Ports</b>								
Total	201	193	211	214	208	205	208	
yoy growth %	2	3	10	3	4	6	(1)	3
Containers	44	46	45	46	46	48	48	
yoy growth %	2	14	9	3	5	4	7	5
ex-Containers	157	147	166	168	162	157	160	
yoy growth %	2	0	10	3	3	7	(4)	2
<b>Adani Ports (ex-new terminals)</b>								
Total	95	95	102	103	103	102	100	
yoy growth %	5	10	35	24	8	7	(2)	4
Containers	34	37	38	40	41	41	41	
yoy growth %	9	16	21	17	21	11	7	13
ex-Containers	61	59	64	63	62	61	59	
yoy growth %	3	7	46	28	2	4	(8)	(1)
<b>JSW Infra (ex-new terminals)</b>								
Total	25	23	27	26	24	24	25	
yoy growth %	7	28	18	(1)	(1)	4	(6)	(1)
Containers - Mangalore	1	1	1	1	1	1	1	
yoy growth %	20	17	20	-	-	(14)	-	(5)
ex-Containers	24	23	27	25	24	24	25	
yoy growth %	7	28	18	(1)	(1)	5	(6)	(1)

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 29: We estimate 13% yoy volume growth in FY26F, driven by new terminals and the rebound at Gangavaram (impacted by maintenance shutdown in 1QFY25) and a 6% yoy rise in FY27F; we estimate a 4-5% CAGR for coal (30% of 9MFY25 cargo), like our estimate for the sector; we expect a 10% CAGR for containers (40% of 9MFY25 cargo) vs. 6.5% estimated for the sector; we expect an 8.5% volume CAGR at Mundra (45% of FY25F cargo), driven by containers. We estimate 5.5% volume CAGR (FY25F-27F) at Dhamra, Dahej, Hazira & Krishnapatnam ports together (32% of 9MFY25 cargo) and 22% volume CAGR at Gangavaram**

	Volumes (mt)					yoy rise %				
	FY23	FY24	FY25F	FY26F	FY27F	FY24	FY25F	FY26F	FY27F	
Total	337	420	449	506	538	25	7	13	6	
Total ex-Karaikal, Haifa, Gopalpur & Vizhinjam	337	396	411	449	479	18	4	9	7	
Mundra	155	180	200	218	235	16	11	9	8	
Container	100	111	123	135	148	12	10	10	10	
LNG & LPG	3	3	5	6	6	-	50	33	-	
Adani Power	5.6	13.3	15.6	16	16	138	17	5	-	
Tata Power	4.9	8.0	9.2	10	11	63	15	9	10	
Crude Oil	23	25	27	28	29	9	7	4	3	
Others	19	19	21	23	24	-	13	6	6	
Katupalli	11	12	14	15	17	4	15	10	10	
Dhamra	31	43	47	50	54	37	9	8	8	
Hazira	25	26	27	28	29	4	3	4	4	
Dahej	11	11	10	10	10	(2)	(7)	-	-	
Krishnapatnam	48	59	56	59	62	23	(5)	5	5	
Gangavaram	32	37	27	37	39	15	(28)	39	5	
Others	21	27	29	31	32	28	6	5	5	
Karaikal	-	12	12	13	14	na	1	5	5	
Haifa & Tanzania	-	12	20	24	25	na	70	22	3	
Gopalpur	-	-	4	12	12	na	na	179	4	
Vizhinjam	-	-	2	8	8	na	na	300	4	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 30: Operating EBITDA, net external debt (NED), interest and equity of seven listed Adani Group companies (SLAC): FY24 net external debt (NED)/ EBITDA at 2.9x; ex-Ambuja Cements (ACL), NED/ EBITDA was at 3.4x, much better (lower) than in FY20/23 (5x each); ex-APSEZ and ACL, it was at 3.7x, much better (lower) than in FY20/23 (6.1x/ 5.7x, respectively)**

	EBITDA (Rs bn)					Net external Debt (Rs bn)					Net Interest (Rs bn)				
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24
<b>Total</b>	<b>218</b>	<b>239</b>	<b>293</b>	<b>437</b>	<b>650</b>	<b>1,097</b>	<b>1,301</b>	<b>1,793</b>	<b>1,965</b>	<b>1,866</b>	<b>78</b>	<b>80</b>	<b>88</b>	<b>101</b>	<b>112</b>
Adani Enterprises	27	25	37	88	114	57	100	245	373	462	9	6	15	28	27
Adani Ports	71	80	96	128	159	204	286	350	456	386	1	2	4	10	13
Adani Power	57	59	68	70	173	484	447	399	336	272	39	41	29	25	21
Adani Energy Solutions	43	45	49	56	57	219	257	283	325	348	20	16	18	22	22
Adani Green	15	22	35	49	73	130	207	506	495	498	9	15	22	21	38
Adani Total Gas	6	7	8	9	11	3	4	10	10	10	(0)	(0)	0	0	1
Ambuja Cements	-	-	-	37	64	-	-	-	(29)	(110)	-	-	-	(5)	(9)
	Net Interest (external) (Rs bn)					Net external Debt/ EBITDA (x)					EBITDA/Net interest (external) (x)				
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24
<b>Total</b>	<b>70</b>	<b>71</b>	<b>76</b>	<b>90</b>	<b>93</b>	<b>5.0</b>	<b>5.5</b>	<b>6.1</b>	<b>4.5</b>	<b>2.9</b>	<b>3.1</b>	<b>3.4</b>	<b>3.8</b>	<b>4.9</b>	<b>7.0</b>
Adani Enterprises	7	2	9	22	17	2.1	4.0	6.6	4.2	4.1	3.6	15.3	4.2	4.0	6.8
Adani Ports	1	2	4	10	13	2.9	3.6	3.7	3.6	2.4	79.9	50.2	23.8	12.3	12.3
Adani Power	34	37	25	19	20	8.5	7.6	5.8	4.8	1.6	1.7	1.6	2.8	3.7	8.8
Adani Energy Solutions	20	16	17	22	21	5.2	5.7	5.8	5.9	6.1	2.2	2.9	2.8	2.5	2.8
Adani Green	9	15	21	21	31	8.9	9.3	14.4	10.0	6.8	1.7	1.5	1.6	2.4	2.3
Adani Total Gas	(0)	(0)	0	0	1	0.4	0.6	1.2	1.1	0.9	(180.2)	(181.5)	68.8	20.9	16.4
Ambuja Cements	-	-	-	(5)	(9)	-	-	-	(0.8)	(1.7)	-	-	-	(7.6)	(7.2)
	Equity, including debt from group (Rs bn)					Net external Debt/ Equity (x)									
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24					
<b>Total</b>	<b>717</b>	<b>905</b>	<b>1,200</b>	<b>1,882</b>	<b>2,346</b>	<b>1.5</b>	<b>1.4</b>	<b>1.5</b>	<b>1.0</b>	<b>0.8</b>					
Adani Enterprises	208	234	401	484	563	0.3	0.4	0.6	0.8	0.8					
Adani Ports	258	321	386	469	545	0.8	0.9	0.9	1.0	0.7					
Adani Power	113	193	252	367	431	4.3	2.3	1.6	0.9	0.6					
Adani Energy Solutions	96	100	110	128	137	2.3	2.6	2.6	2.5	2.5					
Adani Green	27	38	26	88	219	4.7	5.5	19.3	5.6	2.3					
Adani Total Gas	15	19	24	29	36	0.2	0.2	0.4	0.3	0.3					
Ambuja Cements	-	-	-	317	415	-	-	-	(0.1)	(0.3)					

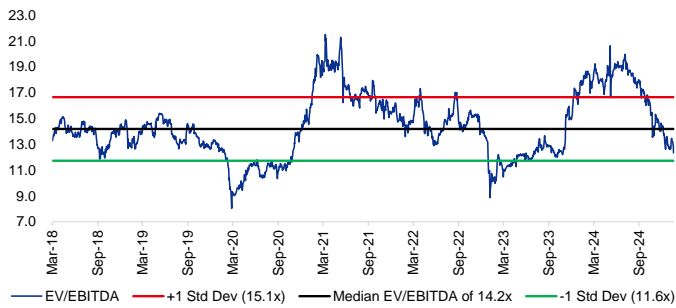
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 31: Key financials of APSEZ**

	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F
Volume (mt)	223	247	282	337	420	449	506	538
yoy growth %		11	14	19	25	7	13	6
Sales (Rs bn)	114	125	151	209	267	297	357	400
yoy growth %		10	21	38	28	11	20	12
EBITDA (Rs bn)	71	80	96	128	159	177	212	237
yoy growth %		12	20	34	24	12	19	12

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 32: Over the last seven years, APSEZ's median one-year forward EV/EBITDA was 14.2x; it is currently trading at 12.3x FY26F EV/ EBITDA (15% discount to the median)**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 33: Our revised earnings estimates**

(Rs bn)	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales	297.1	297.3	363.5	356.6	413.3	399.5
% change		0		(2)		(3)
EBITDA	177.5	177.3	214.6	211.5	243.7	236.6
% change		(0)		(1)		(3)
PAT	99.2	99.1	131.3	128.7	158.7	152.7
% change		(0)		(2)		(4)

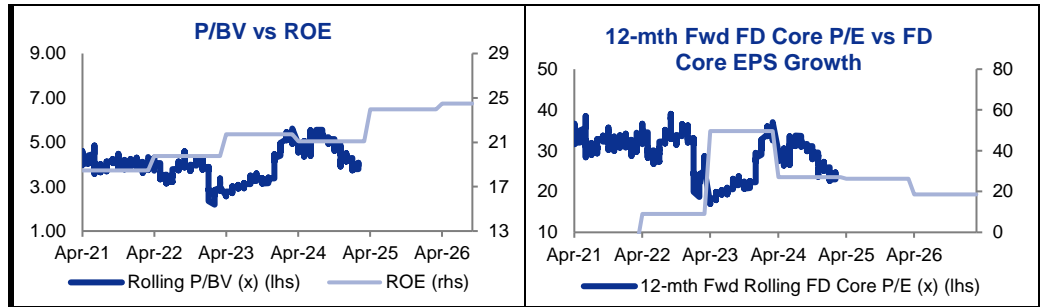
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 34: Sum-of-the-parts or SOTP-based valuation**

	(Rs/ share)	(Rs bn)	Basis
<b>EV APSEZ's stake</b>			
Mundra Port	449	949	DCF @ WACC of 10.3% implying EV/E of 11.7x FY27F
SEZ	14	30	DCF @ WACC of 10.3%
Dahej	21	45	@ 14x EV/E FY27F
Hazira	108	228	@ 14x EV/E FY27F
Dhamra	124	262	@ 14x EV/E FY27F
Katupalli	22	47	@ 13x EV/EBITDA FY27F; implied 1.7x acquisition EV
Adani Logistics	91	192	@ 20x EV/EBITDA FY27F; implied 2.9x EV/Assets FY23
Marine Business	235	496	@ 14x EV/E FY26F
Krishnapatnam	157	333	@ EV/E of 14x FY26F; implied 2.4x acquisition EV
Vizhinjam	20	41	@ Capex
Gangavaram	67	142	@ 14x EV/EBITDA FY27F; implied 2.3x acquisition EV
Sarguja	28	60	@ acquisition price; implying EV/E of 10.1x FY26F
Karaikal	35	74	@ 14x EV/EBITDA FY27F
Other assets	140	295	@ 1x Capex
NPV of NWC change	2	5	
<b>Total EV</b>	<b>1,514</b>	<b>3,199</b>	
Less: Net debt less other investments	(57)	(121)	
<b>Target Price</b>	<b>1,457</b>	<b>3,078</b>	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



## Profit &amp; Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>208,519</b>	<b>267,106</b>	<b>297,263</b>	<b>356,589</b>	<b>399,518</b>
<b>Gross Profit</b>	<b>151,974</b>	<b>195,942</b>	<b>215,425</b>	<b>262,476</b>	<b>291,287</b>
<b>Operating EBITDA</b>	<b>128,335</b>	<b>158,639</b>	<b>177,323</b>	<b>211,510</b>	<b>236,555</b>
Depreciation And Amortisation	(34,232)	(38,885)	(41,727)	(43,077)	(44,427)
<b>Operating EBIT</b>	<b>94,103</b>	<b>119,755</b>	<b>135,596</b>	<b>168,433</b>	<b>192,127</b>
Financial Income/(Expense)	(10,401)	(12,850)	(14,821)	(7,615)	1,023
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>83,701</b>	<b>106,905</b>	<b>120,774</b>	<b>160,818</b>	<b>193,151</b>
Exceptional Items	(28,809)	(6,782)	3,558		
<b>Pre-tax Profit</b>	<b>54,892</b>	<b>100,122</b>	<b>124,333</b>	<b>160,818</b>	<b>193,151</b>
Taxation	(964)	(19,897)	(22,380)	(32,164)	(40,562)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>53,928</b>	<b>80,225</b>	<b>101,953</b>	<b>128,655</b>	<b>152,589</b>
Minority Interests	(826)	67	67	67	67
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>53,103</b>	<b>80,292</b>	<b>102,019</b>	<b>128,721</b>	<b>152,656</b>
Recurring Net Profit	81,406	85,726	99,101	128,721	152,656
<b>Fully Diluted Recurring Net Profit</b>	<b>81,406</b>	<b>85,726</b>	<b>99,101</b>	<b>128,721</b>	<b>152,656</b>

## Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>128,335</b>	<b>158,639</b>	<b>177,323</b>	<b>211,510</b>	<b>236,555</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	25,421	11,393	3,011	7,162	956
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(28,809)	(6,782)	3,558		
<b>Other Operating Cashflow</b>					
Net Interest (Paid)/Received	(10,401)	(12,850)	(14,821)	(7,615)	1,023
Tax Paid	(12,661)	(18,887)	(11,372)	(32,164)	(40,562)
<b>Cashflow From Operations</b>	<b>101,884</b>	<b>131,513</b>	<b>157,698</b>	<b>178,894</b>	<b>197,972</b>
Capex	(230,622)	(103,581)	(30,000)	(30,000)	(30,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(16,254)	32,979			
<b>Cash Flow From Investing</b>	<b>(246,876)</b>	<b>(70,603)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>
Debt Raised/(repaid)	43,663	(35,401)	(50,000)	(50,000)	(50,000)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(12,885)	(13,177)	(30,495)	(20,079)	(25,710)
Preferred Dividends					
Other Financing Cashflow	51,781	21,499	(4,138)	682	847
<b>Cash Flow From Financing</b>	<b>82,559</b>	<b>(27,079)</b>	<b>(84,632)</b>	<b>(69,397)</b>	<b>(74,864)</b>
Total Cash Generated	(62,433)	33,831	43,066	79,497	93,109
<b>Free Cashflow To Equity</b>	<b>(101,329)</b>	<b>25,509</b>	<b>77,698</b>	<b>98,894</b>	<b>117,972</b>
<b>Free Cashflow To Firm</b>	<b>(119,055)</b>	<b>88,754</b>	<b>156,155</b>	<b>174,101</b>	<b>189,929</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

**Balance Sheet**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	42,488	76,319	119,361	198,763	291,707
Total Debtors	32,417	36,669	47,562	57,054	63,923
Inventories	4,520	4,375	5,945	7,132	7,990
Total Other Current Assets	125,835	113,856	130,126	144,915	159,842
<b>Total Current Assets</b>	<b>205,259</b>	<b>231,220</b>	<b>302,994</b>	<b>407,863</b>	<b>523,463</b>
Fixed Assets	761,080	826,341	814,614	801,537	787,110
Total Investments	75,865	42,887	42,887	42,887	42,887
Intangible Assets	69,634	69,069	69,069	69,069	69,069
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>906,579</b>	<b>938,297</b>	<b>926,570</b>	<b>913,493</b>	<b>899,065</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	93,612	93,154	163,494	196,124	219,735
Other Current Liabilities	9,422	11,777			
<b>Total Current Liabilities</b>	<b>103,034</b>	<b>104,931</b>	<b>163,494</b>	<b>196,124</b>	<b>219,735</b>
Total Long-term Debt	498,193	462,792	412,792	362,792	312,792
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6,331	7,032	6,532	6,032	5,532
<b>Total Non-current Liabilities</b>	<b>504,524</b>	<b>469,824</b>	<b>419,324</b>	<b>368,824</b>	<b>318,324</b>
Total Provisions	35,059	49,332	22,512	22,512	22,512
<b>Total Liabilities</b>	<b>642,617</b>	<b>624,087</b>	<b>605,330</b>	<b>587,460</b>	<b>560,571</b>
Shareholders Equity	455,836	529,448	616,785	725,427	852,372
Minority Interests	13,385	15,982	7,449	8,469	9,586
<b>Total Equity</b>	<b>469,221</b>	<b>545,430</b>	<b>624,234</b>	<b>733,896</b>	<b>861,958</b>

**Key Ratios**

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	37.7%	28.1%	11.3%	20.0%	12.0%
Operating EBITDA Growth	34.2%	23.6%	11.8%	19.3%	11.8%
Operating EBITDA Margin	61.5%	59.4%	59.7%	59.3%	59.2%
Net Cash Per Share (Rs)	(210.96)	(178.91)	(135.84)	(75.93)	(9.76)
BVPS (Rs)	211.02	245.10	285.53	335.82	394.59
Gross Interest Cover	3.63	4.30	4.77	6.68	8.75
Effective Tax Rate	1.8%	19.9%	18.0%	20.0%	21.0%
Net Dividend Payout Ratio	12.7%	11.8%	9.7%	10.0%	10.6%
Accounts Receivables Days	49.99	47.20	51.71	53.54	55.26
Inventory Days	26.89	22.81	23.01	25.36	25.50
Accounts Payables Days	483.58	478.96	572.33	697.35	701.23
ROIC (%)	13.3%	13.4%	14.3%	18.6%	21.7%
ROCE (%)	12.0%	13.4%	14.3%	17.1%	18.6%
Return On Average Assets	9.2%	10.5%	11.3%	13.2%	14.0%

**Key Drivers**

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Mundra Port volume growth (% chg)	3.3	16.1	11.4	8.8	7.6
Adani Ports volume growth (% chg)	19.2	24.8	6.9	12.8	6.3

SOURCE: INCRED RESEARCH, COMPANY REPORTS

India

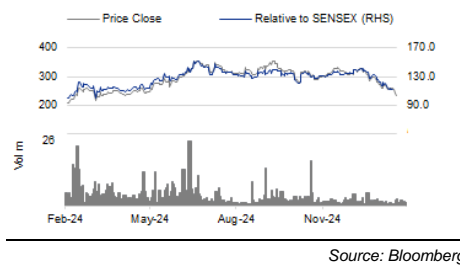
**REDUCE** (no change)

Consensus ratings*:	Buy 11	Hold 0	Sell 3
Current price:	Rs259		
Target price:	Rs172		
Previous target:	Rs178		
Up/downside:	-33.6%		
InCred Research / Consensus:	-48.5%		
Reuters:			
Bloomberg:	JSWINFRA IN		
Market cap:	US\$6,280m		
	Rs544,530m		
Average daily turnover:	US\$6.2m		
	Rs537.0m		
Current shares o/s:	2,100.0m		
Free float:	14.4%		

\*Source: Bloomberg

**Key changes in this note**

- Reduce FY26F/27F EBITDA by 4% each.
- Marginally reduce our target price to Rs172.



<b>Price performance</b>	1M	3M	12M
Absolute (%)	(10.0)	(13.1)	11.2
Relative (%)	(9.0)	(8.8)	8.0

<b>Major shareholders</b>	% held
Promoter and Promoter group	85.6
SBI Funds Management Ltd	1.3
HDFC Asset Management Co Ltd	0.4

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# JSW Infrastructure Ltd

## Tepid volume growth; expensive valuation

- The recent volume performance has been underwhelming.
- Maintain REDUCE rating with a slightly lower target price of Rs172.

### Recent volume performance has been underwhelming

JSW Infrastructure or JSWI's (ex-new terminals) cargo declined by 1% yoy in 9MFY25, partly due to maintenance shutdown at JSW Steel's Dolvi steel plant (2.1mt yoy impact in 1Q). The decline in 9MFY25 contrasts with the 3%/4% yoy rise for major ports (MPs)/Adani Ports and SEZ (ex-new terminals). However, ex-container, volume growth of JSWI (ex-new terminals) is close to that of MPs and Adani Ports and SEZ (APSEZ).

### Ambitious capex plan to more than double port capacity by FY30F

JSWI envisages 400mtpa capacity (including 30mtpa slurry pipeline) by FY30F (vs. current 174mtpa capacity) and has plans for Rs300bn capex. In logistics, JSWI plans Rs90bn capex and is targeting Rs80bn sales at a 25% EBITDA margin. JSWI plans to raise port capacity from 174mt by 88mt by FY28F, and a concrete plan is in place for 66% of the ramp-up.

### Navkar acquisition – a foray into logistics business

JSWI bought a 70% stake in Navkar from its promoters for Rs10bn (EV Rs16.8bn). This should not stretch its balance sheet – equity capital of Rs80.2bnbn, EBITDA stood at Rs19.6bn & net debt at Rs4.5bn in FY24. Container cargo was just ~3% of JSWI's FY24 port cargo. While P/BV of the acquisition is just 0.75x FY24, EV/EBITDA is 27.3x FY24.

### We expect 5.7% volume CAGR (FY24-27F) for JSWI ex-new terminals

We expect Jaigarh, SW port, Dharamtar & Paradip coal terminal to drive 8% volume CAGR (FY25F-27F). This is partly due to low base (shutdown at Dolvi steel plant in 1QFY25). We expect nil volume growth at Paradip iron-ore terminal & Ennore coal terminal as the capacities are maxed out. We expect anchor client cargo to rise to 68.7mt in FY27F (incremental 4.5mt coking coal over FY24-27F) due to Vijaynagar Steel Plant's 7mt capacity utilization ramp-up to 80%. Currently, coking coal for the same is sourced via Krishnapatnam (Adani Ports and SEZ) and JSWI's Ennore coal terminal. We expect anchor client cargo to comprise 50-55% of total cargo in FY27F (like in FY25F). JSW Steel is expanding the Dolvi steel plant by 5mt (from 10mt now). This would boost JSWI cargo from 2HFY28F. The 10mt Dolvi steel plant contributes 35-37mt cargo per annum for JSWI. We believe the 5mt steel capacity increase can raise JSWI's cargo by 17-19mt in FY29F (13%/10% of FY27F volume/ port sales, respectively).

### Retain REDUCE rating with a slightly lower target price of Rs172

We reduce FY26F/27F EBITDA estimates by 4% each. We retain our REDUCE rating on JSWI with a slightly lower target price of Rs172 (Rs178 earlier). We expect its ports EBITDA to rise by 12% CAGR (FY25F-27F). JSWI trades at 20x FY26F EV/EBITDA, at a 60% premium to APSEZ. We value JSWI at 12x FY27F EV/EBITDA, at a 15% discount to rival APSEZ's six-year median (14x). We feel the discount is warranted as ~50% of JSWI's volume is from group companies. Upside risk: A sharper volume growth compared to our estimate.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	31,947	37,629	44,956	54,103	59,516
Operating EBITDA (Rsm)	16,202	19,646	22,502	25,993	28,395
Net Profit (Rsm)	7,398	11,559	14,118	14,674	16,075
Core EPS (Rs)	5.5	5.6	6.7	6.9	7.6
Core EPS Growth	168.6%	1.2%	19.4%	3.2%	9.5%
FD Core P/E (x)	65.09	47.54	38.92	37.45	34.18
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	31.40	28.30	25.06	22.17	20.29
P/FCFE (x)	41.70	(96.62)	(72.21)	(44.78)	(15,864.42)
Net Gearing	64.4%	5.4%	12.8%	22.2%	19.4%
P/BV (x)	12.06	6.85	5.82	5.04	4.39
ROE	28.4%	19.8%	16.3%	14.4%	13.7%
% Change In Core EPS Estimates			20.47%	1.92%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS



## Tepid volume growth; expensive valuation

**Figure 35: JSWI's (ex-new terminals) cargo declined by 1% yoy in 9MFY25 partly due to maintenance shutdown at Dolvi steel plant (2.1mt yoy impact in 1Q); JSWI's volume decline in 9MFY25 contrasts with the 3%/4% yoy rise for major ports/APSEZ (ex-new terminals); however, ex-container, volume growth of JSWI is close to that of major ports and APSEZ**

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25 yoy growth %
<b>Major Ports</b>								
Total	201	193	211	214	208	205	208	
yoy growth %	2	3	10	3	4	6	(1)	3
Containers	44	46	45	46	46	48	48	
yoy growth %	2	14	9	3	5	4	7	5
ex-Containers	157	147	166	168	162	157	160	
yoy growth %	2	0	10	3	3	7	(4)	2
<b>Adani Ports (ex-new terminals)</b>								
Total	95	95	102	103	103	102	100	
yoy growth %	5	10	35	24	8	7	(2)	4
Containers	34	37	38	40	41	41	41	
yoy growth %	9	16	21	17	21	11	7	13
ex-Containers	61	59	64	63	62	61	59	
yoy growth %	3	7	46	28	2	4	(8)	(1)
<b>JSW Infra (ex-new terminals)</b>								
Total	25	23	27	26	24	24	25	
yoy growth %	7	28	18	(1)	(1)	4	(6)	(1)
Containers - Mangalore	1	1	1	1	1	1	1	
yoy growth %	20	17	20	-	-	(14)	-	(5)
ex-Containers	24	23	27	25	24	24	25	
yoy growth %	7	28	18	(1)	(1)	5	(6)	(1)

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 36: JSWI envisages 400mtpa capacity (including 30mtpa slurry pipeline) by FY30F (vs. current capacity of 174mtpa) and has plans for Rs300bn capex; further, JSWI plans Rs90bn capex in logistics; JSWI plans to raise port capacity from 174mt by 88mt by FY28F, and a concrete plan is in place for 66% of the ramp-up (58mt)**

(mt)	FY24	FY25F	FY26F	FY27F	FY28F	FY29F	Capex (Rs bn)	Comments
Jaigarh	55.0	55.0	57.0	57.0	72.0	72.0	22.0	2mt liquid terminal (Rs9bn) in Jan 2026F;
Dharamtar	34.0	34.0	34.0	34.0	55.0	55.0	10.0	15mt bulk terminal (Rs13bn) in Mar 2027F
SW Port	8.5	8.5	15.0	15.0	15.0	15.0	1.5	Start in Mar 2027F
New Mangalore - coal	6.7	8.1	8.1	8.1	8.1	8.1	-	Covered yard by Mar 2025F
New Mangalore - container	4.2	4.2	4.2	6.0	6.0	6.0	1.5	na
Paradip - ironore	10.0	10.0	10.0	10.0	10.0	10.0	-	Start by 2QFY27F
Ennore - coal	9.6	9.6	9.6	9.6	9.6	9.6	-	na
Ennore - Bulk	2.0	2.0	2.0	2.0	2.0	2.0	-	na
Paradip - coal exports	30.0	30.0	30.0	30.0	30.0	30.0	-	na
PNP Maritime Services	5.0	8.0	8.0	8.0	8.0	8.0	-	na
JSW Middle East	5.0	5.0	5.0	5.0	5.0	5.0	-	na
JNPT Liquid berth	-	-	4.5	4.5	4.5	4.5	1.0	Completion by 2QFY26F
Tuticorin Bulk berth	-	-	-	7.0	7.0	7.0	6.0	Start by 4QFY26F
Keni	-	-	-	-	-	30.0	41.2	Start in FY29F
Jatadhar *	-	-	-	-	30.0	30.0	30.0	Start in FY28F
<b>Total Capacity</b>	<b>170.0</b>	<b>174.4</b>	<b>187.4</b>	<b>196.2</b>	<b>262.2</b>	<b>292.2</b>	<b>113.2</b>	

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 37: Port-wise cargo – we expect Jaigarh, SW port, Dharamtar and Paradip coal terminal to drive volume growth over FY25F-27F; we expect nil volume growth at Paradip iron ore terminal & Ennore coal terminal as the capacities are maxed out**

	FY23	FY24	FY25F	FY26F	FY27F	yoy growth %				Comments
						FY24	FY25F	FY26F	FY27F	
Jaigarh	20.2	21.5	20.0	24.0	26.5	6	(7)	20	10	Liquid terminal (FY26F), third party cargo and low base (1QFY25 dolvi plant shutdown) to drive FY26F volume.
Dharamtar	24.0	25.1	23.1	25.1	25.1	4	(8)	9	-	low base (1QFY25 dolvi shutdown) to drive FY26F.
SW Port	7.1	7.2	6.5	9.6	11.8	1	(9)	47	23	Driven by ramp-up in Vijayanagar steel plant.
New Mangalore - coal	4.5	4.8	6.3	6.6	6.9	7	32	5	5	
New Mangalore - container	2.2	2.6	2.4	2.8	3.0	18	(6)	15	7	Driven by capacity expansion in 2QFY27F.
Paradip - ironore	9.5	12.4	12.6	12.6	12.6	30	2	-	-	126% capacity utilisation in FY25F, no growth taken.
Ennore - coal	8.7	9.3	9.9	9.9	9.9	7	6	-	-	103% capacity utilisation in FY25F, no growth taken.
Ennore - Bulk	1.9	1.5	1.7	1.7	1.8	(21)	10	5	5	
Paradip - coal exports	12.0	16.8	18.7	20.0	21.4	40	11	7	7	
PNP Maritime Services	-	1.3	5.7	6.3	6.9	na	338	10	10	
JSW Middle East	-	1.4	7.4	7.4	7.4	na	429	-	-	148% capacity utilisation in FY25F, no growth taken.
<b>Total</b>	<b>90.1</b>	<b>103.8</b>	<b>114.3</b>	<b>125.9</b>	<b>133.3</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>6</b>	
<b>Total ex-new terminals</b>	<b>90.1</b>	<b>101.1</b>	<b>101.2</b>	<b>112.3</b>	<b>119.0</b>	<b>12</b>	<b>0</b>	<b>11</b>	<b>6</b>	

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 38: We expect anchor client cargo to rise to 68.7mt in FY27F (incremental 4.5mt coking coal over FY24-27F) due to Vijayanagar Steel Plant's 7mt capacity utilization ramp-up to 80%; currently, coking coal for Vijayanagar steel plant is sourced via Krishnapatnam (APSEZ) and JSWI's Ennore coal terminal; we expect anchor client cargo to comprise 50-55% of total cargo in FY27F (like in FY25F)**

	FY23	FY24	FY25F	FY26F	FY27F	yoy growth %			
						FY24	FY25F	FY26F	FY27F
Anchor cargo	61.9	64.2	59.7	66.5	68.7	4	(7)	11	3
Third party cargo	28.3	39.6	54.6	59.5	64.6	40	38	9	9
Third party cargo ex-new terminals	28.3	36.9	41.5	45.8	50.3	31	12	11	10
Total	90.1	103.8	114.3	125.9	133.3	15	10	10	6
Total ex-new terminals	90.1	101.1	101.2	112.3	119.0	12	0	11	6

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 39: Key financials of JSW Infrastructure**

(Rs bn)	FY23	FY24	FY25F	FY26F	FY27F	yoy growth %			
						FY24	FY25F	FY26F	FY27F
Volumes (mt)	90.1	103.8	114.3	125.9	133.3	15	10	10	6
Sales	31.9	37.6	45.0	54.1	59.5	18	19	20	10
Ports Sales	31.9	37.6	42.5	48.1	52.7	18	13	13	10
EBITDA	16.2	19.6	22.5	26.0	28.4	21	15	16	9
Ports EBITDA	16.2	19.6	22.2	25.2	27.4	21	13	14	9
Ports EBITDA margin %	50.7	52.2	52.2	52.3	52.0				

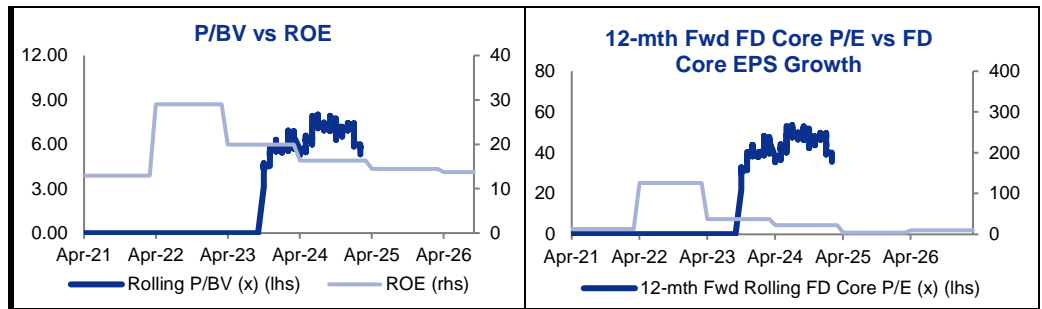
SOURCE: INCRED RESEARCH, COMPANY REPORTS.

**Figure 40: Our revised earnings estimates**

	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales	44,956	44,956	56,109	54,103	61,582	59,516
% Change		(0)		(4)		(3)
EBITDA	22,502	22,502	27,200	25,993	29,581	28,395
% Change		0		(4)		(4)
PAT	14,236	14,236	15,580	14,674	17,013	16,075
% Change		(0)		(6)		(6)

SOURCE: INCRED RESEARCH, COMPANY REPORTS.

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	31,947	37,629	44,956	54,103	59,516
<b>Gross Profit</b>	19,882	24,042	28,772	35,167	38,686
<b>Operating EBITDA</b>	16,202	19,646	22,502	25,993	28,395
Depreciation And Amortisation	(3,912)	(4,365)	(5,356)	(5,818)	(5,818)
<b>Operating EBIT</b>	12,290	15,281	17,146	20,175	22,577
Financial Income/(Expense)	(2,819)	(2,892)	(3,433)	(3,440)	(3,440)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,781	2,694	3,680	2,636	2,078
<b>Profit Before Tax (pre-EI)</b>	11,252	15,083	17,393	19,371	21,214
Exceptional Items	(3,142)	(433)	(118)		
<b>Pre-tax Profit</b>	8,110	14,650	17,275	19,371	21,214
Taxation	(615)	(3,043)	(3,110)	(4,649)	(5,091)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	7,495	11,607	14,166	14,722	16,123
Minority Interests	(97)	(48)	(48)	(48)	(48)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	7,398	11,559	14,118	14,674	16,075
Recurring Net Profit	10,302	11,902	14,215	14,674	16,075
<b>Fully Diluted Recurring Net Profit</b>	10,302	11,902	14,215	14,674	16,075

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	16,202	19,646	22,502	25,993	28,395
Cash Flow from Invt. & Assoc.					
Change In Working Capital	951	(885)	(703)	(1,310)	(775)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(3,142)	(433)	(118)		
<b>Other Operating Cashflow</b>					
Net Interest (Paid)/Received	(1,038)	(198)	247	(804)	(1,363)
Tax Paid	(615)	(3,043)	(3,110)	(4,649)	(5,091)
<b>Cashflow From Operations</b>	12,359	15,086	18,819	19,229	21,165
Capex	(738)	(22,315)	(26,868)	(31,500)	(21,200)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	1,653	(16)	247		
<b>Cash Flow From Investing</b>	915	(22,331)	(26,622)	(31,500)	(21,200)
Debt Raised/(repaid)	(1,726)	1,909	193		
Proceeds From Issue Of Shares		28,000			
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(2,569)	(216)	(56)	(56)	(56)
<b>Cash Flow From Financing</b>	(4,295)	29,692	137	(56)	(56)
Total Cash Generated	8,979	22,448	(7,666)	(12,327)	(91)
<b>Free Cashflow To Equity</b>	11,548	(5,336)	(7,610)	(12,271)	(35)
<b>Free Cashflow To Firm</b>	16,093	(4,353)	(4,370)	(8,831)	3,405

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	19,361	43,101	35,443	23,125	23,042
Total Debtors	4,024	6,768	8,092	9,739	10,713
Inventories	1,022	1,117	1,335	1,607	1,767
Total Other Current Assets	6,363	4,893	5,845	7,035	7,739
<b>Total Current Assets</b>	<b>30,770</b>	<b>55,879</b>	<b>50,716</b>	<b>41,505</b>	<b>43,261</b>
Fixed Assets	38,901	52,217	75,161	102,043	118,625
Total Investments	25	247			
Intangible Assets	21,304	26,678	25,246	24,046	22,846
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>60,231</b>	<b>79,142</b>	<b>100,407</b>	<b>126,089</b>	<b>141,471</b>
Short-term Debt	1,483				
Current Portion of Long-Term Debt					
Total Creditors	3,016	7,041	8,832	10,630	11,693
Other Current Liabilities	3,462				
<b>Total Current Liabilities</b>	<b>7,960</b>	<b>7,041</b>	<b>8,832</b>	<b>10,630</b>	<b>11,693</b>
Total Long-term Debt	40,954	43,807	44,000	44,000	44,000
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3,239	3,778	3,778	3,778	3,778
<b>Total Non-current Liabilities</b>	<b>44,194</b>	<b>47,585</b>	<b>47,778</b>	<b>47,778</b>	<b>47,778</b>
Total Provisions	(2,042)	(1,916)	(1,916)	(1,916)	(1,916)
<b>Total Liabilities</b>	<b>50,112</b>	<b>52,710</b>	<b>54,695</b>	<b>56,492</b>	<b>57,555</b>
Shareholders Equity	39,946	80,264	94,382	109,055	125,131
Minority Interests	942	2,047	2,047	2,047	2,047
<b>Total Equity</b>	<b>40,889</b>	<b>82,310</b>	<b>96,428</b>	<b>111,102</b>	<b>127,177</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	40.5%	17.8%	19.5%	20.3%	10.0%
Operating EBITDA Growth	46.0%	21.3%	14.5%	15.5%	9.2%
Operating EBITDA Margin	50.7%	52.2%	50.1%	48.0%	47.7%
Net Cash Per Share (Rs)	(14.17)	(2.12)	(5.82)	(11.63)	(11.67)
BVPS (Rs)	21.51	37.88	44.54	51.46	59.05
Gross Interest Cover	4.36	5.28	4.99	5.86	6.56
Effective Tax Rate	7.6%	20.8%	18.0%	24.0%	24.0%
Net Dividend Payout Ratio					
Accounts Receivables Days	57.34	52.34	60.32	60.15	62.71
Inventory Days	28.37	28.73	27.65	28.35	29.56
Accounts Payables Days	87.18	135.08	179.00	187.57	195.57
ROIC (%)	18.1%	23.5%	20.3%	18.9%	16.9%
ROCE (%)	14.8%	14.4%	12.7%	13.5%	13.7%
Return On Average Assets	14.8%	13.2%	12.4%	11.4%	11.1%

<b>Key Drivers</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Volume growth (%)	52.9%	15.2%	10.1%	10.2%	5.9%
Anchor volume growth (%)	34.0%	3.8%	(7.0%)	11.3%	3.4%
Non-Anchor volume growth (%)	121.3%	40.1%	37.8%	9.1%	8.6%

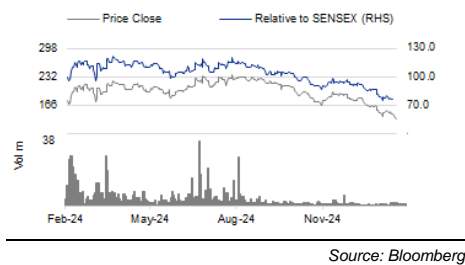
SOURCE: INCRED RESEARCH, COMPANY REPORTS

India

**HOLD** (no change)

Consensus ratings*:	Buy 3	Hold 4	Sell 3
Current price:	Rs136		
Target price:	Rs137		
Previous target:	Rs137		
Up/downside:	0.7%		
InCred Research / Consensus:	-9.0%		
Reuters:	GPPL.NS		
Bloomberg:	GPPV IN		
Market cap:	US\$759m		
	Rs65,830m		
Average daily turnover:	US\$3.1m		
	Rs270.7m		
Current shares o/s:	483.4m		
Free float:	56.0%		

\*Source: Bloomberg



<b>Price performance</b>	1M	3M	12M
Absolute (%)	(17.2)	(19.1)	(31.4)
Relative (%)	(16.2)	(15.0)	(33.3)

<b>Major shareholders</b>	% held
APM Terminals Mauritius Limited	44.0
ICICI Prudential	7.9
HDFC Trustee Company Ltd.	7.4

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# Gujarat Pipavav Port Ltd

## Losing market share; reasonable valuation

- Gujarat Pipavav Port's (GPPV) container growth is lagging other ports in the region. Also, capacity addition at JNPT in FY26F could dent GPPV's volume.
- We maintain our target price of Rs137 and the HOLD rating on the stock.

### GPPV's container growth is lagging other main ports in the region

Over 3QFY23-3QFY25, GPPV's container traffic lagged Jawaharlal Nehru Port Trust (JNPT) and Mundra port. We believe this is a major cause of concern. Further, in FY23-26F, GPPV has the advantage of connectivity to Indian Railways' Dedicated Freight Corridor (DFC) while JNPT does not. However, JNPT is likely to be connected to the DFC in FY27F and it is enhancing its capacity by 30% by Apr 2025F. We factor in a 4-5% CAGR (FY25F-27F) in container/ dry bulk cargo for GPPV considering the weak performance over FY20-25F. GPPV is optimistic of a sharp rise in liquid cargo (100% in three-to-four years). The planned 3.2mt liquid berth at a capex of Rs7.2bn is likely to be operational in 2HFY26F.

### Container cargo is less sticky to a port compared to bulk cargo

Cargo on a bulk carrier belongs to a single client (hence, single location). In the case of container ships, the cargo belongs to multiple users and is destined for multiple locations. Thus, while bulk cargo is sticky to a particular port (minimizing logistics costs), container cargo is less sticky and, within a broad region, container shipping liners may switch ports.

### Awaits clarity on extension of concession (expires in 2029)

A 20-year extension at a 25% revenue share (vs. 3% now) can add Rs14 to our target price (TP) while an extension at current revenue share (3%) can add Rs93 to our TP. In our TP, we factor in a 70% probability of concession extension, with a 25% revenue share, in line with recent port agreements, and a 30% probability of depreciated replacement value.

### Maintain our HOLD rating and target price of Rs137

Over FY25F-27F, we factor in sales/volume/ EBITDA CAGR of 12%/7%/14%, respectively. We maintain our Sum-of-The-Parts or SoTP-based target price to Rs137. Over the last six months, the stock price has declined by ~40%. We maintain our HOLD rating (recently upgraded, post 3QFY25 results, from REDUCE earlier). GPPV trades at 8.3x FY26F EV/EBITDA, despite the expiry of the current concession in 2029. Factoring in an extension at ~25% revenue share would raise our target price to Rs152, which is 12% above the CMP. Renewal of the concession at a low revenue share is an upside risk while a continued decline in container cargo is a downside risk.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	9,170	9,884	9,592	10,691	11,963
Operating EBITDA (Rsm)	5,061	5,801	5,719	6,472	7,353
Net Profit (Rsm)	2,918	3,538	3,961	4,265	4,674
Core EPS (Rs)	6.7	8.2	8.2	8.8	9.7
Core EPS Growth	61.3%	23.7%	(0.6%)	7.7%	9.6%
FD Core P/E (x)	22.56	18.61	16.62	15.44	14.09
DPS (Rs)	6.1	7.3	7.0	8.0	9.1
Dividend Yield	4.48%	5.36%	5.14%	5.86%	6.68%
EV/EBITDA (x)	11.07	9.41	9.35	9.18	7.89
P/FCFE (x)	23.12	13.45	14.82	(32.03)	8.49
Net Gearing	(43.1%)	(49.9%)	(53.5%)	(25.5%)	(31.4%)
P/BV (x)	3.17	3.15	3.06	3.00	2.97
ROE	15.7%	19.1%	18.7%	19.6%	21.2%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Losing market share; reasonable valuation

**Figure 41: Over 3QFY23-3QFY25, GPPV's container cargo lagged JNPT and Mundra port – a major cause of concern; further, in FY23-26F, GPPV has the advantage of connectivity to the DFC while JNPT does not; however, JNPT is likely to be connected to the DFC in FY27F and it is enhancing its capacity by 30% by Apr 2025F**

(kTEU)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	CAGR % 3QFY22-3QFY25
JNPT	1,491	1,599	1,526	1,587	1,645	1,675	1,688	1,839	1,850	11
yoy growth (%)	1	6	3	7	10	5	11	16	12	
Mundra	1,607	1,711	1,718	1,855	1,906	1,945	2,114	2,081	2,091	14
yoy growth (%)	(4)	7	4	13	19	14	23	12	10	
GPPV	191	199	199	216	204	188	165	179	178	(4)
yoy growth (%)	22	22	7	16	6	(6)	(17)	(17)	(13)	
<b>Total</b>	<b>3,289</b>	<b>3,509</b>	<b>3,443</b>	<b>3,659</b>	<b>3,754</b>	<b>3,808</b>	<b>3,967</b>	<b>4,099</b>	<b>4,119</b>	<b>12</b>
<b>yoy growth (%)</b>	<b>(0)</b>	<b>7</b>	<b>4</b>	<b>11</b>	<b>14</b>	<b>9</b>	<b>15</b>	<b>12</b>	<b>10</b>	
GPPV - ICD	109	115	111	145	136	121	102	118	112	1
yoy growth (%)	2	(3)	(6)	23	25	5	(8)	(19)	(18)	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 42: We factor in a 4-5% CAGR (over FY25F-27F) in container/ dry bulk cargo, considering the weak performance over FY20-25F; GPPV is optimistic of a sharp rise in liquid cargo (100% in three-to-four years) – the planned 3.2mt liquid berth for Rs7.2bn capex is likely to be operational in 2HFY26F; we factor in 7%/14% blended volume/ EBITDA CAGRs (over FY25F-27F)**

(Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25F	FY26F	FY27F
Container (kTEU)	903	873	749	628	764	803	683	710	738
Growth yoy %		(3)	(14)	(16)	22	5	(15)	4	4
ICD Volume (kTEU)	521	518	430	432	460	513			
Growth yoy %		(1)	(17)	0	6	12			
Dry Bulk (mt)	2.1	2.4	3.1	4.2	4.0	2.8	2.5	2.6	2.7
Growth yoy %		15	32	34	(6)	(29)	(12)	5	5
Liquid Bulk (mt)	0.6	0.8	0.7	0.8	1.0	1.3	1.5	1.9	2.4
Growth yoy %		29	(16)	17	28	24	15	27	27
<b>Total cargo - derived (mt)</b>	<b>15.9</b>	<b>15.9</b>	<b>14.8</b>	<b>14.2</b>	<b>16.1</b>	<b>15.8</b>	<b>13.9</b>	<b>14.8</b>	<b>15.9</b>
<b>Growth yoy %</b>	<b>0</b>	<b>(7)</b>	<b>(4)</b>	<b>(4)</b>	<b>14</b>	<b>(2)</b>	<b>(12)</b>	<b>7</b>	<b>7</b>
Capacity utilization %	61	61	56	54	62	60	53	50	54
Sales	7.0	7.4	7.3	7.4	9.2	9.9	9.6	10.7	12.0
Growth yoy %		5	(0)	1	23	8	(3)	11	12
EBITDA	3.9	4.5	4.3	4.2	5.1	5.8	5.7	6.5	7.4
Growth yoy %		15	(3)	(3)	21	15	(1)	13	14
EBITDA margin %	55	61	59	56	55	59	60	61	61

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 43: Sum-of-the-parts or SOTP-based target price (TP) valuation with sensitivity – a 20-year extension at a 25% revenue share (vs. 3% now) can add Rs14 to our TP while an extension at current revenue share (3%) can add Rs93 to our TP; in our TP, we factor in a 70% probability of concession extension, with a 25% revenue share, in line with recent port agreements, and a 30% probability of depreciated replacement value**

(Rs/ sh)	Target Price	No extension	Extension 50% cash flows continue *	Extension 100% cash flows continue
Port EV	34	34	34	34
Depreciated Replacement value/ Extension	83	49	97	176
Net cash	12	12	12	12
PRCL stake	8	8	8	8
<b>Total</b>	<b>137</b>	<b>104</b>	<b>152</b>	<b>230</b>

\* implies ~25% revenue share post renewal

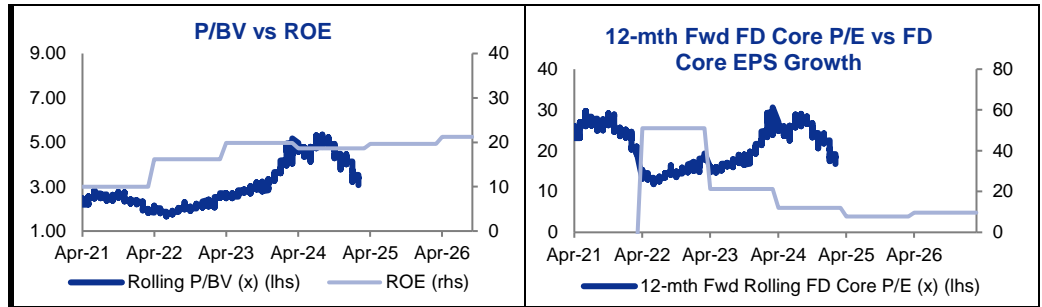
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 44: Revenue share at terminals set up over the past decade at major ports**

Port	Terminal operator	Revenue share %
JNPT	Port of Singapore Authority	35.7
JNPT	APM Terminals	35.5
JNPT	DP World (new terminal)	28.1
Ennore	Adani Ports	37.0
Mormugao	Adani Ports	20.0
Kandla	Adani Ports	25.0
Vizag	Adani Ports	40.0

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	9,170	9,884	9,592	10,691	11,963
<b>Gross Profit</b>	7,522	8,446	8,186	9,180	10,336
<b>Operating EBITDA</b>	5,061	5,801	5,719	6,472	7,353
Depreciation And Amortisation	(1,162)	(1,156)	(1,191)	(1,356)	(1,522)
<b>Operating EBIT</b>	3,899	4,645	4,528	5,115	5,831
Financial Income/(Expense)	430	694	753	571	401
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	4,329	5,338	5,281	5,686	6,231
Exceptional Items	(410)	(600)			
<b>Pre-tax Profit</b>	3,919	4,738	5,281	5,686	6,231
Taxation	(1,001)	(1,200)	(1,320)	(1,422)	(1,558)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	2,918	3,538	3,961	4,265	4,674
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	2,918	3,538	3,961	4,265	4,674
Recurring Net Profit	3,224	3,986	3,961	4,265	4,674
<b>Fully Diluted Recurring Net Profit</b>	3,224	3,986	3,961	4,265	4,674

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	5,061	5,801	5,719	6,472	7,353
Cash Flow from Invt. & Assoc.					
Change In Working Capital	15	705	(433)	223	
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(410)	(600)			
<b>Other Operating Cashflow</b>					
Net Interest (Paid)/Received	430	694	753	571	401
Tax Paid	(1,083)	(738)	(1,650)	(1,371)	
<b>Cashflow From Operations</b>	4,014	5,860	4,389	5,895	7,754
Capex	(1,167)	(965)	52	(7,950)	
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
<b>Other Investing Cashflow</b>					
<b>Cash Flow From Investing</b>	(1,167)	(965)	52	(7,950)	
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(2,949)	(3,529)	(3,384)	(3,858)	
Preferred Dividends					
Other Financing Cashflow	492	131			
<b>Cash Flow From Financing</b>	(2,457)	(3,398)	(3,384)	(3,858)	
Total Cash Generated	390	1,497	1,058	(5,913)	7,754
<b>Free Cashflow To Equity</b>	2,847	4,895	4,442	(2,055)	7,754
<b>Free Cashflow To Firm</b>	2,927	4,988	4,512	(1,985)	7,824

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	8,948	10,446	11,503	5,591	6,965
Total Debtors	856	577	695	775	867
Inventories	76	90	80	90	100
Total Other Current Assets	1,081	656	863	962	1,077
<b>Total Current Assets</b>	<b>10,961</b>	<b>11,768</b>	<b>13,142</b>	<b>7,417</b>	<b>9,009</b>
Fixed Assets	14,577	14,386	13,143	19,737	18,964
Total Investments	830	830	830	830	830
Intangible Assets					
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>15,407</b>	<b>15,216</b>	<b>13,973</b>	<b>20,567</b>	<b>19,794</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	3,691	3,704	3,588	3,999	4,475
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>3,691</b>	<b>3,704</b>	<b>3,588</b>	<b>3,999</b>	<b>4,475</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>					
Total Provisions	1,894	2,353	2,023	2,074	2,142
<b>Total Liabilities</b>	<b>5,585</b>	<b>6,057</b>	<b>5,612</b>	<b>6,073</b>	<b>6,617</b>
Shareholders Equity	20,783	20,927	21,504	21,911	22,187
Minority Interests					
<b>Total Equity</b>	<b>20,783</b>	<b>20,927</b>	<b>21,504</b>	<b>21,911</b>	<b>22,187</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	23.3%	7.8%	(3.0%)	11.4%	11.9%
Operating EBITDA Growth	21.0%	14.6%	(1.4%)	13.2%	13.6%
Operating EBITDA Margin	55.2%	58.7%	59.6%	60.5%	61.5%
Net Cash Per Share (Rs)	18.51	21.61	23.79	11.56	14.41
BVPS (Rs)	42.99	43.29	44.48	45.32	45.89
Gross Interest Cover	48.74	49.83	64.69	73.08	83.29
Effective Tax Rate	25.5%	25.3%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	88.6%	85.3%	85.4%	90.5%	94.1%
Accounts Receivables Days	27.39	26.46	24.20	25.10	25.05
Inventory Days	19.69	21.01	22.06	20.52	21.28
Accounts Payables Days	732.08	938.32	946.44	916.50	950.55
ROIC (%)	30.2%	36.0%	37.7%	45.7%	33.2%
ROCE (%)	20.0%	24.4%	23.7%	25.0%	26.9%
Return On Average Assets	11.2%	12.9%	11.9%	13.4%	15.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.