

IPO ANALYSIS

Sector: Transport Infrastructure
Issue Price: INR 113 to INR 119
Issue Size: INR 2,800 Crores
Issue Opens/Closes: Sep 25/ Sep 27

IPO Basics

Promoters: Sajjan Jindal and Sajjan Jindal Family Trust
Lead Managers: Axis Capital, JM Financial, Credit Suisse, DAM Capital, HSBC Securities, ICICI Securities, Kotak Mahindra Capital, SBI Capital Markets
Registered Office: Mumbai
Registrar: KFin Technologies Ltd.
Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	INR 2800 Cr.
Offer for Sale	Nil
Total Issue as % of total capital (Post-Issue)	11.20%
Post Issue No. of Shares	2,100,001,567
Post Issue Market Cap	INR 23,871 – 24,990 Cr
Face Value	INR 2
Issue Route	Book Build Issue
Bid Lot (Shares)	126
Minimum Bid Amount	INR 14,994
<i>All values calculated at upper band</i>	

Financial Snapshot (INR in crs)

Y/E Mar	FY21	FY22	FY23
Equity Share Capital	59.93	59.93	359.58
Reserves	2,831.24	3,212.19	3,635.05
Net worth	2,891.17	3,272.12	3,994.63
Revenue from Ops	1,603.57	2,273.06	3,194.74
Growth (%)	-	41.75%	40.55%
EBITDA	891.13	1,215.11	1,798.30
EBITDA (%)	53.10%	51.08%	53.32%
Net Profit	284.62	330.44	749.51
Net Profit (%)	16.96%	13.89%	22.22%
Basic EPS	1.62	1.82	4.12
Diluted EPS	1.62	1.81	4.01
RONW (%)	10.29%	10.21%	18.80%
ROCE (%)	8.15%	10.88%	19.49%
NAV (INR)	15.75	17.87	21.88

Shareholding Pattern

Holders	Pre-issue	Post Issue
Promoters	96.42%	85.62%
Public	3.58%	14.38%
Total	100.00%	100.00%

JSW Infrastructure Limited

Sep 22, 2023

Issue Highlights:

- JSW Infrastructure Limited ("JSW Infra") was incorporated on April 21, 2006. JSW Infra is the fastest growing port-related infrastructure company in terms of growth in installed cargo handling capacity and cargo volumes handled during Fiscal 2021 to Fiscal 2023, and the 2nd largest commercial port operator in India in terms of cargo handling capacity in Fiscal 2023.
- Their operations have expanded from one Port Concession at Mormugao, Goa to 9 Port Concessions as of June 30, 2023 across India, making them a diversified maritime ports company.
- Their installed cargo handling capacity in India grew at a CAGR of 15.27% from 119.23 MTPA as of March 31, 2021 to 158.43 MTPA as of March 31, 2023. During the same period, their cargo volumes handled in India grew at a CAGR of 42.76% from 45.55 MMT to 92.83 MMT.
- The company also operates 2 port terminals under O&M agreements for a cargo handling capability of 41 MTPA in the UAE as of June 30, 2023.
- JSW Infra provides maritime related services including, cargo handling, storage solutions, logistics services and other value-added services to their customers, and is evolving into an end-to-end logistics solutions provider. They develop and operate ports and port terminals pursuant to Port Concessions. Their ports and port terminals typically have long concession periods ranging between 30 to 50 years.
- JSW Infra have shown consistent financial performance over the last 3 Fiscals, with their revenue from operations, EBITDA and profit after tax having grown at a CAGR of 41.15%, 42.06% and 62.28%, respectively, from Fiscal 2021 to Fiscal 2023.
- Their JSW Group Customers (Related Parties) are in the process of achieving expanded installed capacities at their facilities in India with JSW Steel aiming to achieve up to 37 MTPA in Fiscal 2025 from 27.7 MTPA in Fiscal 2023, and JSW Energy aiming to achieve up to 10 GW in Fiscal 2025 from 4.8 GW in Fiscal 2023.

Particulars	No. of shares at Lower Band (Rs. Cr.)	No. of shares at Upper Band (Rs. Cr.)	Issue Size Amount (Rs. Cr.)	% Of Issue
QIB	18.58	17.65	2,100.00	75.00%
NIB	3.72	3.53	420.00	15.00%
Retail	2.48	2.35	280	10.00%
Total Issue	24.78	23.53	2,800.00	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	October 03, 2023
Refunds/un-blocking of ASBA Accounts	October 04, 2023
Credit of Equity Shares to DP Ac	October 05, 2023
Trading Commences	October 06, 2023

Investors are advised to refer disclosures made at the end of the research report.

Background**Company and Directors**

The Company was originally incorporated as 'JSW Infrastructure & Logistics Limited' on April 21, 2006. Sajjan Jindal Family Trust and Sajjan Jindal are the Promoters of the company. Currently, the Promoters hold 1,695,135,390 Equity Shares representing 90.91% of the Pre-issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Sajjan Jindal is the Chairman and Non-Executive Director and the Individual Promoter of the company. He has been associated with JSW Steel Ltd since 1997 and is currently the chairperson and managing director of JSW Steel Ltd. He is the vice chairman of the World Steel Association and is also on the board of directors of JSW Energy Ltd. He was previously associated as a director with JSW Bengal Steel Ltd, National Skill Development Corporation and The Associated Chambers of Commerce and Industry of India. He has over 36 years of experience in the manufacturing and steel industry.

Nirmal Kumar Jain is the Vice Chairman and Independent Director of the company. He joined Jindal Iron & Steel Co Ltd in 1992. He has over 21 years of experience in the financial services sector.

Arun Sitaram Maheshwari is the Joint Managing Director and Chief Executive Officer of the company. He has previously been associated with Jindal Strips Ltd, Jindal Iron & Steel Co Ltd and Jindal Vijaynagar Steel Ltd. He has over 30 years of experience in the various areas. He has been associated with the company since April 18, 2019.

Lalit Chandanmal Singhvi is the Whole Time Director and Chief Financial Officer of the company. He has been associated with the company since January 15, 2015. He has previously been associated with Shree Shubham Logistics, Sterlite Industries (India) Ltd, Suhail Bahwan Group (Holding) LLC. He has over 21 years of experience.

Kantilal Narandas Patel is the Non-Executive Director of the company. He joined the Jindal Iron & Steel Co Ltd in 1995. He is currently associated with JSW Holdings Ltd. He has over 28 years of experience.

Ameeta Chatterjee is the Independent Director of the company. She was previously associated with Leighton Contractors (India) Pvt Ltd, a division of Leighton International Ltd. She has over 13 years of experience.

Gerard Earnest Paul Da Cunha is the Independent Director of the company. He is the founder of the architecture firm, Architecture Autonomous. He has over 16 years of experience in architecture and design.

Amitabh Kumar Sharma is the Independent Director of the company. He is currently associated with NorthExcel Associates, Advocates & Legal Consultants as a partner. He has over 25 years of experience.

Rakesh Singh Sisodia is the Executive Vice President – Projects of the company. He joined the company in 2016. He was previously associated with Larsen & Toubro Ltd, Essar Project (India) Ltd, Afcons Infrastructure Ltd Zoom Developers Pvt Ltd and Indo Gulf Corporation Ltd.

Devki Nandan is the Senior Executive Vice President – Business Development and M&A of the company. He has been associated with the company since 2016. He was previously associated with Navig8 Shipmanagement Pvt Ltd (London), APM Terminals India Pvt Ltd and Philips Electronics India Ltd.

Dr. N. Suresh Kumar is the Vice President – Human Resources of the company. He has been associated with the company since 2021. He was previously associated with JSW Energy Ltd, Lanco Power Ltd, Jindal Steel & Power Ltd Minda SAI Ltd, NTPC Ltd, and Triveni Structurals Ltd.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
▪ Prepayment or repayment, in full or part, of all or a portion of certain outstanding borrowings through investment in the wholly owned Subsidiaries, JSW Dharamtar Port Pvt Ltd and JSW Jaigarh Port Ltd	136.00
▪ Financing capital expenditure requirements through investment in the wholly owned Subsidiary, JSW Jaigarh Port Ltd, for proposed expansion/upgradation works at Jaigarh Port as follows:	
• LPG Terminal Project	865.75
• Setting up an electric sub-station	59.40
• Purchase and installation of dredger	103.88
▪ Financing capital expenditure requirements through investment in the wholly owned Subsidiary, JSW Mangalore Container Terminal Pvt Ltd, for proposed expansion at Mangalore Container Terminal	151.05
▪ General Corporate Purposes	[•]
Total	[•]

JSW Infrastructure Limited (“JSW Infra”) is the fastest growing port-related infrastructure company in terms of growth in installed cargo handling capacity and cargo volumes handled during Fiscal 2021 to Fiscal 2023, and the 2nd largest commercial port operator in India in terms of cargo handling capacity in Fiscal 2023. Their operations have expanded from one Port Concession at Mormugao, Goa that was acquired by the JSW Group in 2002 and commenced operations in 2004, to 9 Port Concessions as of June 30, 2023 across India, making them a diversified maritime ports company.

Their installed cargo handling capacity in India grew at a CAGR of 15.27% from 119.23 MTPA as of March 31, 2021 to 158.43 MTPA as of March 31, 2023. During the same period, their cargo volumes handled in India grew at a CAGR of 42.76% from 45.55 MMT to 92.83 MMT. Further, their installed cargo handling capacity in India grew from 153.43 MTPA as of June 30, 2022 to 158.43 MTPA as of June 30, 2023, and the volume of cargo handled by them in India grew from 23.33 MMT for the 3 month period ended June 30, 2022 to 25.42 MMT for the 3 month period ended June 30, 2023. In addition to their operations in India, they operate 2 port terminals under O&M agreements for a cargo handling capability of 41 MTPA in the UAE as of June 30, 2023.

JSW Infra provides maritime related services including, cargo handling, storage solutions, logistics services and other value-added services to their customers, and is evolving into an end-to-end logistics solutions provider. They develop and operate ports and port terminals pursuant to Port Concessions. Their ports and port terminals typically have long concession periods ranging between 30 to 50 years, providing them with long-term visibility of revenue streams. As of June 30, 2023, the capacity weighted average balance concession period of their operational ports and terminals is approximately 25 years with Jaigarh Port, one of their largest assets, having a balance concession period of 35 years.

The company has a diversified presence across India with Non-Major Ports located in Maharashtra and port terminals located at Major Ports across the industrial regions of Goa and Karnataka on the west coast, and Odisha and Tamil Nadu on the east coast. Their Port Concessions are strategically located in close proximity to their JSW Group Customers (Related Parties) and are well connected to cargo origination and consumption points. This enables them to serve the industrial hinterlands of Maharashtra, Goa, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana, and mineral rich belts of Chhattisgarh, Jharkhand, and Odisha, making their ports a preferred option for their customers. In addition, they benefit from strong evacuation infrastructure at their ports and port terminals that comprises of multi-modal evacuation techniques, such as coastal movement through a dedicated fleet of mini-bulk carriers, rail, road network and conveyor systems.

Company’s JSW Group Customers (Related Parties) benefits from relatively low cost of delivery for their cargo due to proximity of their Port Concessions to their facilities and customized services provided by them. They have long-term contracts with the JSW Group Customers (Related Parties), some of which have take-or-pay provisions. As of March 31, 2023, the minimum annual volume of cargo committed under such contracted take-or-pay provisions aggregated to 25.40 MMT, which represented 27.36% of the total volume of cargo handled in India in Fiscal 2023. They have been able to consistently increase the cargo handled for their JSW Group Customers (Related Parties) which grew at a CAGR of 34.38% from 34.25 MMT in Fiscal 2021 to 61.85 MMT in Fiscal 2023 and was 16.11 MMT in the 3 month period ended June 30, 2023, reflecting a high degree of stickiness.

In addition to partnering with their JSW Group Customers (Related Parties) to pursue their growth strategies, they have diversified their customer base to include third-party customers across geographies and have expanded their cargo mix by leveraging their locational advantage and maximizing asset utilization. Their efforts to expand the customer base has led to an increase in cargo handled for third-party customers in India that grew at a CAGR of 65.58% from 11.30 MMT in Fiscal 2021 to 30.98 MMT in Fiscal 2023, and by 32.29% from 7.03 MMT in the 3 month period ended June 30, 2022 to 9.30 MMT in the 3 month period ended June 30, 2023. Cargo handled for third-party customers in India as a proportion of their total cargo handled (by volume) in India increased from 24.81% in Fiscal 2021 to 33.37% in Fiscal 2023, and from 30.12% in the 3 month period ended June 30, 2022 to 36.60% in the 3 month period ended June 30, 2023.

Accordingly, their “sticky cargo”, i.e., volume of cargo handled for their JSW Group Customers (Related Parties) and Long- Term Third-Party Customers, increased at a CAGR of 33.68% from 35.17 MMT in Fiscal 2021 to 62.85 MMT in Fiscal 2023, and was 16.47 MMT in the 3 month period ended June 30, 2022 and 16.37 MMT in the 3 month period ended June 30, 2023 which represented 64.40% of the total cargo handled in the 3 month period ended June 30, 2023.

The company intends to capitalize on the strong growth momentum by broadening their cargo profile, expanding geographical presence and diversifying their revenue streams. They propose to achieve this by leveraging on their experience in developing and acquiring assets across geographies and catering to diverse cargo types. They have developed 2 greenfield Non-Major Ports, 4 port terminals at Major Ports including a container terminal project in New Mangalore (Karnataka), and have acquired 3 port terminals in India. They are in the process of undertaking similar greenfield projects and are exploring selective inorganic growth opportunities to further expand their capacities, customers, service offerings and geographical footprint. To this end, the company proposes to develop a port at Jatadhar (Odisha) to cater to JSW Steel Ltd’s (“JSW Steel”) upcoming steel facility in Odisha.

The company is part of the JSW Group, a multinational conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports. Being a member of JSW Group, they received initial cargo from their JSW Group Customers (Related Parties), which facilitated swift ramp-up of their assets and improved utilization of their capacities. They expect to continue to benefit from the growth of various businesses within the JSW Group. Their JSW Group Customers (Related Parties) are in the process of achieving expanded installed capacities at their facilities in India with JSW Steel aiming to achieve up to 37 MTPA in Fiscal 2025 from 27.7 MTPA in Fiscal 2023, and JSW Energy aiming to achieve up to 10 GW in Fiscal 2025 from 4.8 GW in Fiscal 2023. The company expect such expansions to add to the growth of cargo volumes across their existing assets and provide a base for future growth at new locations.

JSW Infra has shown consistent financial performance over the last 3 Fiscals, with their revenue from operations, EBITDA and profit after tax having grown at a CAGR of 41.15%, 42.06% and 62.28%, respectively, from Fiscal 2021 to Fiscal 2023.

The company is led by a management team comprising professionals with extensive industry knowledge. Their Board of Directors have vast experience in infrastructure, management, architecture, and financial services, with an average experience of 20 years. The majority of their Directors and Key Managerial Personnel have also been with the JSW Group for more than 7 years, demonstrating a high degree of continuity and commitment.

The company has a strong focus on sustainability and has adopted an ESG strategy to lower their carbon footprint and implemented several ESG initiatives. In January 2022, they issued USD 40 crore, 4.95% sustainability-linked senior secured notes due in 2029 which are listed on the India International Exchange (IFSC) Limited (India INX) (“Senior Notes”). The bond features specific sustainability-linked targets such as reducing their CO2 emissions intensity by March 31, 2026 to 1.06 kgCO2e/tch, a reduction of approximately 15% in emissions from 1.25 kgCO2e/tch during the base year of Fiscal 2021. International credit rating services such as Moody’s and Fitch Ratings have assigned a Ba2 Corporate Family Rating and “BB+/ Stable”, respectively, to the sustainability-linked bond, and Moody’s has recently upgraded the rating to “Ba2/ Positive”.

THE KEY PERFORMANCE INDICATORS

(₹ in Cr, unless otherwise specified)

Particulars	For the 3 month period ended June 30,		For Fiscal		
	2023	2022	2023	2022	2021
Revenue from operations	878.10	819.70	3,194.74	2,273.06	1,603.57
Revenue Growth (%)	7.12%	NA	40.55%	41.75%	40.28%
Total income	918.24	861.12	3,372.85	2,378.74	1,678.26
Operating EBITDA	451.34	430.99	1,620.19	1,109.43	816.44
Operating EBITDA Margin (%)	51.40%	52.58%	50.71%	48.81%	50.91%
EBITDA	491.48	472.41	1,798.30	1,215.11	891.13
EBITDA Margin (%) (4)	53.52%	54.86%	53.32%	51.08%	53.10%
Restated profit after tax	322.20	192.55	749.51	330.44	284.62
PAT Margin (%)	35.09%	22.36%	22.22%	13.89%	16.96%
Net Worth	4,246.10	3,353.62	3,934.64	3,212.13	2,831.18
Net Debt	1,873.78	3,191.36	2,215.75	3,331.12	3,609.05
Net Debt / Operating EBITDA	4.15	7.40	1.37	3.00	4.42
Net Debt to Equity (Gearing Ratio)	0.43	0.88	0.54	0.96	1.17
Net Debt / Equity	0.43	0.88	0.54	0.96	1.17
ROE (%)	7.32%	5.32%	18.33%	9.52%	9.22%
ROCE (%)	5.68%	4.98%	19.49%	10.88%	8.15%
EPS (basic and not diluted) (₹)	1.78	1.06	4.12	1.82	1.62
Operating Cash Flow	364.46	392.68	1797.23	1176.23	990.19
Installed Capacity (MTPA)	158.43	153.43	158.43	153.43	119.23
Capacity Utilization (%)	62.64%	59.10%	56.88%	38.41%	35.19%
Total cargo volume handled in India (MMT)	25.42	23.33	92.83	61.96	45.55
Total Cargo Growth (for total cargo volume handled in India) (%)	8.96%	NA	49.81%	36.03%	33.93%

REVENUE FROM OPERATIONS

Customer Category	For the 3 month period ended June 30,				For Fiscal					
	2023		2022		2023		2022		2021	
	Revenue ₹ Cr	% to Total revenue from operations	Revenue ₹ Cr	% to Total revenue from operations	Revenue ₹ Cr	% to Total revenue from operations	Revenue ₹ Cr	% to Total revenue from operations	Revenue ₹ Cr	% to Total revenue from operations
Cargo Handling	743.77	84.70%	674.64	82.30%	2,707.66	84.76%	1,930.66	84.94%	1,390.87	86.73%
JSW Group Customers (Related Parties)	447.99	51.02%	429.96	52.45%	1,657.30	51.88%	1,266.79	55.73%	906.24	56.51%
Third-Party Customers	295.78	33.68%	244.68	29.85%	1,050.36	32.88%	663.87	29.21%	484.63	30.22%
Vessel Related Charges	134.33	15.30%	145.06	17.70%	487.08	15.25%	342.41	15.06%	212.70	13.26%
Vessel related charges	134.33	15.30%	145.06	17.70%	487.08	15.25%	342.41	15.06%	212.70	13.26%
Total	878.10	100.00%	819.70	100.00%	3,194.74	100.00%	2,273.06	100.00%	1,603.57	100.00%

Operational Port Concessions:

Port Name	Jaigarh Port	Dharamtar Port	South West Port	Paradip Iron Ore Terminal	Paradip Coal Exports Terminal	New Mangalore Container Terminal	New Mangalore Coal Terminal	Ennore Coal Terminal	Ennore Bulk Terminal	Bulk Terminal Total	Fujairah Terminal	Dibba Terminal
Hinterland	Maharashtra		Goa	Odisha		Karnataka		Tamil Nadu		Pan-India	UAE	
Installed capacity as of June 30, 2023(MTPA)	55.00	34.00	8.50	10.00	30.00	4.20	6.73	8.00	2.00	158.43	24.00	17.00
CY in which operations commenced under the Group	2010	2012	2004	2019	2021	2022	Acquired in 2020	Acquired in 2020	Acquired in 2020	N/A	2017	2022
CY in which the concession period ends	2058	2044	2029	2045	2047	2050	2047	2038	2045	N/A	2027	2028
Number of Berths	7	5	2	1	2	1	1	1	1	21	2	1
Tariff fixation	Commercially Negotiated	Commercially Negotiated	Until Fiscal 2022 – Regulated Post 2022 – WPI linked	Fixed at bidding and WPI-linked	Fixed at bidding and WPI-linked	Fixed at bidding and WPI-linked	Fixed at bidding and WPI-linked	Fixed by The operator for various services across customers	Fixed by the operator for various services across customers	N/A	N/A	N/A
Royalty/ revenue sharing at the award of concession	JSW Energy: ₹15 per MMT in the 1 st year* Other customers: As per Scale: ₹3 per MMT in the 1 st year, escalated by 20% annually till 15 th year; and from the 16 th year escalated by 3% every 5 th FY.											
		As per Scale of Rates (commodity wise) published by Maharashtra Maritime Board from time to time	18% of gross revenue excluding berth hire income	21% of Gross revenue	31.70% of Gross revenue	₹951 Per TEU	31% of gross revenue	52.52% of Gross revenue	36% of gross revenue	-	-	-

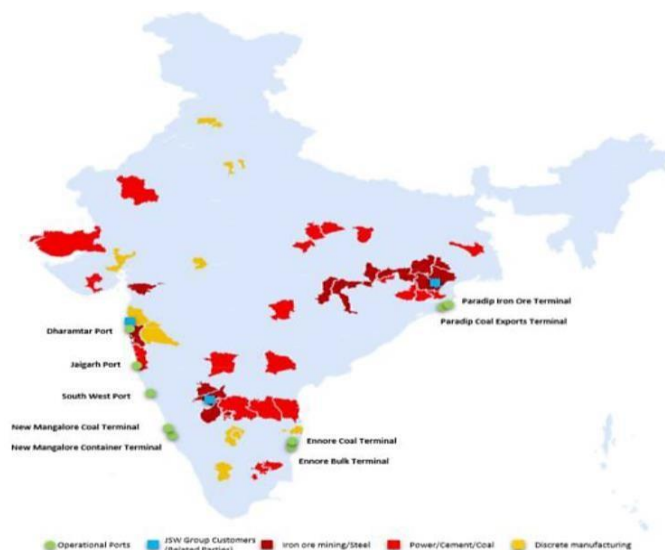
CAPACITY AND UTILIZATION

The information on the installed capacities, actual volume of cargo handled in India and capacity utilization at their Port Concessions:

Customer Category	For the 3 month period ended June 30,		For Fiscal		
	2023	2022	2023	2022	2021
Installed capacity (MTPA)	158.43	153.43	158.43	153.43	119.23
Total cargo volume handled in India (MMT)	25.42	23.33	92.83	61.96	45.55
Capacity utilization (%)	62.64%	59.10%	56.88%	38.41%	35.19%

Geographical Locations

The location of the assets and their proximity to the facilities of the JSW Group Customers (Related Parties) and key industrial clusters in India. In addition to the locational advantages, their assets benefit from a multi-modal evacuation infrastructure comprising a network of roadways, railways, mini-bulk carriers and conveyor systems, which enables them to provide customized supply chain solutions to their customers.



Fastest growing port-related infrastructure company and second largest commercial port operator in India

JSW Infra is the fastest growing port-related infrastructure company in terms of growth in installed cargo handling capacity and cargo volumes handled from Fiscal 2021 to Fiscal 2023. The company has grown by catering to the growing demand for their services that they have been able to meet efficiently through assets located in close proximity to industrial and mineral rich hinterlands.

The company operates 9 Port Concessions in India with an installed cargo handling capacity of 158.43 MTPA as of June 30, 2023, and their position in the Indian maritime infrastructure industry enables them to leverage economies of scale in project development capabilities and resource optimization. Based on the expertise they have developed over the years, they are able to provide a wide range of maritime services and cater to their customers' diverse cargo needs across key locations, which is difficult to replicate, and creates significant barriers for new entrants. Company's experience, scale of operations, track record and related brand equity positions them well to qualify for additional opportunities such as bidding for larger Port Concessions and strengthening the position in the Indian maritime infrastructure industry.

Strategically located assets at close proximity to JSW Group Customers (Related Parties) and industrial clusters supported by a multi-modal evacuation infrastructure

Company's Port Concessions are strategically located on the west and east coasts of India and are well connected to their customers including JSW Group Customers (Related Parties) located in the industrial hinterlands of Maharashtra, Goa, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana, and mineral rich belts of Chhattisgarh, Jharkhand and Odisha. These states manage large volumes of cargo from coastal areas and the broader hinterland.

The location of their assets helps them provide end-to-end logistics services as they are connected to cargo origination as well as cargo consumption points. Majority of their assets have the natural advantage of a deep draft enabling direct berthing of larger vessels like cape size and post panamax vessels.

Predictable revenues driven by long-term concessions, committed long-term cargo and stable tariffs

Company's Jaigarh Port (Maharashtra) was awarded a concession for a period of 50 years in 2008, while the Dharamtar Port (Maharashtra) and each of their other port terminals located at Major Ports, were awarded concession/ license periods of 30 years. As of June 30, 2023 the capacity weighted average balance concession period of their ports and port terminals is approximately 25 years, providing them long-term visibility of revenue streams. The company has long-term contracts with their JSW Group Customers (Related Parties) for cargo handling services at their Port Concessions, some of which have take- or-pay provisions which provides long-term visibility of cargo and revenue at their ports.

The summary of the long-term take-or-pay contracts for cargo handling services as of March 31, 2023 and the volume of cargo handled during Fiscal 2023:

Customer	Minimum Commitment for Fiscal 2023 (MMT)	Actual volume handled during Fiscal 2023 (MMT)	Tenor (Calendar Year)	Service Type	At Port/Terminal
JSW Steel	15.00	22.89	Through 2030	Cargo handling	Dharamtar Port
JSW Steel	4.00	13.77	Through 2030	Cargo handling	Jaigarh Port
Western Concessions Pvt Ltd (formerly known as H-Energy Gateway Pvt Ltd) ("Western Concessions")	1.40	0.00	Through 2058	Cargo handling	Jaigarh Port
JSW Steel	4.00	2.81	Through 2035	Cargo handling	Ennore Coal Terminal
JSW Steel	1.00	0.30	Through 2035	Cargo handling	Ennore Bulk Terminal
JSW Energy Ltd ("JSW Energy") as part of its tolling arrangements with JSW Steel, Amba River Coke Ltd ("Amba River Coke") JSW Cement Ltd ("JSW Cement"), JSW Steel coated Products Ltd ("JSW Steel Coated Products")	Fixed sum	Fixed sum	Through 2024	Cargo handling	Jaigarh Port
Total	25.40	39.77			

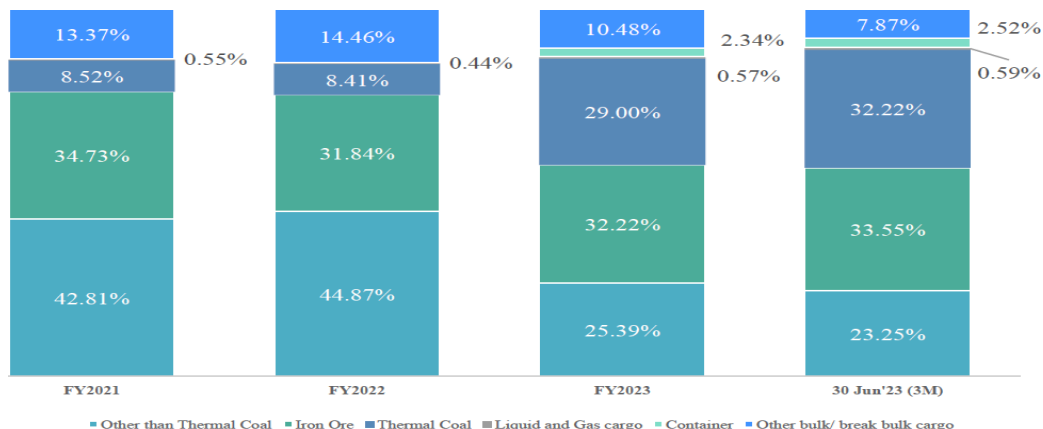
The summary of the fee arrangements for customized services as of March 31, 2023 and the volume of cargo handled under these arrangements during Fiscal 2023:

Customer	Minimum Commitment for Fiscal 2023 (MMT)	Actual volume handled during Fiscal 2023 (MMT)	Tenor (Calendar Year)	Service Type	At Port/Terminal
JSW Steel	4.00	2.16	Through 2031	Mini-bulk carriers	Jaigarh Port
JSW Steel	9.00	13.77	Through 2030	Dredging fee	Jaigarh Port
JSW Energy as part of its tolling arrangements with JSW Steel, Amba River Coke, JSW Cement, JSW Steel Coated Products	Fixed Sum	Fixed Sum	Through 2030	Dredging fee	Jaigarh Port
Trans Impex LLP ("Trans Impex")	Fixed sum	Fixed sum	Through 2027	Liquid storage facility	Jaigarh Port
Total	13.00	15.93			

Diversified operations in terms of cargo profile, geography, and assets

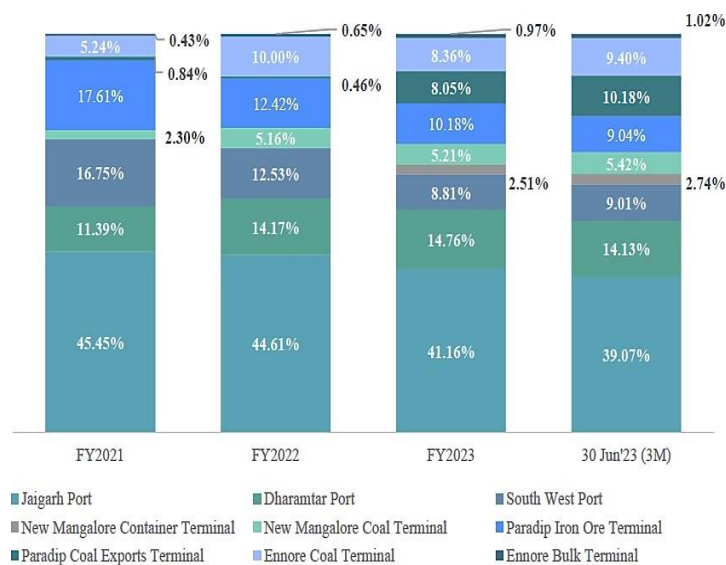
The company currently handle various types of cargo including coal, fluxes and iron ore, sugar, urea, steel products, rock phosphate, molasses, gypsum, barites, laterites, and edible oil. Coal comprises of (i) thermal coal; and (ii) other than thermal coal (which includes coking coal, steam coal and others).

Break-up of Cargos Handeld (MT)



In addition, they have scaled up their business from a single Port Concession at Mormugao, Goa that was acquired by the JSW Group in 2002 and commenced operations in 2004, to 9 Port Concessions in India as of June 30, 2023.

The port or terminal wise revenue for the 9 Port Concessions:



Demonstrated project development, execution and operational capabilities

Company's installed cargo handling capacity in India has grown at a CAGR of 15.27% from March 31, 2021 to March 31, 2023, and the volume of cargo handled by them in India has grown at a CAGR of 42.76% between Fiscal 2021 and Fiscal 2023. Further, their installed cargo handling capacity in India grew from 153.43 MTPA as of June 30, 2022 to 158.43 MTPA as of June 30, 2023, and the volume of cargo handled by them in India grew from 23.33 MMT for the 3 month period ended June 30, 2022 to 25.42 MMT for the 3 month period ended June 30, 2023. The application of their operational expertise in running large ports and port terminals has contributed significantly towards this growth.

Benefit from strong corporate lineage of the JSW Group and a qualified and experienced management team

As part of the JSW Group, JSW Infra benefits from the strong support provided by the group to their business and they grow alongside other growing JSW Group businesses. As a member of JSW Group, they received initial cargo from the JSW Group Customers (Related Parties), which facilitated ramp-up of their assets and improved utilization of their capacities.

The volume of cargo the company has handled for their JSW Group Customers (Related Parties):

	For the 3onth period ended June 30,				For Fiscal					
	2023		2022		2023		2022		2021	
	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)
JSW Group Customers (Related Parties)	16.11	63.40%	16.31	69.88%	61.85	66.63%	46.17	74.51%	34.25	75.19%

The company is aligned with the JSW Group's sustainability vision (the "Sustainability Vision"), and have adopted policies relevant to their operations and activities and have set specific short-term carbon reduction targets in relation to their GHG Emission Intensity.

As part of the JSW Group, they draw strength from a strong management team with extensive experience in the port infrastructure sector and proven track record of performance. Their Board of Directors have vast experience in infrastructure, management, architecture, and financial services, having an average of more than 20 years of experience. Their senior management team, led by the Board of Directors, has several years of experience in the Indian port infrastructure industry as well as varied industry experience in other major sectors.

Strong financial metrics with a growing margin profile, return metrics and growth

The company has consistent financial growth in recent years, with the revenue from operations, EBITDA and profit after tax having grown at a CAGR of 41.15%, 42.06% and 62.28%, respectively, from Fiscal 2021 to Fiscal 2023.

KEY BUSINESS STRATEGIES

Continue to pursue greenfield and brownfield expansions with a focus on Non-Major Ports

The company intends to focus on expansion in Non-Major Ports where they can broaden their operations to provide fully integrated logistics solutions with an optimum cargo mix of bulk, container, liquid and gases while continuing to expand their presence across Major Ports. They intend to increase capacity at the Jaigarh Port by developing a terminal with a proposed capacity of up to 2 MTPA for handling LPG, propane, butane and similar products. They propose to develop a non-major port at Jatadhar (Odisha) with a capacity of up to 52 MTPA to cater to JSW Steel's upcoming steel facility in Odisha. Each of these projects will be developed in a phased manner.

Pursue acquisition opportunities in similar businesses

The company evaluates potential targets based on their strategic fit with the existing assets, expansion potential, and investment returns. They acquired 2 terminals at Kamarajar Port, Ennore, Tamil Nadu (the Ennore Coal Terminal and Ennore Bulk Terminal) and 1 terminal at New Mangalore Port, Mangalore, Karnataka (the New Mangalore Coal Terminal), from the Chettinad Group in November 2020, that added an aggregate 16.73 MTPA of operational capacity. This acquisition provided them with access to third-party customers and helped further spread their footprint along the east coast of India.

They have successfully integrated these acquired assets which include operations and administration of the port as well as integrating strategies, procedures, systems, and human resources. They intend to leverage on the experience of their past acquisitions to execute their strategic objectives and are primarily focused on pursuing opportunities in India, as well as overseas, that align with the growth strategy.

Pursue opportunities in synergistic businesses to increase revenue diversification

The company intends to pursue synergistic businesses such as development of container terminals, liquid storage terminals, container freight stations ("CFS"), multi-modal logistics parks ("MMLP") and inland container depots ("ICD") to enable them to provide end-to-end logistics solutions to their customers. They intend to develop or acquire new container terminals to handle container vessels to cater to the global trend of increase in containerized cargo. They currently have liquid storage tanks at their Jaigarh Port to store molasses and edible oil that are provided to customers under long-term rental arrangements. They are also seeking to enter the CFS/ MMLP/ ICD segments of the maritime infrastructure business to support container ports/ terminals and provide end-to-end logistic solutions.

Increasing the third-party customer base

The company seeks to derive diversification benefits by expanding their base of third-party customers while also maintaining their JSW Group Customers (Related Parties) relationships that lend greater stability and predictability to the operations. The company proposes to achieve this by participating and bidding for new port concessions (across both Major and Non - Major Ports).

	For the 3 month period ended June 30,				For Fiscal					
	2023		2022		2023		2022		2021	
	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)	Cargo volume handled in MMT	Percentage of total cargo handled in India (%)
Third-party Customers	9.30	36.60%	7.03	30.12%	30.98	33.37%	15.79	25.49%	11.30	24.81%

Diversification of cargo mix

The company currently handle various types of cargo, including dry bulk, break bulk, liquid bulk, gases and containers. Some of the cargo they currently handle include coal, iron ore, sugar, urea, steel products, rock phosphate, molasses, gypsum, barites, laterites, edible oil, LNG, LPG, and containers. The diversification of their cargo has enabled them to develop capabilities and expertise in handling various types of bulk cargo, including (i) liquid commodities such as edible oil and chemicals; (ii) LNG and LPG following the commissioning of India's first Floating Storage and Regasification Unit ("FSRU")- based LNG terminal at their Jaigarh Port; (iii) urea and other fertilizers at their Jaigarh Port; and (iv) further expanding their footprint in containers. They propose to further diversify their cargo mix by increasing the contribution of containers, LPG, LNG and liquid bulk.

Focus on building environment friendly and sustainable operations along with growth

JSW Infra has focused on building and operating their assets in an environment friendly and sustainable way while also being focused on growth and profitability. They have developed covered storage sheds for coal and iron ore at their Jaigarh Port to contain the spread of air borne pollutants. They will also continue to actively engage local communities around their ports and terminals through various CSR activities,

INDUSTRY OVERVIEW

Profile of key port/terminal operators in India

Company	Capacity (FY23)	Revenue from operations (FY23)	Traffic (FY23)	Ports/Terminals	Key commodity groups
APSEZ	602 MT	₹ 20,852 Cr	339 MT	Ports: Mundra, Hazira, Dahej, Kattupalli, Krishnapatnam, Gangavaram (Acquired in FY22), Dhamra Tajpur (greenfield port in FY2023) Terminals: Kandla, Mormugao, Ennore, Vizag	Containers, Dry Bulk and Liquid and gas cargo
JSWIL	153 MT	₹ 3,195 Cr	92.8 MT	Ports/Jetties: Dharamtar, and Jaigarh Terminals: Mormugao, New Mangalore, Ennore, Paradip	Coal, Iron Ore, Others
JM Baxi	42 MT (as on 7 April 2023)	₹ 2,316 Cr	21.3 MT	Terminals: Kandla, Vizag, Paradip, Haldia and Rozi Jetty (Jamnagar)	Containers and Dry Bulk
Gujarat Pipavav Port Ltd (GPPL)	~1.35 MTEU ~5 MT (Bulk) ~2 MT (Liquid)	₹ 916 Cr	11.4 MT	Ports: Gujarat Pipavav (Container, Dry/Liquid Bulk)	Containers, Dry bulk, Liquid cargo
DP World	~5.7 MTEU	NA	~3.6 MTEU (~54 MT)	Terminals: Mundra, JNPT, Cochin, Chennai	Containers
PSA International	~4.2 MTEU	₹ 968 Cr	~2.5 MTEU (~37.5 MT)	Terminals: JNPT, Chennai, Tuticorin (PSA and SICAL), Kolkata (PSA International provides O&M services)	Containers

Trend in capacity addition and traffic handled by key players

Port name	Key diversified commercial port operators – Capacity in million tonnes (MT)				Key diversified commercial port operators – Traffic handled in million tonnes (MT)			
	CAGR Fiscal 2021 to Fiscal 2023	Mar-2023	Mar-2022	Mar 2021	CAGR Fiscal 2021 to Fiscal 2023	Mar-2023	Mar-2022	Mar 2021
APSEZ	10%	602 MT	560 MT	498 MT	17%	339 MT	312 MT	247 MT
JSWIL	13%	153 MT	153 MT	119 MT	43%	93 MT	62 MT	46 MT
JM Baxi*	7%	42 MT	42 MT	37 MT	4%	21 MT	21 MT	20 MT
GPPL#	0%	27 MT	27 MT	27 MT	5%	11 MT	10 MT	10 MT

*JM Baxi Rating rational (dated as on 7th April 2023)

Financials for key port operator companies (₹ in Cr)

	Adani Ports and Special Economic Zone Ltd (Consolidated)				J M Baxi Ports and Logistics Ltd (Consolidated)			
	CAGR Fiscal 2021 to Fiscal 2023	Mar-2023	Mar-2022	Mar 2021	CAGR Fiscal 2020 to Fiscal 2022	Mar-2022	Mar-2021	Mar 2020
Revenue from operations	29%	20,852	15,934	12,550	23%	2,316	1,561	1,542
Total income	24%	22,405	18,989	14,520	21%	2,341	1,598	1,595
Net Profit	3%	5,393	4,795	5,049	NM	104	32	(46)
OPM	-	462%	56%	70%	-	17%	25%	21%
NPM	-	26%	30%	40%	-	5	2	(3)%
Total Debt	17%	50,518	47,859	36,902	(1%)	1,844	1,192	1,889
Interest Coverage	-	2.6	4.4	4.7	-	3.1	1.7	1.4

	JSW Infrastructure Ltd (Consolidated)				Gujarat Pipavav Port Ltd (GPPL)			
	CAGR Fiscal 2021 to Fiscal 2023	Mar-2023	Mar-2022	Mar 2021	CAGR Fiscal 2021 to Fiscal 2023	Mar-2023	Mar-2022	Mar 2021
Revenue from operations	41%	3,195	2,273	1,604	12%	917	744	734
Total income	42%	3,373	2,379	1,678	12%	968	772	774
Net Profit	62%	750	321	285	15%	292	197	222
OPM	-	51%	49%	51%	-	52%	56%	58%
NPM	-	23%	14%	18%	-	32%	26%	29%
Total Debt	4%	244	4,409	946	-	-	-	-
Interest Coverage	-	2.9	2.9	3.9	-	69.5	91.9	72.7

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated/ Standalone	Face Value	Revenue from Operation for Fiscal 2023 (₹ in Cr)	EPS		EV/Oper ating EBITDA	NAV	Net Worth	P/E	RoNW (%)
				Basic	Diluted					
JSW Infrastructure Ltd	Consolidated	2	3,194.74	4.12	4.01	[•]	21.88	3,934.64	[•]	18.80%
Adani Ports and SEZ Ltd	Consolidated	2	20,851.91	24.58	24.58	17.99	211.02	45,583.58	35.95	11.65%

DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness. This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.



SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No.: INA000010414 | AMFI: ARN - 64917