

Adani, JSW may bet ₹80K cr on ports in 5 yrs

Adani Ports, JSW Infra plan major expansion via capex, target combined volume market share of 42% by FY30

PRACHI PISAL

Mumbai, 3 November

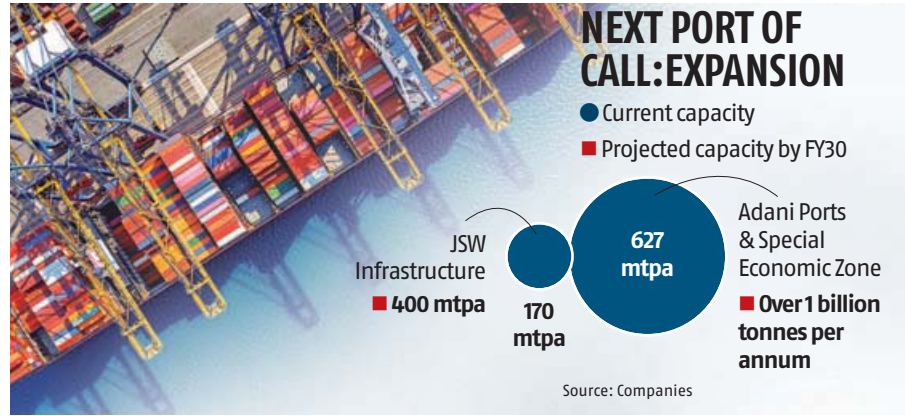
India's two biggest private port operators — JSW Infrastructure (JSW Infra) and Adani Ports and Special Economic Zone (APSEZ) — are eyeing major expansion plans worth ₹80,000 crore, betting on the country's trade growth in the coming years and its maritime vision of attaining a cargo handling capacity of 10,000 million tonnes per annum (mtpa) by 2047.

JSW Infra, which has a cargo handling capacity of 170 mtpa, aims to enhance it to 288 mtpa by FY28 and further to 400 mtpa by FY30 at a compound annual growth rate (CAGR) of 15 per cent. The company is estimated to spend about ₹30,000 crore as capital expenditure to achieve its capacity target, said Elara Capital.

The company's approved projects are estimated to add a cargo handling capacity of 88 mtpa to its existing capacity of 170 mtpa by FY30. Its projects under review may add a capacity of 93 mtpa, while its potential projects are estimated to add a capacity of 49 mtpa by FY30.

The company's most significant projects are Jatadhar Port in Odisha, Keni Port in Karnataka, and Murbe Port in Maharashtra. The three greenfield projects are estimated to add 93 mtpa of cargo handling capacity for the company. A capex of ₹4,119 crore will be infused for Keni Port, and ₹3,000 crore for Jatadhar Port. Murbe Port project's cost is estimated to be ₹4,259 crore.

It recently announced its financial results for the second quarter of FY25 (Q2 FY25), where its net profit jumped 46 per cent year on year (Y-o-Y). Speaking after the results, Lalit Singhvi, the whole-time director and chief financial offi-



cer of the company, said: "This (Q2 FY25 results), coupled with steadily increasing annual cash flows from the current asset base, we are well positioned to pursue a growth plan to enhance our present cargo handling capacity to 400 mtpa by FY30 or earlier."

According to Elara Capital, JSW Infra is the fastest-growing port operator with a volume CAGR of 25 per cent to 106 mtpa during FY19–24 against APSEZ's 15 per cent.

On the firm's further bidding plans, Arun Maheshwari, joint managing director and chief executive officer (CEO) of JSW Infra, said, "We don't know which are the terminals that would be coming up for bidding. But as a company, being one of the largest terminal operators in India, we would continue to look for such opportunities where we can bid for more cargo terminals because we feel this is a good way of increasing our cargo profile and reach." "As

and when any terminal comes up, we will definitely look at it, and if it makes sense for us in terms of internal rate of return (IRR), in terms of product profile and geography, we would be participating in all such opportunities," Maheshwari said.

India's largest private port operator, Adani group-owned Adani Ports & SEZ's current cargo handling capacity stands at 627 mtpa, which it aims to expand to a billion mtpa by 2030. The company's estimated capex for it would be around ₹50,000 crore. According to Elara Capital, the company's market share is estimated to expand to 33 per cent by FY30.

Ashwani Gupta, the whole-time director and CEO at APSEZ, said it was aiming to capitalise on the opportunities offered by "the India growth story," which the company believes is focusing more on infrastructure and industrialisation.

Gupta stated the company was targeting to continue its 2x growth with a focus on key commodities including cement, steel, energy, food, and fertilisers to further enhance its cargo handling performance and for a higher market share. "These four key pillars (infrastructure, industrialisation, energy, and food & fertilisers) of India's growth story are 100 per cent linked to us, because of which we are confident that with our 15 strategic assets in India and four strategic assets overseas, we are going to capitalise on these opportunities," he said.

According to Elara Capital, APSEZ's 2030 vision is on the back of organic expansion at Dhamra, Gangavaram, and the development of Vizhinjam and Colombo ports that will start contributing by FY25-end, inorganic acquisitions globally in Vietnam and Dar es Salaam Port. The domestic opportunities include Gopalpur Port, Odisha, Syama Prasad Mookerjee Port, Kolkata, and Deendayal Port, Gujarat, and a public-private partnership (PPP) at Vadhavan Port, Maharashtra, as well as an increase in operational efficiencies via digitalisation. The company aims to have the share of total international volumes at 15-20 per cent by 2030.

Volume-wise, the company's logistics business increased by 47 per cent year-on-year. Gupta said that the port conglomerate's next focus would be the logistics sector.

Meanwhile, JSW Infra's Maheshwari, while speaking on the firm's recent acquisition of Navkar Corporation, said, "It's a step towards catering to the last-mile connectivity to the customers (the acquisition) because it increases the stickiness of the customer to the port."

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