

Port majors make logistics anchor for cargo growth plans

PRACHI PISAL

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Adani Ports and JSW Infrastructure, India's leading private port operators, are expanding their logistics services to capture extra cargo while they run integrated transport services.

"With incrementally less availability of lucrative port assets that can drive cargo volumes, port operators have naturally shifted their focus on deriving value in the upstream integration, i.e., the logistics space. The synergies being derived through end-to-end service capability for importing or exporting cargo, along with handling of the domestic cargo, are driving port operators to invest in building hinterland assets," said Varun Gogia, assistant vice-president & sector head, corporate ratings, Icr.

Adani Ports and Special Economic Zone (APSEZ), India's top private port operator, has 12 multimodal logistics parks (MMLPs), 132 rakes, more than 3 million square feet of warehousing space, around 6,000 containers, and 937 trailers and tipper trucks. It has 18,250 hectares of industrial land and is building a bank of over 1,528 acres at various industrial clusters, which are integrated with hinterland logistics (like rail and road).

APSEZ's management, in earnings' call for Q4 FY25, said it aims to become an integrated transport utility company. The company has a truck-management platform and a freight-forwarding business. "These are capitalised businesses. They come with very high return on capital employed (ROCE)," said D Muthukumar, chief financial officer (CFO) of APSEZ, adding that growth in logistics is likely to be inorganic (business growth from acquisitions).

JSW Infrastructure (JSW Infra) acquired a majority stake in Navkar Corporation, a logistics firm, for ₹1,644 crore in FY25. Lalit Singhvi, whole-



time director and CFO of JSW Infra, told *Business Standard* earlier the company is looking for more inorganic opportunities in logistics and has submitted bids to the National Company Law Tribunal for acquisitions.

JSW Infra has two Gati Shakti Cargo Terminals (GCT) and plans to participate in more such opportunities to build a nationwide logistics network of 15-20 GCT centres in five years to have an "industry-leading ROCE". The company aims to use 100 acres of undeveloped land in Panvel, Maharashtra, and Morbi, Gujarat, for its logistics plans. It seeks a logistics revenue of ₹8,000 crore and a 25 per cent ebitda margin by FY30, led by adopting an asset-light model via GCTs, synergies with the JSW Group, opportunities in the logistics sector, and major cleanup in accounts, said analysts at Ellara Capital in a note. (Ebitda stand for earnings before interest, taxes, depreciation, and amortisation)

The logistics strategies of APSEZ and JSW Infra are a natural extension of their port businesses, according to experts. The companies seek to earn more from customers by offering "end-to-end solutions", improved port efficiency, and more cargo volumes.

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