

Gujarat Pipavav | ADD

Growth driven by liquids rather than container

Core container growth has been weak for nearly a decade, and there are no signs of recovery. However, we still expect EBITDA margin expansion and EPS accretion driven by high-margin liquid cargo. Liquid cargo growth is facilitated by Aegis Logistics' thrust into LPG, ammonia and chemicals. Valuation is reasonable but trigger can materialise only with developments on concession extension. We upgrade to Add with a target price of INR 168. Our TP implies ~9x FY28 EV/EBITDA.

- **Trigger on concession extension can be a key catalyst but timing is uncertain:** We believe GPPV will be granted a concession extension once its current concession expires in Sep'28 based on our reading of draft maritime policy of Gujarat Maritime Board (GMB). We expect a concession extension of 20 years but the royalty GMB levies remains uncertain. While we expect royalty in the range of 5%-15%, even within that range EBITDA margin and valuations can vary significantly.
- **Container/bulk outlook still remains challenging:** GPPV has witnessed volume attrition in its container segment since FY15 with current volumes lower than pre-Covid levels. We expect challenges in FY26 as well based on 1QFY26 trends and potential US tariffs on Indian exports. We do not expect volumes to recover to pre-Covid levels by FY28. Even in bulk cargo, we do not expect any material uptick due to lack of thermal coal demand in the hinterland. The WDFC connection has failed to lead to a material pick-up in rail container volumes despite GPPV having a track record of double stack movement since Mar'06 and an existing rail venture Pipavav Rail Corporation (PRCL).
- **Liquids to be the key margin and EPS driver:** Significant capacity additions by AVTL in the form of expansion of LPG tankage (from 1.6mtpa-4.5mtpa), investment into rail gantry for petchem movement and an upcoming grey ammonia terminal (1.0mtpa) provides significant volume visibility till FY30E. Even if other cargo can be relatively stagnant, liquid handled at the port can at least double by FY28E. Connection of the Kandla Gorakhpur LPG pipeline (KGPL) spur (1.5mtpa capacity) and commissioning of 3.0mtpa liquid berth (executed by L&T) by FY27 are key enablers.
- **High margin RoRo volumes provide further margin headroom:** The increase in vehicle exports from GPPV enabled by NYK Logistics is a margin driver. With Maruti guiding for strong exports (including new EV models) this can emerge as a growth area.
- **Valuations are reasonably low at ~10x FY27 EV/EBITDA but trigger is lacking:** The valuations are potentially the lowest in the space. However, growth opportunities are rather limited except in liquids, which is driven by Aegis/AVTL rather than GPPV itself. But **dividend yield of ~5% is attractive along with a net cash position.** We believe a key trigger for the stock can be a potential renewal of concession at royalties ~5-7% (continuation of current regime), in which case the stock can potentially trade above INR 200. A level of INR 140/share can represent an attractive entry point since we believe it factors in royalties at 15%+ on extension, a scenario with low probability.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	9,884	9,877	10,657	11,451	13,617
Sales Growth (%)	7.8	-0.1	7.9	7.4	18.9
EBITDA	5,731	5,776	6,482	6,902	8,264
EBITDA Margin (%)	58.0	58.5	60.8	60.3	60.7
Adjusted Net Profit	3,008	3,992	4,455	4,673	5,573
Diluted EPS (INR)	6.2	8.3	9.2	9.7	11.5
Diluted EPS Growth (%)	18.1	32.7	11.6	4.9	19.3
ROIC (%)	33.1	35.5	32.7	27.6	33.4
ROE (%)	14.4	19.0	20.4	20.4	23.5
P/E (x)	25.4	19.1	17.1	16.3	13.7
P/B (x)	3.6	3.6	3.4	3.3	3.2
EV/EBITDA (x)	11.5	11.4	10.6	10.1	8.2
Dividend Yield (%)	4.6	4.6	3.8	4.9	5.8

Source: Company data, JM Financial. Note: Valuations as of 22/Sep/2025



Neelotpal Sahu

neelotpal.sahu@jmfl.com | Tel: (91 22) 66303076

Priyanka Biswas

priyanka.biswas@jmfl.com | Tel: (91 22) 69703622

Parth Thakkar

parth.thakkar@jmfl.com | Tel: (91 22) 61781879

Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	HOLD
Current Price Target (12M)	168
Upside/(Downside)	6.6%
Previous Price Target	164
Change	2.6%

Key Data – GPPV IN

Current Market Price	INR158
Market cap (bn)	INR76.4/US\$0.9
Free Float	56%
Shares in issue (mn)	483.4
Diluted share (mn)	483.4
3-mon avg daily val (mn)	INR246.1/US\$2.8
52-week range	227/121
Sensex/Nifty	82,160/25,202
INR/US\$	88.3

Price Performance

%	1M	6M	12M
Absolute	1.2	16.3	-27.3
Relative*	0.2	8.8	-24.9

* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Growth driven by liquids rather than core container trade

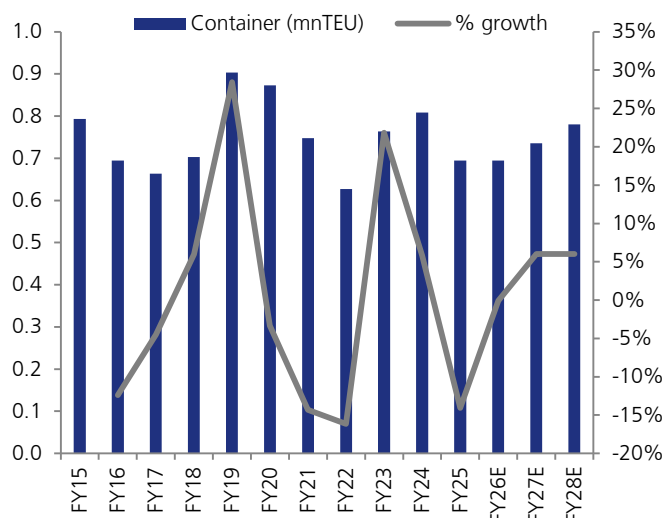
Core container volumes continue to witness challenges of weak hinterland

GPPV is the first private port to be developed in 1998 under GMB Ports policy of 1995 for PPP ports. The port has subsequently passed onto APM Terminals (one of the largest container terminal operators globally) with focus on container volumes (Note: APM Terminals is the ports arm of the Maersk Group, while Maersk handles shipping services). Generally, GPPV has benefitted from global best practices of APM Terminals and was the first port to introduce double stack rail evacuation in Mar'06.

The port is located in the Saurashtra region on the coast of Gujarat, India, which is dominated by agricultural activities and lacks industries; this has impacted the port's prospects. The local hinterland, i.e., the Saurashtra region, did not develop adequately, with planned thermal power projects near the port failing to materialise. Also, until recently, road connectivity in the region was in a state of disrepair. In addition, the parent shifted its focus from GPPV to its asset at JNPT. This is reflected in **progressively weaker revenue share derived from Maersk**.

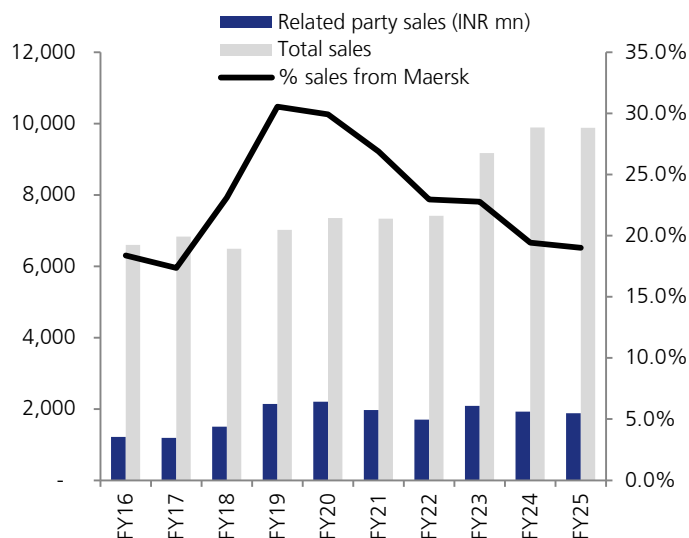
The port has been **losing market share in the region**. The lack of significant investments in the port, to make it more resilient to natural disasters, is another factor that led to the port's loss of market share, in our view. Its operations were severely impacted by the two recent cyclones (Tauktae and Biparjoy), more so when compared to peer, Mundra Port. Previously, the flash floods during Jun'15 (pre-Covid) washed away connecting rail tracks. This adversely affected customer confidence in the port, with many shifting their shipping lines to the nearby Mundra Port, located in Gulf of Kutch, Gujarat. GPPV is among the few ports where container volumes are yet to recover to pre-Covid levels.

Exhibit 1. Container volumes languish below pre-Covid levels



Source: Company, JM Financial

Exhibit 2. Support from Maersk shipping is declining (<20%)



Source: Company, JM Financial

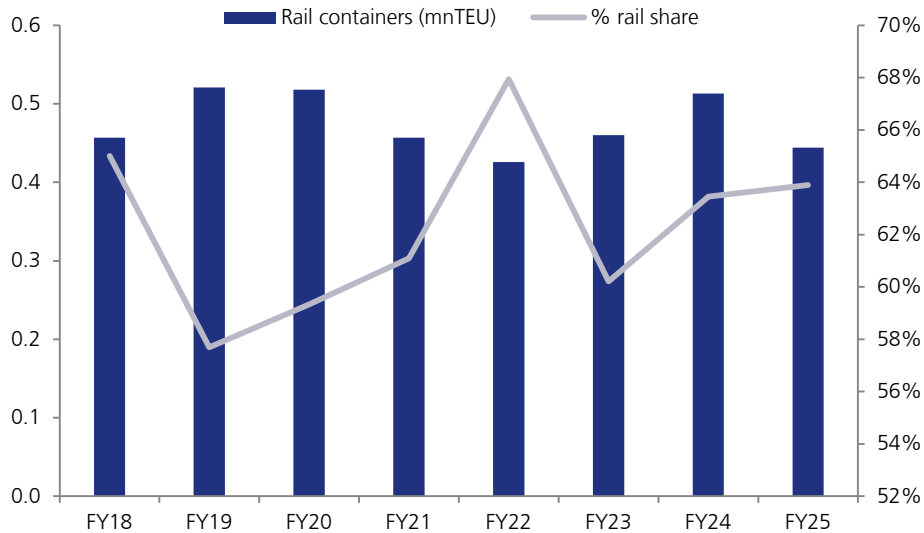
Connection to WDFC has not resulted in higher volumes; US tariffs a near-term challenge impacting 2HFY26

The WDFC (Western Dedicated Freight Corridor) is connected to GPPV via a feeder link connecting at Surendranagar in Gujarat. It was the first port in India to connect to WDFC, which should have ideally led to volume increase since GPPV's associate entity PRCL has among the most efficient rail operations in the region. However, contrary to expectations, rail container volume and rail modal share dipped over FY23-25. The port can handle 22 trains/day (similar to the operating rate at Mundra), but in FY23 it operated an average of only 5.3 trains/day. This highlights the availability of significant spare capacity to drive expansion; thus, congestion is not a reason for weak rail volume growth.

Also, with 13% of EXIM volumes exposed to the US (1QFY26), further adverse impact on volumes is possible in 2HFY26 due to 50% tariffs on Indian exports to the US from 27th Aug' 25. Thus, container volumes may not recover to pre-Covid levels any time before FY28E, in our view.

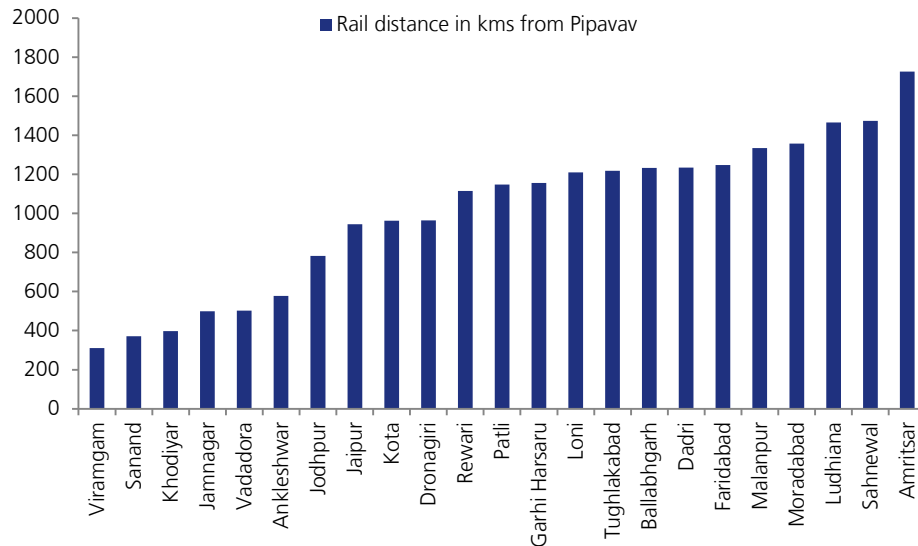
The completion of the Coastal Road has improved road connectivity but the nearby hinterland remains weak. Development of Dholera SEZ will be a key indicator for container volume growth. However, these volume impacts are largely beyond FY30E.

Exhibit 3. Pipavav container evacuation is largely by rail but even here we are witnessing dips despite the connection to WDFC

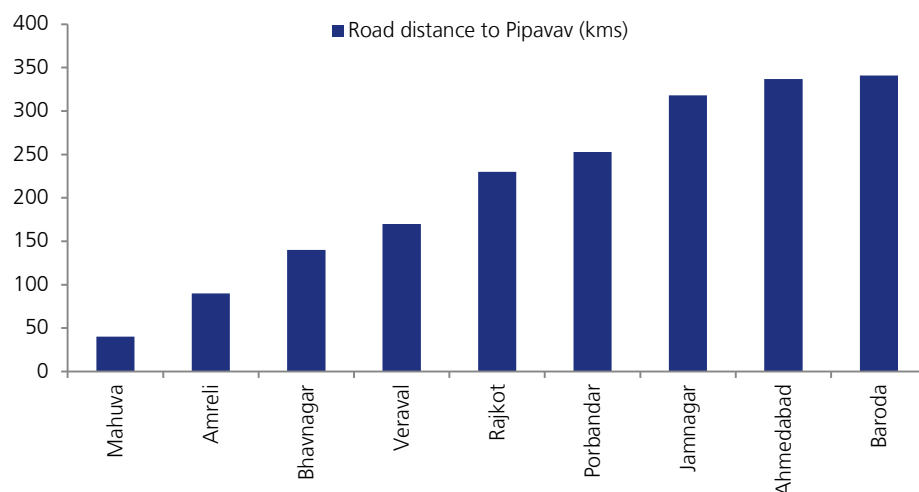


Source: Company, JM Financial

Exhibit 4. GPPV hinterland is largely long lead due to weak nearby hinterland; train connectivity to key hinterland destinations



Source: Company, JM Financial

Exhibit 5. Road connectivity from Pipavav to nearby regions

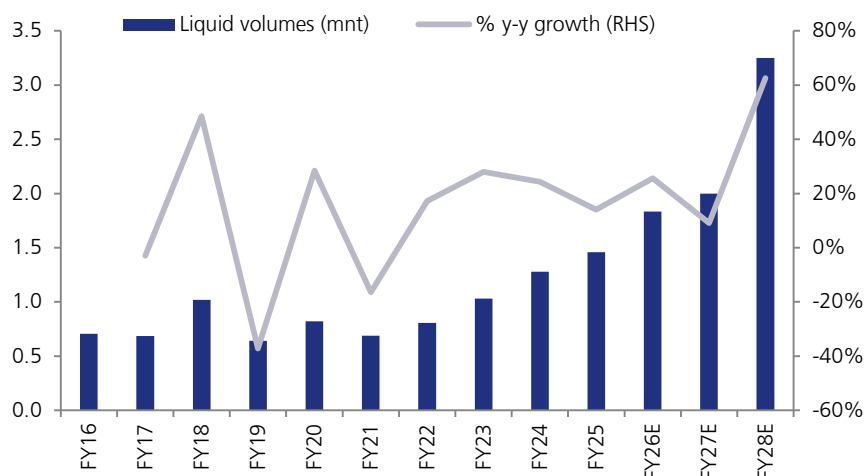
Source: Company, JM Financial

Liquid cargo to witness strong growth driven by strong expansion by AVTL

AVTL has aggressively expanded LPG tankage capacity to 4.6mtpa from 1.6mtpa in Jul'25. The capacity is cryogenic in nature in contrast to the existing high pressure capacities, which leads to economies of space and potentially better evacuation. Further, AVTL commissioned the LPG rail gantry in FY21, which has already led to strong liquids volume uptick over FY21-25. Based on our checks with AVTL, we understand that AVTL can handle 4 LPG rakes per day against current handling of 1-2/day and, thus, evacuation is not a major constraint. In addition, the KGPL spur pipeline to Pipavav is likely to connect to the port by Dec'25, further boosting evacuation capacity by 1.5mtpa.

Besides LPG, AVTL is also constructing 36kt ammonia tankage (~1mtpa) of which 8-10kt is already tied up with Hindustan Zinc for grey ammonia supply to the Chanderiya fertiliser factory. Additionally, AVTL is investing in rail assets for evacuation of petchem, which can boost liquids volume further. In this context, we believe that volume can more than double by FY28E. On its part, GPPV has awarded a USD 90mn contract to L&T Geostructures for construction of a 3mtpa liquid jetty (to be commissioned by Dec'26). This will enable this liquid-driven growth.

While the management does not disclose commodity wise margins, we believe liquids have significantly higher margins. This is demonstrated from the increase in EBITDA despite weakening overall and container volume, highlighting the improved mix effect of liquids.

Exhibit 6. Liquid volume growth driven by berth expansion, connection to KGPL pipeline as well as large capacity expansion by AVTL in LPG, ammonia and other chemicals

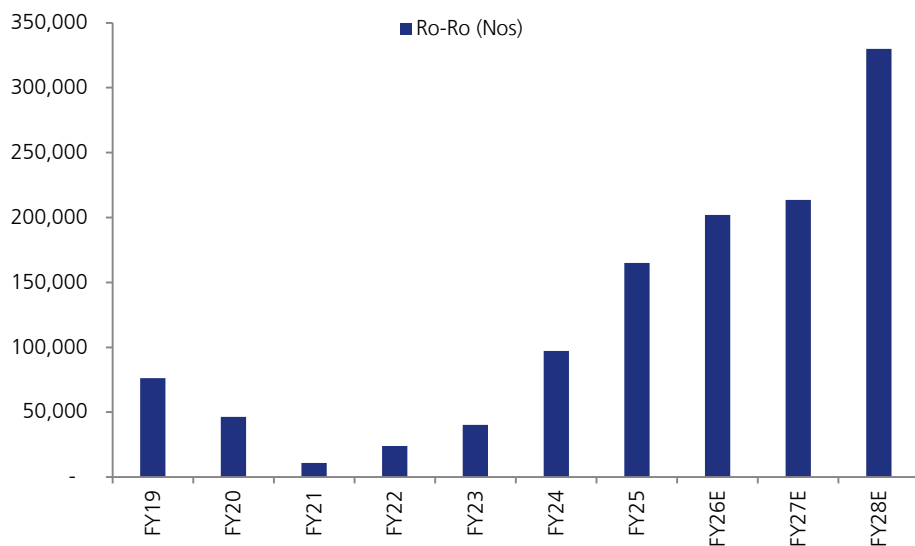
Source: Company, JM Financial

We expect share of high-margin Ro-Ro volumes to increase driven by car exports

We find that investors do not focus on the potential from Ro-Ro (Roll on Roll off), due to low car volumes at the port and historically weak revenue and EBITDA contribution. However, the auto industry leader Maruti Suzuki is targeting to triple its exports by FY30. We see this as a positive for Ro-Ro opportunities at ports. GPPV has existing tie-ups with Maruti as well as Honda, with landside logistics handled by global leader, NYK Logistics. A rise in Maruti's exports will benefit GPPV materially, in our view.

GPPV's earnings from Ro-Ro have been highly profitable, with revenue in the form of berth hire charges, pilotage, and wharfage. Importantly, wharfage at 0.5% of the FOB (freight on board) value of export flows directly to the EBITDA. If the average value of the car exported is INR 0.8mn-1.0mn, GPPV can be earning an EBITDA (from wharfage alone) of INR4-5k/car.

Exhibit 7. Indian car exports from Gujarat to rise, GPPV benefits from that; Ro-Ro margins are significantly higher, thus improving the mix



Source: Company, JM Financial

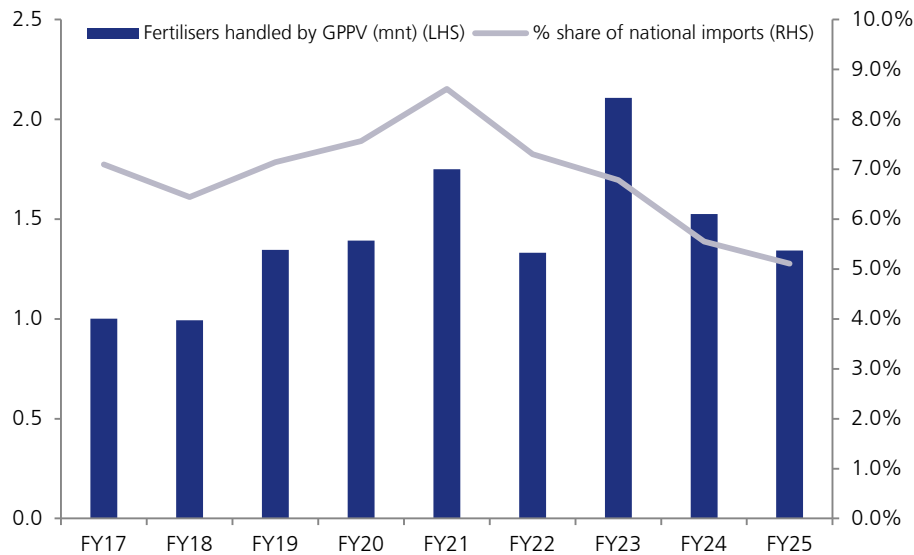
Bulk volumes (low-margin) may remain relatively stagnant

GPPV has bulk cargo handling capacity of 5.0mmtpa. However, this is not a key focus area of the management. The lack of development of thermal power plants in the region has resulted in underutilisation. The subscale volume of coal imports makes it economically unviable to implement full berth mechanisation and, thus, we expect EBITDA margin at bulk operations to be lower at 30-40% vs. the marginal EXIM (export import) container cargo, which has EBITDA margin of over 70%.

In FY22 and FY23, there was an uptick in thermal coal imports, due to damages incurred to Ultratech Cement's (UTCEN IN) jetty at Jafrabad by cyclone Tauktae. As a result, bulk volumes exceeded 4mmt in both years. However, UTCEN's captive jetty has since been repaired and, as a result, FY24 and FY25 volumes have reverted to pre-Covid levels. At present, there are no thermal coal imports. Imports are largely fertilisers and minerals.

Fertilisers have the highest share in bulk volume handled at GPPV, followed by minerals. We note that fertiliser imports (primarily urea) and their allocation by ports is an activity regulated by the Ministry of Fertilisers. We estimate low single-digit growth in the segment, in sync with fertiliser imports and national foodgrain production.

A higher share of fertilisers within bulk cargo is inherently more profitable as realizations is at the upper end of the bulk realizations (INR 550-650/tn). A higher fertiliser realisation should result in higher handling income since bagging of fertilisers is done at the port premises.

Exhibit 8. Fertiliser allocation dependent on govt allocation, GPPV's share fell (FY24-25)

Source: Company, Industry, JM Financial

Increased liquid share and price hikes drive margins despite volume headwinds**We estimate revenue and EBITDA CAGR of 11%/13% over FY25-28E**

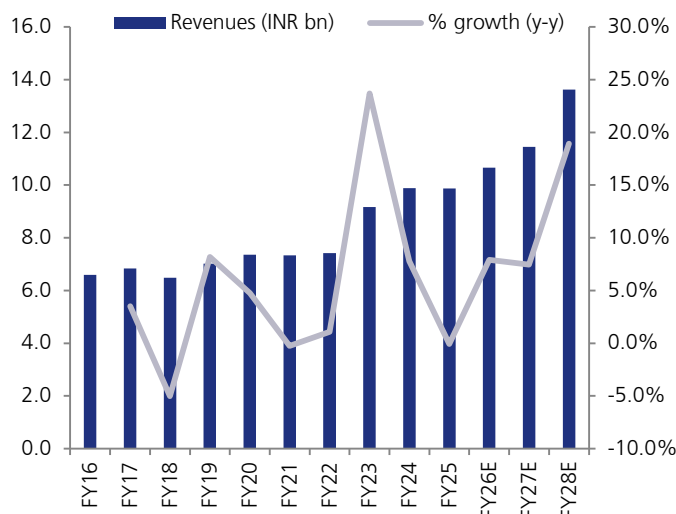
GPPV has undertaken a price hike effective from 1st Jan'25, leading to a 5% effective hike on 3QFY25 prevailing tariffs and ~33% vs. Dec'19 tariffs in USD terms. The tariff hikes are supportive of revenue growth despite modest volume growth. Even then, the present hikes in GPPV tariffs are lower than that of Mundra, based on published tariff.

Our revenue and EBITDA growth projections is based on tariff hikes and improved cargo mix, as we expect a higher share of high margin liquids and Ro-Ro while bulk volumes are largely stagnant. We estimate 11% sales CAGR and 13% EBITDA CAGR with EBITDA margin improving from 59% in FY25 to 61% over FY26-28E driven by improved mix.

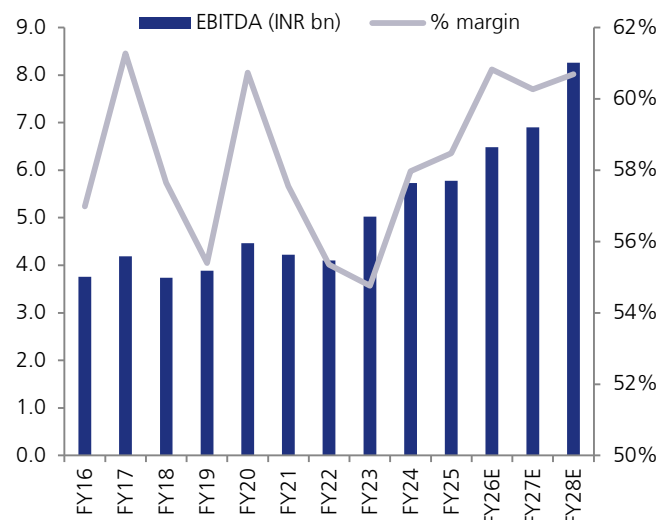
Exhibit 9. GPPV effective tariff hike of 4-5% (USD terms) to support revenue growth

Tariff changes	Dec-19	Oct-20	Feb-21	May-21	Feb-22	Dec-23	Jan-25	% change vs Dec-23
Terminal Handling charges + Port Infra dev charges								
Normal Containers								
Container not exceeding 20 feet in length								
Loaded	97	104	104	109	115	123	129	4.9%
Empty	78	84	84	88	93	99	104	5.1%
Container exceeding 20 feet but not 40 feet in length								
Loaded	151	162	162	170	180	192	202	5.2%
Empty	124	133	133	140	148	158	166	5.1%
Port dues (per GRT)								
Containers								
Foreign vessels	0.168	0.168	0.168	0.168	0.168	0.168	0.168	0.0%
Coastal Vessel	0.065	0.065	0.065	0.065	0.065	0.065	0.065	0.0%
Pilotage (per GRT)								
Containers								
Foreign vessels	0.43	0.54	0.54	0.57	0.61	0.65	0.68	5.0%
Coastal Vessel	0.34	0.35	0.35	0.35	0.35	0.35	0.37	5.0%
Fixed marine dues rise (per GRT)								
Containers								
Foreign vessels	0.60	0.70	0.70	0.74	0.77	0.82	0.85	4.0%
Coastal Vessel	0.40	0.42	0.42	0.42	0.42	0.42	0.44	4.2%

Source: Company

Exhibit 10. Tariff hikes support revenue growth

Source: Company, JM Financial

Exhibit 11. Improved mix drives EBITDA margin accretion

Source: Company, JM Financial

Adequate waterfront and additional capex to support future growth

Capex commitment of INR 33bn; green ammonia plant by Welspun also promising

European companies are increasingly focusing on India as their fastest-growing market and APM Terminals/Maersk are no exceptions. We note that APM Terminals (during Jan'24 Vibrant Gujarat Summit) committed to a capex of INR33bn to enhance port capacities in both container and liquids as well as enhance port mechanisation. This indicates the management's confidence on potential renewal of port concessions (currently expiring in Sep'28). The improvement of confidence by the global CEO likely stems from the fact that JNPT port's capacity (10mnTEU), where APM has a terminal, might get saturated by FY28E. Thus, incremental north-bound cargo has to move through via Mundra or GPPV, which also have strong rail connection to northern ICDs.

In addition, Welspun has also signed an MOU for developing green ammonia ecosystem at the Pipavav port. The green ammonia plants are likely to be export-oriented (EU, South Korea, or Japan), and can further support liquid volumes. Note that one tonne of green hydrogen is equivalent to 5.6T of green ammonia exports. We note that AVTL has the required capabilities to handle green ammonia logistics along with its marketing partner Itochu (Japan).

Adequate waterfront to support strong capacity expansion

GPPV has adequate waterfront to support multi-fold increase in container capacity as well as bulk capacity. However, we think that after the proposed round of capacity expansion at liquid berth to 5.2mnt, there is limited scope to further increase liquid capacity. Currently, GPPV has scope to expand rail services to 22 trains/day (almost similar level to the current operating rate at Mundra) and thus, we do not think GPPV's capacity is constrained. Furthermore, since GPPV is a net cash company, access to cash for investment is unlikely to be a major challenge, in our view.

Exhibit 12. Adequate waterfront and landside capacity to support expansion at GPPV

Capacity	FY25	Max
Containers (mnTEU)	1.35	4.50
Liquid (mnt)	2.00	5.2+
Bulk (mnt)	4.00	15.00
Daily container trains (No.s)	5.3	22
Ro-Ro (No.s)	1,64,977	3,00,000

Source: Company, JM Financial

Core port asset valued using DCF; TP of INR 168, upgrade to ADD

Being a single port asset with finite concession life, we believe DCF is the best basis to value GPPV. The current 30-year concession agreement expires in Sep'28. However, based on draft concession documents prepared by GMB and the management's recent discussion with the Gujarat state administration, it is likely that a 20-year concession extension will be achieved. This is further supported by the parent's aggressive capex plans. However, the timing of announcement remains uncertain. Another uncertainty pertains to the royalty that could be levied once the concession is extended. Note that the draft documents released by GMB do not delve into this aspect.

Note that, for deriving our TP, we assume that the company will successfully extend its concession agreement by 20 years and its royalty rate will range between 5% (the current royalty regime is expected to continue and be extended by 20 years) and 15% (lower than the 18% charged by GMB to captive ports handling third party cargo). We also factor in a terminal depreciated replacement value (DRV) payment at the end of the extended concession. We use risk free rate of 6.7% (in line with India's G-sec yield) and equity beta of 0.7x. We assign equal weight to both 5% and 15% royalty rate. We also add Pipavav Rail (PRCL) to our TP calculation. We value Pipavav Rail (PRCL) at 2.0x P/BV, which is a 50% discount to the largest CTO, CCRI, given the smaller scale of its operations. Note that contribution from PRCL is low.

Exhibit 13. DCF-based TP of INR 168, estimating royalty of extension at 10%

NPV with DRV	No extension	Equity Value at		Target price
		5% royalty	15% royalty	
NPV of cashflows till FY49	7,696	70,108	43,815	56,962
Terminal Value using DRV	40,812	95,487	95,487	95,487
NPV of terminal value	31,246	10,479	10,698	10,588
Port value	38,942	80,587	54,513	67,550
Cash on books (FY26E)	7,574	7,574	7,574	7,574
PRCL stake (~2x P/B)	6,258	6,258	6,258	6,258
GPPV value	52,774	94,419	68,345	81,382
No. of shares	483	483	483	483
Target Price	109	195	141	168

Source: JM Financial

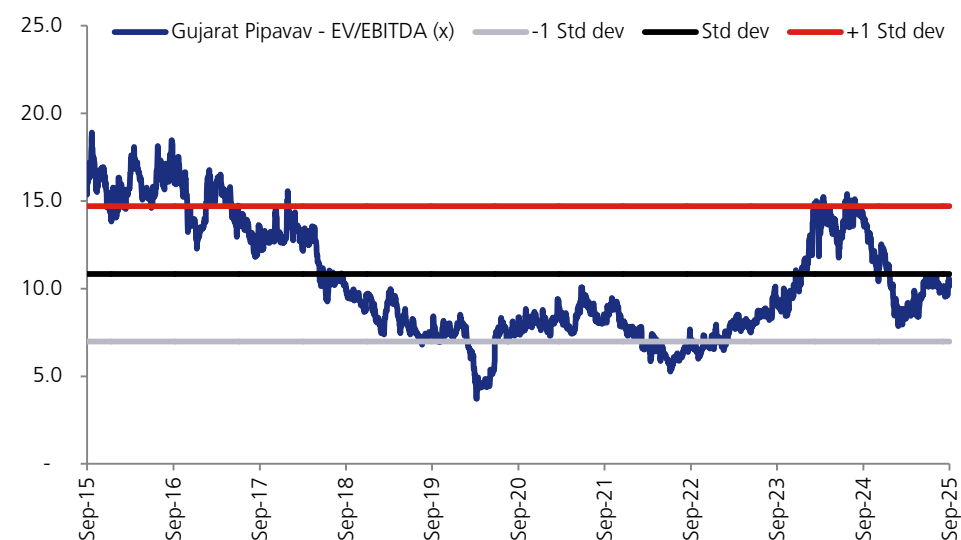
We have provided sensitivity of TP to royalty rates. We think that royalty rates are unlikely to be more than 18%, as this is the royalty rate charged by GMB to captive ports for handling third party cargo. The higher rates of 30% that we have shown is to highlight an extreme event that the royalty charged is at par with what major ports charge to terminal operators (this scenario is extremely unlikely as the government undertakes all major capex at major ports, including capital dredging and investment in evacuation infrastructure).

Exhibit 14. Sensitivity of valuations to royalty rates

Royalty	Valuation (INR/sh)	Upside
3%	209	32%
5%	197	25%
10%	168	7%
15%	141	-10%
18%	125	-21%
20%	113	-28%
25%	85	-46%

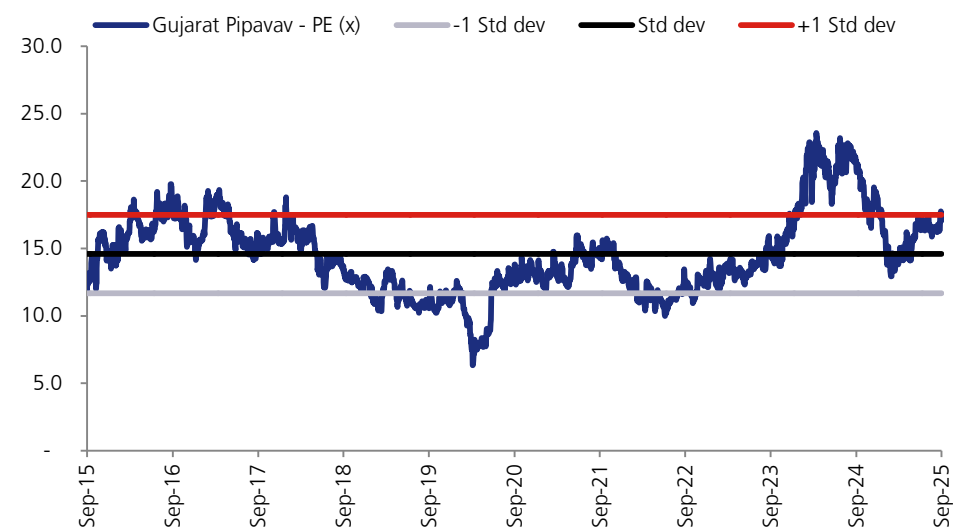
Source: JM Financial

Exhibit 15. GPPV 1 year forward EV/EBITDA close to average



Source: Bloomberg

Exhibit 16. GPPV 1 year forward P/E above average



Source: Bloomberg

Exhibit 17. Change in estimates

Particulars (INR mn)	New			Old			New vs Old		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	10,657	11,451	13,617	10,749	12,067	13,534	-0.9%	-5.1%	0.6%
EBITDA	6,483	6,902	8,264	6,545	7,310	8,237	-1.0%	-5.6%	0.3%
EBITDA margin (%)	60.8%	60.3%	60.7%	60.9%	60.6%	60.9%	-6bps	-30bps	-17bps
PAT	4,455	4,673	5,573	4,501	4,981	5,557	-1.0%	-6.2%	0.3%

Source: JM Financial

Exhibit 18. JMFe vs Consensus

Particulars (INR mn)	JMFe			Consensus			JMFe vs consensus		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	10,657	11,451	13,617	10,568	11,797	13,189	0.8%	-2.9%	3.2%
EBITDA	6,483	6,902	8,264	6,213	6,911	7,728	4.3%	-0.1%	6.9%
EBITDA margin (%)	60.8%	60.3%	60.7%	58.8%	58.6%	58.6%	203.4bps	169.2bps	209.2bps
PAT	4,455	4,673	5,573	4,291	4,745	5,189	3.8%	-1.5%	7.4%

Source: JM Financial, Bloomberg

Key investment risks

- **Non-extension of the concession:** This is the biggest investment risk, followed by higher-than-expected royalty rates in case of concession extension. In the event concession is not renewed, then GPPV is eligible for a terminal payment by GMB in the form of DRV. Incorporating explicit cash flows till FY29 and DRV paid, we estimate that fair valuation is unlikely to exceed INR 105/share, which is materially lower than current price levels.
- **Higher-than-expected royalty:** We value GPPV by assigning equal weight to our assumption of 5% and 15% royalty rate. We think it is unlikely for royalty rates to exceed 18%, as this is the royalty rate charged by GMB to captive ports for handling third party cargo. However, a higher-than-expected royalty presents a risk to our valuation.
- **Competitor aggression:** This is especially true for competitive pressure from Mundra port. Presently, tariffs at Mundra terminal are at a premium to GPPV. However, in the event ADSEZ indulges in tariff competition, there could be significant risk of loss of market share in the core container trade.

Annexure

Exhibit 19. Key container services at Pipavav; Maersk services and coastal services are highlighted in different shades

Shipping line	Service	Sailing Day	Frequency	Port rotation
Maersk	Middle East Coast Line (MECL)	Sat	Weekly	Pipavav, Nhava Sheva, Salalah, Algeciras, Newark, Charleston, Savannah, Houston, Norfolk, Newark, Algeciras, Port Said, Djibouti, Jebel Ali, Port Qasim, Pipavav
Maersk/X-Press	Far East India (FM3/NWX/FI13)	Thu	Weekly	Pipavav, Karachi, Mundra, Colombo, Port Klang, Singapore, Qingdao, Tianjin, Busan, Pipavav
Maersk/Global Feeder	Shaheen Exp (Shahex)	Tue	Weekly	Pipavav, Jebel Ali, Sohar, Jebel Ali, Mundra (MICT), Pipavav
One/X-Press	Thailand India Pakistan (TIP)	Tue	Weekly	Pipavav, Muhammad Bin Qasim, Karachi, Nhava Sheva, Colombo, Port Kelang, Leam Chabang, Singapore, Port Kelang, Pipavav
ONE	Pacific Southwest (PS3)	Sun	Weekly	Pipavav, Colombo, Port Klang, Singapore, Cai mep, Haiphong, LA/LB, Oakland, Pusan, Shanghai, Ningbo, Shekou, Singapore, Port Klang, Nhava Sheva, Pipavav
OOCL / ZIM/ RCL	China India Exp (CIX-3/CIXA)	Fri	Weekly	Pipavav, Colombo, Port Klang, Singapore, Hongkong, Shanghai, Ningbo, Xiamen, Shekou, Nhava Sheva, Pipavav
COSCO/OOCL	China India Exp (CI1)	Wed	Weekly	Pipavav, Karachi, Colombo, Singapore, Caimap, Hongkong, Shanghai, Ningbo, Shekou, Nansha, Singapore, Port Klang, Nhava Sheva, Pipavav
SCI - Coastal	SCI Middle East Liner Express (SMILE)	Sun	Weekly	Pipavav, Mundra, Cochin, Tuticorin, Pipavav
Unifeeder/Shreyas/Avana (Coastal)	West Coast Central (WCC)	Thu	Weekly	Pipavav, Hazira, Cochin, Mangalore, Tuticorin, Mundra, Pipavav
	Pan India Coastal 1 (coastal)			Pipavav, Cochin, Tuticorin, Kandla, Pipavav
Global Feeder/Simamarine (Coastal)	Colombo Cochin Gulf (CCG)	Fri	Fortnightly	Pipavav, Mangalore, Cochin, Colombo, Katupalli, Vizag, Krishnapatanam, Pipavav

Source: Company

Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	9,884	9,877	10,657	11,451	13,617
Sales Growth	7.8%	-0.1%	7.9%	7.4%	18.9%
Other Operating Income	0	0	0	0	0
Total Revenue	9,884	9,877	10,657	11,451	13,617
Cost of Goods Sold/Op. Exp	1,747	1,689	1,646	1,874	2,258
Personnel Cost	791	868	924	973	1,157
Other Expenses	1,616	1,544	1,605	1,702	1,938
EBITDA	5,731	5,776	6,482	6,902	8,264
EBITDA Margin	58.0%	58.5%	60.8%	60.3%	60.7%
EBITDA Growth	14.1%	0.8%	12.2%	6.5%	19.7%
Depn. & Amort.	1,156	1,171	1,258	1,385	1,417
EBIT	4,575	4,605	5,224	5,517	6,847
Other Income	787	810	810	809	683
Finance Cost	93	59	75	75	75
PBT before Excep. & Forex	5,268	5,357	5,959	6,251	7,455
Excep. & Forex Inc./Loss(-)	530	0	0	0	0
PBT	4,738	5,357	5,959	6,251	7,455
Taxes	1,200	1,365	1,505	1,578	1,882
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,538	3,992	4,455	4,673	5,573
Adjusted Net Profit	3,008	3,992	4,455	4,673	5,573
Net Margin	30.4%	40.4%	41.8%	40.8%	40.9%
Diluted Share Cap. (mn)	483.4	483.4	483.4	483.4	483.4
Diluted EPS (INR)	6.2	8.3	9.2	9.7	11.5
Diluted EPS Growth	18.1%	32.7%	11.6%	4.9%	19.3%
Total Dividend + Tax	3,529	3,529	2,895	3,738	4,458
Dividend Per Share (INR)	7.3	7.3	6.0	7.7	9.2

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,538	3,992	4,455	4,673	5,573
Depn. & Amort.	1,156	1,171	1,258	1,385	1,417
Net Interest Exp. / Inc. (-)	93	59	75	75	75
Inc (-) / Dec in WCap.	460	24	-36	-21	-3
Others	-397	-784	-810	-809	-683
Taxes Paid	0	0	0	0	0
Operating Cash Flow	4,850	4,461	4,942	5,303	6,378
Capex	-720	-954	-5,738	-2,867	-720
Free Cash Flow	4,130	3,507	-796	2,436	5,658
Inc (-) / Dec in Investments	0	0	0	0	0
Others	-1,773	38	3,810	3,809	683
Investing Cash Flow	-1,074	-562	-1,928	942	-37
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-3,384	-3,722	-3,054	-3,943	-4,703
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-313	-288	-75	-75	-75
Financing Cash Flow	-3,697	-4,010	-3,129	-4,018	-4,777
Inc / Dec (-) in Cash	79	-111	-115	2,227	1,564
Opening Cash Balance	158	237	126	11	2,238
Closing Cash Balance	237	126	11	2,238	3,801

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	20,927	21,189	22,589	23,319	24,189
Share Capital	4,834	4,834	4,834	4,834	4,834
Reserves & Surplus	16,093	16,354	17,755	18,484	19,355
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	1,059	1,029	1,029	1,029	1,029
Total - Equity & Liab.	21,986	22,218	23,618	24,348	25,218
Net Fixed Assets	14,386	14,118	18,597	20,079	19,382
Gross Fixed Assets	21,981	22,761	28,498	31,365	32,085
Intangible Assets	802	827	827	827	827
Less: Depn. & Amort.	9,091	10,017	11,275	12,660	14,076
Capital WIP	30	21	21	21	21
Investments	830	830	830	830	830
Current Assets	11,565	11,650	8,557	7,830	9,480
Inventories	90	99	103	111	126
Sundry Debtors	577	477	495	533	605
Cash & Bank Balances	10,446	10,689	7,574	6,801	8,365
Loans & Advances	6	2	2	2	2
Other Current Assets	447	382	382	382	382
Current Liab. & Prov.	4,795	4,380	4,366	4,391	4,474
Current Liabilities	1,685	1,284	1,270	1,295	1,378
Provisions & Others	3,110	3,096	3,096	3,096	3,096
Net Current Assets	6,770	7,270	4,191	3,439	5,006
Total - Assets	21,986	22,218	23,618	24,348	25,218

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.4%	40.4%	41.8%	40.8%	40.9%
Asset Turnover (x)	0.4	0.4	0.4	0.5	0.5
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE	14.4%	19.0%	20.4%	20.4%	23.5%

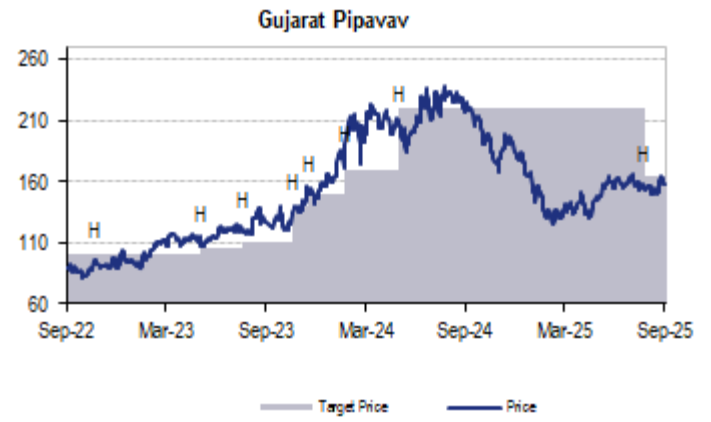
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	43.3	43.8	46.7	48.2	50.0
ROIC	33.1%	35.5%	32.7%	27.6%	33.4%
ROE	14.4%	19.0%	20.4%	20.4%	23.5%
Net Debt/Equity (x)	-0.5	-0.5	-0.3	-0.3	-0.3
P/E (x)	25.4	19.1	17.1	16.3	13.7
P/B (x)	3.6	3.6	3.4	3.3	3.2
EV/EBITDA (x)	11.5	11.4	10.6	10.1	8.2
EV/Sales (x)	6.7	6.6	6.5	6.1	5.0
Debtor days	21	18	17	17	16
Inventory days	3	4	4	4	3
Creditor days	53	41	39	38	38

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-Jun-20	Hold	85	
6-Aug-20	Hold	88	3.5
13-Nov-20	Hold	100	13.6
12-Feb-21	Hold	110	10.0
28-May-21	Hold	115	4.5
16-Aug-21	Hold	108	-6.1
14-Nov-21	Hold	108	0.0
19-May-22	Hold	100	-7.4
3-Aug-22	Hold	100	0.0
10-Nov-22	Hold	100	0.0
26-May-23	Hold	106	6.0
10-Aug-23	Hold	110	3.8
9-Nov-23	Hold	140	27.3
11-Dec-23	Hold	150	7.1
13-Feb-24	Hold	170	13.3
23-May-24	Hold	220	29.4
13-Aug-25	Hold	164	-25.3

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.