

# JSW Infrastructure | BUY

## An 'integrated ports and logistics player' in the making

JSW Infrastructure (JSWIL), India's second largest private port player, is well positioned to capture the opportunities arising from the government of India's (GoI) thrust on infrastructure spending and privatisation of port terminals. The company's ambitious plan to achieve 400mtpa capacity by FY30E (16% CAGR over FY24-30E) is aligned with GoI's target to 4x India's existing ports capacity (2,600mtpa) to 10,000mtpa by FY47E. Part of the JSW group, JSWIL derives significant volume from its group customer (JSW Steel; 52%/60% in 1HFY25/FY24), providing significant visibility and stability to its ports' volumes. Simultaneously, the company has improved its 3<sup>rd</sup> party volume mix from 6% in FY19 to 48% in 1HFY25, indicating a growing and robust customer base. The company's acquisition of Navkar Corporation (operates three CFS and one ICD) and Sical's CTO licence, and a contract to build and operate GCT (Gati-Shakti cargo terminal) are reflective of its intent to create an integrated logistics value chain across key ports, building stickiness for its customers. We believe JSWIL's robust balance sheet (0.3x/0.9x net debt to equity/ net debt to EBITDA), superior cash flows and possible dilution to meet the public market requirement (promoter holding currently 85.6%) are well placed to meet the targeted capex spends of INR 300bn over FY24-30E. We estimate JSWIL to generate revenue/EBITDA CAGR of 20%/18% over FY24-27E on the back of capacity addition (brownfield expansion) and growing customer base. We value the company on 25x FY27 EV/EBITDA to arrive at Mar'26TP of INR 390. We maintain BUY.

- JSWIL, the second largest private port player, targets to achieve 400mtpa by FY30E:** JSWIL, part of JSW group, has expanded from one terminal in Mormugao in 2004 to 10 ports in 1HFY25 and is the second largest private port player in India. A majority of JSWIL's ports are deep draft ports with multi-modal evacuation infra (road/rail/ water). The residual period of concession for the JSWIL portfolio is over 25 years, which is the highest among peers, thus providing significant long-term visibility. Further, the company targets to expand capacity by 2.4x to 400mtpa by FY30E on the back of brownfield expansion in Jaigarh and Dharamtar port and greenfield expansion in Jatadhar, Keni and Murbe port.
- Increasing 3<sup>rd</sup> party mix to improve utilisation over medium to long term:** JSWIL derives significant revenue from its group (54%/52% in 2Q25/1H25). However, the contribution has significantly dropped 75% in FY21 on the back of increasing mix of 3<sup>rd</sup> party customers. The growth in 3<sup>rd</sup> party customers have been largely on the back of the company's customer acquisition strategy, and concession agreements it has received to operate and develop terminals at major ports. Since most of the terminals at major ports serve 3<sup>rd</sup> party cargo, the 3<sup>rd</sup> party mix has improved. During 1HFY25, the contribution from 3<sup>rd</sup> party saw a significant jump largely due to shutdown at the JSW Steel Dolvi plant. The management guides to achieve 50-50% mix in 3<sup>rd</sup> party and group customer mix over the medium to long term. We believe the growing 3<sup>rd</sup> party mix will improve the company's utilisation, leading to improved margins for the ports.

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	31,947	37,629	45,663	56,895	65,560
Sales Growth (%)	40.5	17.8	21.4	24.6	0.0
EBITDA	16,202	19,646	23,308	27,989	32,624
EBITDA Margin (%)	50.7	52.2	51.0	49.2	0.0
Adjusted Net Profit	7,398	11,559	14,309	16,458	18,182
Diluted EPS (INR)	4.1	6.0	7.0	8.0	8.8
Diluted EPS Growth (%)	126.4	45.9	15.8	15.0	0.0
ROIC (%)	17.5	16.5	14.3	14.4	0.0
ROE (%)	20.4	19.2	16.5	16.3	0.0
P/E (x)	78.6	53.9	46.5	40.5	36.6
P/B (x)	14.6	7.8	7.1	6.1	5.3
EV/EBITDA (x)	42.8	34.1	29.5	25.1	20.5
Dividend Yield (%)	0.0	0.0	0.2	0.2	0.3

Source: Company data, JM Financial. Note: Valuations as of 11/Dec/2024



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	390
Upside/(Downside)	20.2%
Previous Price Target	282
Change	38.3%

### Key Data – JSWINFRA IN

Current Market Price	INR324
Market cap (bn)	INR681.1/US\$8.0
Free Float	13%
Shares in issue (mn)	2,055.4
Diluted share (mn)	2,055.4
3-mon avg daily val (mn)	INR967.2/US\$11.4
52-week range	361/202
Sensex/Nifty	81,526/24,642
INR/US\$	84.8

### Price Performance

%	1M	6M	12M
Absolute	5.4	14.5	40.3
Relative*	2.8	7.4	20.4

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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

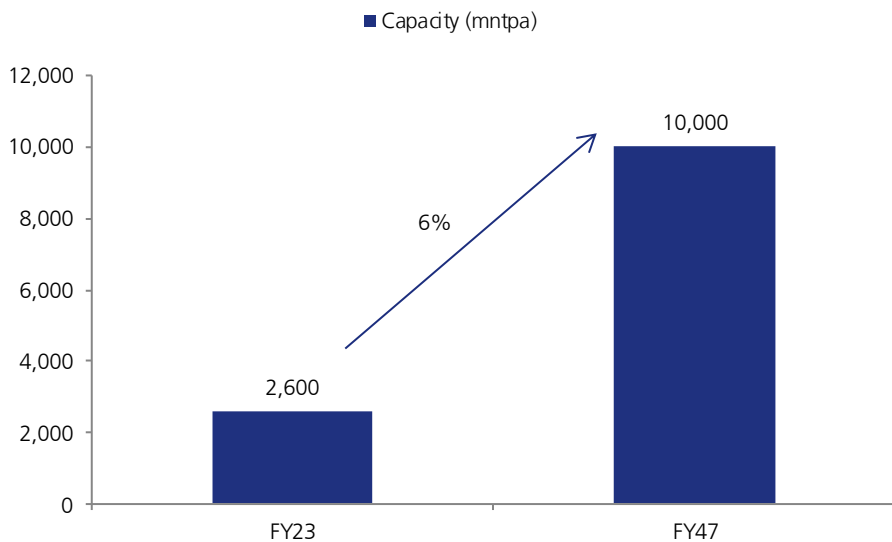
- **Creating a robust logistics value chain across assets:** The recent acquisition by the company reflects its intent to create a logistics value chain across its key assets. In Jul'24, JSWIL announced it was acquiring majority shareholding (70.37%) in Navkar corporation at an equity consideration of INR 11bn. Navkar operates three container freight stations (CFS), two Gati Shakti terminals (GCT), and one inland container depot in Morbi (ICD); it also owns cat 1 and 2 CTO licence. During Dec'23, the company also acquired a CTO licence from Sical Logistics. In Jun'24, it won an LOA for construction of a Gati Shakti terminal at Arokkonam, Chennai. The acquisition of Navkar and CTO licences has increased the addressable market opportunity for the private port player (rail logistics market size is c. INR 2trln-2.5trln and warehousing market size is c. INR 1trln-3trln). Besides creating key logistics assets, the company has purchased an under-construction slurry pipeline project for INR 17bn for transportation of iron ore from JSW steel.
- **Robust financials to aid capex plans:** Over FY19-24, JSWIL's financial strength has significantly improved on the back of a) improvement in cash flow from operations from INR 3.3bn to INR 18bn in FY24 led by tight control on working capital days (155 days in FY19 to 42 days in FY24) and b) proceeds from IPO issuance (INR 17bn). In FY24, the company's net debt to equity was 0.1x (vs. 1.3 in FY21) and net debt to EBITDA was 0.1x (vs. 4.5x in FY21). We believe JSWIL's ambitious capex plan to achieve capacity of 400mnt by FY30E with a capex spend of INR 300bn will be aided by robust cash flow generation, substantial scope to leverage its balance sheet within its guided range of 2.5x net debt to EBITDA and possible dilution to meet public market requirement, i.e., 75% promoter holding (promoter holding ~85.6% as on Sep'24).
- **Maintain BUY with Mar'26TP of INR 390:** We expect the current valuation multiple of JSWIL to sustain given a) JSWIL's robust growth, b) new port developments/acquisitions in the medium term, and c) possibility of upward revision in tariff at its major port terminal (new policy allows such revisions, subject to regulatory approvals). We value JSWIL on 25x FY27 EV/EBITDA to arrive at Mar'26TP of INR 390. Key risks to call - a) Any material downward price revision for group customers, and b) sharp depreciation of INR against USD.

## Second largest private player, embarking on ambitious capex plan (400mnt by FY30E)

JSWIL, the second leading private player, over the past decade has grown from a portfolio of a single port to 10 ports. The company plans to aggressively add its capacity from existing 170mnt to 400mnt in line with the government’s target to quadruple the country’s existing port capacity to 10,000mnt by FY47. We believe the government’s plan to privatise major ports terminals and JSWIL’s existing customers (group and 3<sup>rd</sup> party) will support the company’s capacity addition plans.

- **India’s major and minor ports capacity to 4x to 10,000mtpa by FY47:** The existing ports capacity (including 12 major and 200 minor ports) is 2,600mtpa, of which major ports’ capacity is 1534mtpa, which the government’s targets to quadruple in 25 years to 10,000mtpa. We believe the capacity expansion of ports in India will be led by private players investing in building port infrastructure along with public private partnership in terminals at major ports.

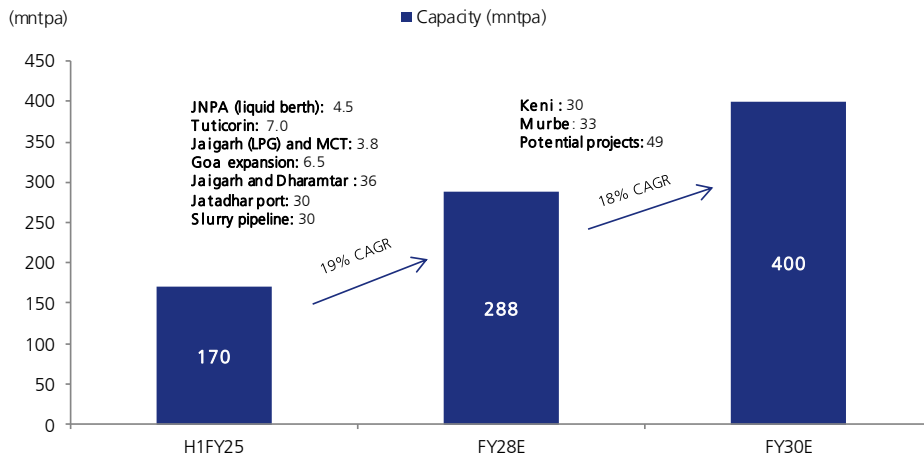
**Exhibit 1. India ports capacity to go up four-fold by FY47 (6% CAGR)**



Source: Company, JM Financial

- **JSWIL to add 118 mnt additional capacity by FY28E and another 112mnt by FY30E leading to total capacity of 400mnt:** JSW Infra plans to increase its cargo handling capacity by 2.4x to 400mntpa by FY30, from the existing 170mntpa, implying 15% CAGR. To achieve this, the company is actively pursuing and exploring various organic and inorganic growth opportunities and has guided for capex of INR 300bn over FY25-30; INR 150bn is likely to be spent over the next 2 years and INR 160bn over the remaining years. Over FY24-28, the company plans to add 118mntpa, of which 66mntpa is contributed by a) capacity addition in Jaigarh and Dharmatar (+36mntpa) and Jatadhar (+30mntpa), b) 22mntpa capacity additions in projects such as liquid berths at JNPT (+4.5mntpa), Tuticorin (7.0mntpa), LPG terminal at Jaigarh (+3.8mntpa), container terminal at New Mangalore (+3.8mntpa) and expansion at Goa (+6.5mntpa) and c) slurry pipeline to add capacity of 30mnt. Further, during FY28-30E, the company expects to add another 112mnt led by Keni port (+30mnt) and Murbe port, (+33mnt) and the remaining from potential projects.

## Exhibit 2. JSWIL's incremental capacity addition of 230mnt over FY24-30E



Source: Company, JM Financial

## Exhibit 3. JSWIL capacity expansion plans and project status

Port/ Terminals	Brownfield / greenfield	Project status	Expansion (mnt)	Concession agreement	Expected completion	Estimated capex (INR bn)
<b>Phase 1 (FY25-28E)</b>						
JNPA (liquid berths)	Terminal	Project approved	5	Signed in Apr'24	Q2FY26	INR 1bn
Tuticorin	Terminal	Project approved	7	Signed in July'24	Q4FY26	INR 6bn
Jaigarh & Mangalore	Brownfield	Project approved	4		Jaigarh - Q4FY26 and MCT - Q1FY26	Jaigarh - INR 9bn and MCT - INR 1.5bn
Goa	Terminal	Project approved	7		Q4FY25	INR 1.5bn
Jaigarh and Dharamtar	Brownfield	Project approved	36		Q4FY27	INR 24bn
Jatadhar	Greenfield	Under review	30	Signed during Q3FY25	FY28	INR 30bn
Slurry Pipeline	Connectivity project	Under review	30		Q1FY28	INR 40bn
<b>Incremental addition</b>			<b>118</b>			
<b>Total capacity</b>			<b>288</b>			
<b>Phase 2 (FY28-30E)</b>						
Keni port	Greenfield	Project approved	30	Signed in Nov'23	FY29	INR 41.1bn
Murbe port	Greenfield	Under review	33	LOI received	FY29-30	~INR 30-40bn
Potential projects			49			
<b>Incremental addition</b>			<b>112</b>			
<b>Total capacity</b>			<b>400</b>			

Source: Company, JM Financial

- **Privatisation of terminals at major ports to support potential projects' expansion:** Under the national monetisation pipeline, Gol plans to privatise terminals at major ports. India's ports have a total capacity of 2,600mntpa, of which major ports have a capacity of 1,500mntpa. We believe 1/3<sup>rd</sup> of major ports' terminal capacity could be privatised over the medium to long term, creating a 500mntpa opportunity for enhancing capacities for private players.

## Exhibit 4. Privatisation of port terminals under national monetisation pipeline

Port terminals' privatisation potential	Total projects	FY22	FY23	FY24	FY25
Paradip port	4	2			2
Deendayal Port (Kandla)	4	2	2		
JNPT (Mumbai)	3	1	2		
Mormugao Port	3	1	2		
Mumbai Port		2			
Shyama Prasad Mukerji Port (Kolkata)- Khidderpore	4	1		1	2
Shyama Prasad Mukerji Port (Kolkata)- Hilda	3	1	1	1	
Visakhapatnam Port	4	1	2	1	
V.O. Chidambaram Port (formerly Tuticorin)	3	2	1		
New Mangalore Port	1				1
<b>Total</b>	<b>31</b>	<b>13</b>	<b>10</b>	<b>3</b>	<b>5</b>

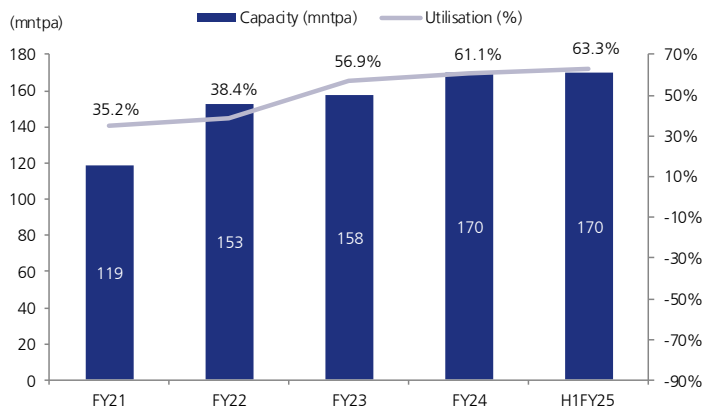
Source: National Monetisation Pipeline, JM Financial

## Improving customer mix to lead to higher utilisation

JSWIL, part of the JSW group, derives significant revenue from group customers which provide visibility to volumes. However, over FY19-24, the company has improved its 3<sup>rd</sup> party volume mix. We believe increasing 3<sup>rd</sup> party volumes along with sticky group volumes will lead to higher utilisation levels at ports with 3<sup>rd</sup> party mix.

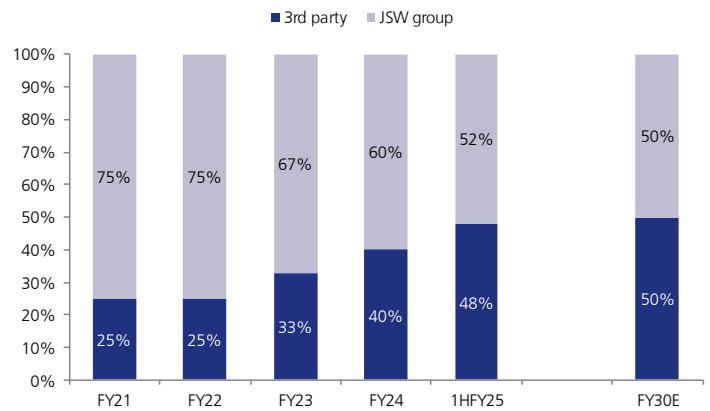
- 3<sup>rd</sup> party mix improved to 48% in 1H25, targets to maintain 50-50 mix:** The 3<sup>rd</sup> party mix has seen significant improvement over FY19-24. The company achieved this by participating and bidding for new port concessions in FY16 and FY17 from Paradip Port Authority and from New Mangalore Container Terminal in FY20 that primarily service 3<sup>rd</sup> party customers. The company plans to maintain 50-50% mix of group and 3<sup>rd</sup> party. During 1HFY25, 3<sup>rd</sup> party mix improved to 48% vs. 40% in FY24 largely on account of shutdown at the JSW Steel Dolvi plant.

**Exhibit 5. JSWIL capacity utilisation (%)**



Source: Company, JM Financial

**Exhibit 6. Improving 3<sup>rd</sup> party mix to 48% in 1H25**



Source: Company, JM Financial

- Recent acquisitions (PNP/ Fujairah/ JNPT liquid) to drive 3<sup>rd</sup> party volume growth over FY24-27E:** We expect the recent acquisition of PNP port (5mnt capacity) in Dec'23, concession agreement of Tuticorin dry bulk (7mnt), JNPT liquid terminal (4.5mnt) and Paradip coal terminal to drive 3<sup>rd</sup> party volume growth for JSWIL over FY24-27E. Post FY27, commencement of new ports – Keni (Karnataka), Murbhe (Maharashtra) will further drive 3<sup>rd</sup> party volume growth.

## Creating logistics value chain across key ports

JSWIL has expanded its presence in the logistics sector with an aim to become an integrated logistics player, offering end-to-end logistics solutions to its customers.

- **A series of acquisitions to foray into logistics solutions:** JSWIL, with the intent to create a logistics value chain across its key assets, has tapped on inorganic opportunities by acquiring majority stake in Navkar Corporation, purchasing CTO licence from Sical and taking up a contract to construct the Gati Shakti multimodal terminal.

**Exhibit 7. A series of acquisitions in logistics**

Timeline	Acquisition	Exchange filings link
3-Nov-23	Purchase of Container Train Operator (CTO) from Sical Multimodal and Rail Transport Ltd.	<a href="#">Link</a>
27-Jun-24	Contract for construction & operation of Gati Shakti MCT at Arakkonam	<a href="#">Link</a>
27-Jun-24	Acquisition of 70.37% stake in Navkar Corporation	<a href="#">Link</a>
13-Jul-24	Purchase of assets of 30mtpa under construction slurry pipeline from JSW Utkal Steel	<a href="#">Link</a>

Source: Company, JM Financial

- **Navkar, a diversified logistics solutions provider with close proximity to key industrial clusters:** Navkar offers diversified logistics solutions – multimodal logistics, warehousing, cold storage, cargo consolidation and other value added services. Both of Navkar’s CFS and ICD are in close proximity to key industrial clusters. The company’s ICD at Vadharva (Gujarat) is close to industrial clusters such as Morbi, whereas the CFS at Ajivali (Maharashtra) and Somathane (Maharashtra) are close to JNPT, Bhiwandi, Chakan and Pune.

**Exhibit 8. Navkar corporation operates three CFS, two Gati Shakti terminals and one ICD**

Established in 2008	Operates 3 CFS, 2 GCT & 1 ICD	Owns CTO Licence Category 1 & 2
Listed Entity NSE/BSE	Promoter Shareholding 70.45%	Land Bank Owned 283 Acres

Source: Company, JM Financial

**Exhibit 10. Distance of key industrial clusters from Navkar’s ICD**

Industrial cluster	Distance from ICD (in KMs)
Morbi	33
Wankaner	60
Rajkot	97
Gondal	138
Jasdan	153
Jetpur	167
Lodika	127
Jamnagar	132
Surendranagar	110

Source: Company, JM Financial

**Exhibit 9. Navkar’s operational assets – CFS I & II and Morbi (ICD)**

	Somathane (Maharashtra)	Ajivali CFS I & II (Maharashtra)	Morbi ICD (Gujarat)	Key Equipments
Operational since	May '09	CFS-I : May'08 CFS-II : May'06	Jan'23	2400+ Domestic standard containers 700+ Trailers for last mile delivery
Land Area (acres)	61 acres	CFS-I : 10 acres CFS-II : 24 acres	140 acres	8 Rakes 5 RTG Cranes
Custom Notified Area	25 acres	CFS-I : 3 acres CFS-II : 10 acres	24 acres	
Domestic Warehouse	80,000 s.q.feet	-	-	
PFT Facility	Yes	No	Yes	
Connectivity	Rail & Road	Road	Rail & Road	
	Land Bank (Acres)			
	Particulars	Developed	Undeveloped	Total
	Parvel Maharashtra	84	59*	143
	Morbi, Gujarat	80	60	140
	<b>Total</b>	<b>164</b>	<b>119</b>	<b>283</b>

Source: Company, JM Financial

**Exhibit 11. Distance of key industrial clusters from Navkar’s CFS**

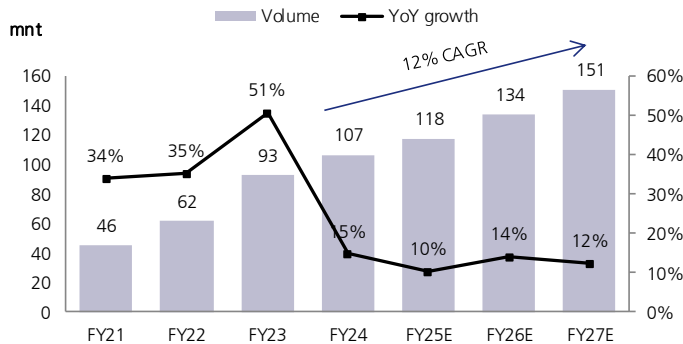
Industrial cluster	Distance from CFS (in KMs)
JNPT	33
Bhiwandi	50
Chakan	90
Khopoli	35
Mahad	133
Nashik	220
Pune	130
Vapi, Silvasa, Dadra	210
Wada	100

Source: Company, JM Financial

## Robust financials to aid capex plan

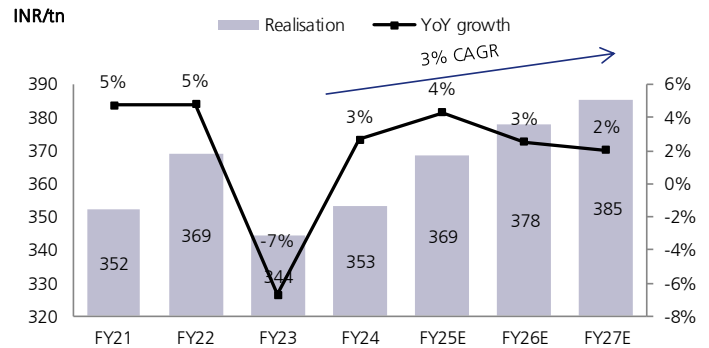
- **JSWIL to generate revenue/EBITDA/ PAT CAGR of 20%/18%/16% respectively over FY24-27E:** We estimate the company to deliver revenue/EBITDA/PAT CAGR of 20%/18%/16% respectively on the back of a) 12% volume CAGR over FY24-27E in the existing ports, brownfield expansion at South West port (Goa) which is expected to be completed by FY25, Mangalore Container Terminal to be completed by Q1FY26, JNPA liquid terminal to be completed by Q2FY26 and Tuticorin terminal to be completed by Q4FY26, and b) acquisition of Navkar Corporation; we estimate revenue/EBITDA CAGR of 20%/25% over FY24-27E for Navkar led by newer leadership and integration benefit with JSW existing ports.

**Exhibit 12. JSWIL to deliver 12% volume CAGR over FY24-27E**



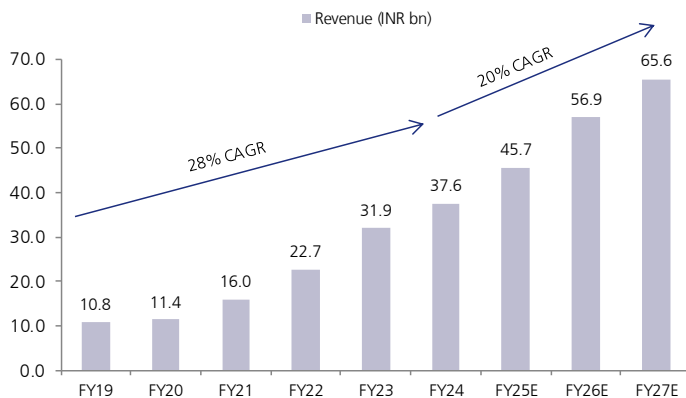
Source: Company, JM Financial

**Exhibit 13. 3% realisation CAGR over FY24-27E**



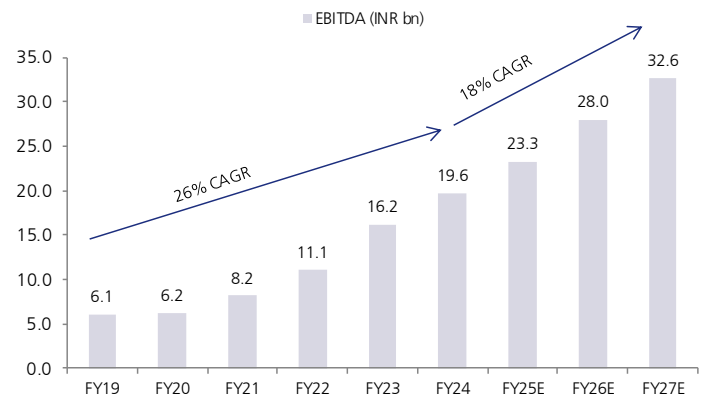
Source: Company, JM Financial

**Exhibit 14. We estimate 20% revenue CAGR over FY24-27E**



Source: Company, JM Financial

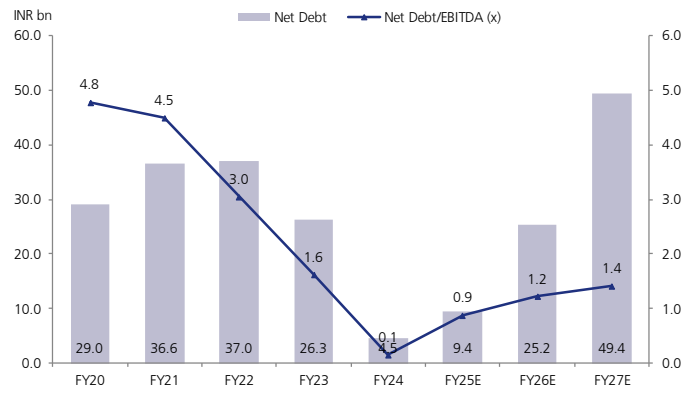
**Exhibit 15. 18% EBITDA CAGR over FY24-27E**



Source: Company, JM Financial

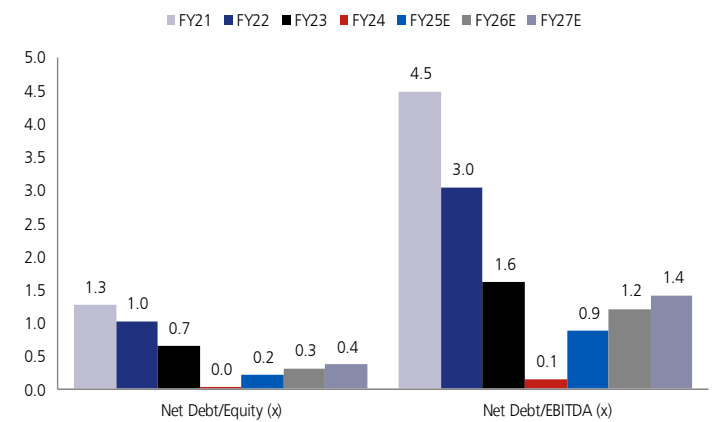
- **Robust financials to support capacity addition plan:** JSWIL's ambitious capex plan to achieve capacity of 400mnt by FY30E with a capex spend of INR 300bn will be aided by a) robust cash flow generation (we estimate cumulative cash flow from operations of INR 74bn over FY25-27E), b) substantial scope to leverage its balance sheet within its guided range of 2.5x net debt to EBITDA (0.1x/0.9x net debt to EBITDA in FY24/FY25E) and c) proceeds from potential dilution to meet public market requirement.

**Exhibit 16. JSWIL's net debt to EBITDA**



Source: Company, JM Financial

**Exhibit 17. Net debt to equity and net debt/ EBITDA trend**



Source: Company, JM Financial

- Maintain BUY with a Mar'26TP of INR 390:** We expect the current valuation multiple of JSWIL to sustain given a) JSWIL's robust growth on the back of ramp up in brownfield expansion, growing customer base and acquisition of Navkar corporation, b) new port developments/acquisitions in the medium term, and c) possibility of upward revision in tariff at its major port terminal (new policy allows such revisions, subject to regulatory approvals). We value JSWIL on 25x FY27 EV/EBITDA to arrive at Mar'26TP of INR 390. Key risks to call - a) Any material downward price revision for group customers, and b) sharp depreciation of INR against USD.



## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	31,947	37,629	45,663	56,895	65,560	
Sales Growth	40.5%	17.8%	21.4%	24.6%	0.0%	
Other Operating Income	0	0	0	0	0	
<b>Total Revenue</b>	<b>31,947</b>	<b>37,629</b>	<b>45,663</b>	<b>56,895</b>	<b>65,560</b>	
Cost of Goods Sold/Op. Exp	12,066	13,587	18,003	23,953	27,424	
Personnel Cost	2,300	2,846	2,400	2,512	2,486	
Other Expenses	1,380	1,550	1,952	2,441	3,026	
<b>EBITDA</b>	<b>16,202</b>	<b>19,646</b>	<b>23,308</b>	<b>27,989</b>	<b>32,624</b>	
EBITDA Margin	50.7%	52.2%	51.0%	49.2%	0.0%	
EBITDA Growth	46.0%	21.3%	18.6%	20.1%	0.0%	
Depn. & Amort.	3,912	4,365	5,375	5,697	7,056	
EBIT	12,290	15,281	17,933	22,292	25,568	
Other Income	1,781	2,694	3,299	2,605	2,156	
Finance Cost	5,961	3,325	1,519	2,750	3,200	
PBT before Excep. & Forex	8,110	14,650	19,713	22,146	24,524	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	8,110	14,650	19,713	22,146	24,524	
Taxes	615	3,043	5,323	5,537	6,131	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	97	48	82	152	211	
Reported Net Profit	7,398	11,559	14,309	16,458	18,182	
<b>Adjusted Net Profit</b>	<b>7,398</b>	<b>11,559</b>	<b>14,309</b>	<b>16,458</b>	<b>18,182</b>	
Net Margin	23.2%	30.7%	31.3%	28.9%	0.0%	
Diluted Share Cap. (mn)	1,795.7	1,923.3	2,055.4	2,055.4	2,055.4	
<b>Diluted EPS (INR)</b>	<b>4.1</b>	<b>6.0</b>	<b>7.0</b>	<b>8.0</b>	<b>8.8</b>	
Diluted EPS Growth	126.4%	45.9%	15.8%	15.0%	0.0%	
Total Dividend + Tax	0	0	1,145	1,646	1,818	
Dividend Per Share (INR)	0.0	0.0	0.6	0.8	0.9	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	39,946	80,264	93,485	108,298	124,661	
Share Capital	3,596	4,103	4,111	4,111	4,111	
Reserves & Surplus	36,351	76,161	89,375	104,187	120,551	
Preference Share Capital	0	0	0	0	0	
Minority Interest	942	2,047	2,128	2,280	2,491	
Total Loans	42,437	43,807	42,702	45,702	60,702	
Def. Tax Liab. / Assets (-)	-2,121	-1,916	-1,127	-241	580	
<b>Total - Equity &amp; Liab.</b>	<b>81,205</b>	<b>124,201</b>	<b>137,188</b>	<b>156,038</b>	<b>188,434</b>	
Net Fixed Assets	59,843	71,925	99,677	134,480	176,424	
Gross Fixed Assets	74,797	90,557	91,646	98,271	136,923	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	15,405	19,720	25,095	30,793	37,849	
Capital WIP	450	1,089	33,127	67,002	77,350	
Investments	3,070	2,445	15,253	13,253	1,253	
Current Assets	28,087	60,650	35,733	26,135	30,949	
Inventories	1,022	1,117	1,251	1,559	1,796	
Sundry Debtors	4,023	6,768	6,255	7,014	8,083	
Cash & Bank Balances	16,316	40,902	22,298	11,633	14,655	
Loans & Advances	6,363	4,893	4,929	4,929	5,414	
Other Current Assets	362	6,970	1,000	1,000	1,000	
Current Liab. & Prov.	9,796	10,819	13,474	17,829	20,191	
Current Liabilities	8,114	9,080	11,222	13,153	14,803	
Provisions & Others	1,682	1,739	2,252	4,676	5,389	
Net Current Assets	18,291	49,831	22,259	8,306	10,757	
<b>Total - Assets</b>	<b>81,205</b>	<b>124,201</b>	<b>137,188</b>	<b>156,038</b>	<b>188,434</b>	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	8,109	14,650	19,713	22,146	24,524	
Depn. & Amort.	3,912	4,365	5,375	5,697	7,056	
Net Interest Exp. / Inc. (-)	5,805	1,425	-1,780	145	1,044	
Inc (-) / Dec in WCAP.	1,724	-1,141	2,298	2,588	-129	
Others	228	1,209	789	886	821	
Taxes Paid	-1,807	-2,476	-5,323	-5,537	-6,131	
<b>Operating Cash Flow</b>	<b>17,972</b>	<b>18,032</b>	<b>21,072</b>	<b>25,927</b>	<b>27,185</b>	
Capex	-5,414	-20,712	-27,157	-40,500	-49,000	
Free Cash Flow	12,558	-2,680	-6,085	-14,573	-21,815	
Inc (-) / Dec in Investments	-5,232	-14,741	-12,808	2,000	12,000	
Others	4,438	-6,594	3,299	2,605	2,156	
<b>Investing Cash Flow</b>	<b>-6,208</b>	<b>-42,047</b>	<b>-36,666</b>	<b>-35,895</b>	<b>-34,844</b>	
Inc / Dec (-) in Capital	0	28,000	58	0	0	
Dividend + Tax thereon	0	0	-1,145	-1,646	-1,818	
Inc / Dec (-) in Loans	-7,912	1,126	-1,105	3,000	15,000	
Others	-2,953	-4,088	-1,519	-2,750	-3,200	
<b>Financing Cash Flow</b>	<b>-10,866</b>	<b>25,039</b>	<b>-3,711</b>	<b>-1,396</b>	<b>9,982</b>	
<b>Inc / Dec (-) in Cash</b>	<b>899</b>	<b>1,024</b>	<b>-19,305</b>	<b>-11,364</b>	<b>2,322</b>	
Opening Cash Balance	10,382	16,316	40,902	22,298	11,633	
Closing Cash Balance	11,281	17,341	21,597	10,933	13,955	

Source: Company, JM Financial

Dupont Analysis		FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin		23.2%	30.7%	31.3%	28.9%	0.0%
Asset Turnover (x)		0.4	0.3	0.3	0.4	0.0
Leverage Factor (x)		2.4	1.8	1.6	1.5	0.0
RoE		20.4%	19.2%	16.5%	16.3%	0.0%

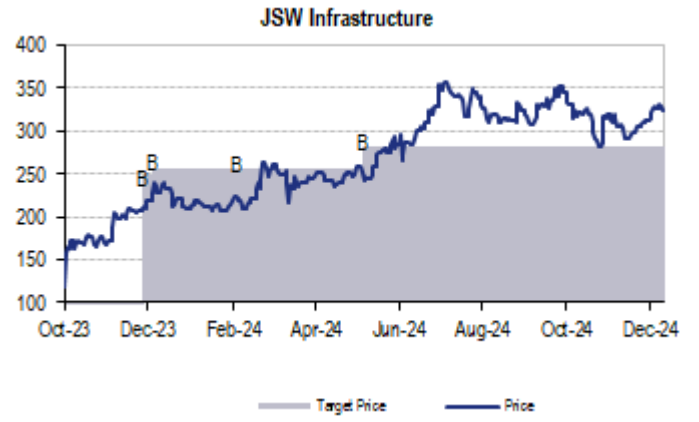
Key Ratios		FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)		22.2	41.7	45.5	52.7	60.7
ROIC		17.5%	16.5%	14.3%	14.4%	0.0%
ROE		20.4%	19.2%	16.5%	16.3%	0.0%
Net Debt/Equity (x)		0.7	0.0	0.2	0.3	0.0
P/E (x)		78.6	53.9	46.5	40.5	36.6
P/B (x)		14.6	7.8	7.1	6.1	5.3
EV/EBITDA (x)		42.8	34.1	29.5	25.1	20.5
EV/Sales (x)		21.7	17.8	15.1	12.3	10.2
Debtor days		46	66	50	45	0
Inventory days		12	11	10	10	0
Creditor days		70	72	82	79	0

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
28-Nov-23	Buy	250	
5-Dec-23	Buy	255	2.0
4-Feb-24	Buy	255	0.0
6-May-24	Buy	282	10.6

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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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.
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\* REITs refers to Real Estate Investment Trusts.

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