

Short Term Fundamental Pick

Thursday, 31 July 2025



Rating: **Buy**

Sector: Services (Transport Infrastructure)

Target: ₹366

Upside Potential: 19.59%

Time Frame: 8-12 Months



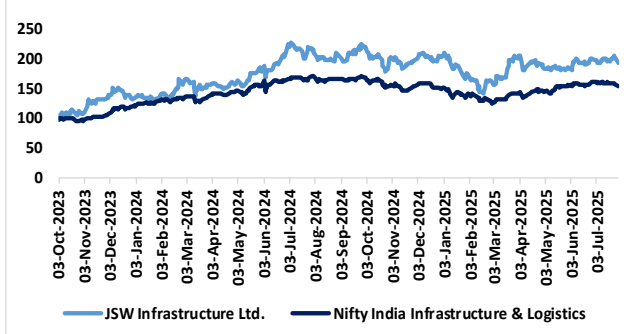
Key Data

Nifty/Sensex	24855.05/81481.86
BSE Code	543994
NSE Code	JSWINFRA
Bloomberg Code	JSWINFRA:IN
Industry	Port & Port services
Market Cap(Cr.)	64270.5
No. of Shares(Cr.)	210
Face Value	2
52 Week High/Low	355.3/218.1

Shareholding Pattern

Particulars	Q1FY26
Promoter	83.62%
MF	2.27%
FII	6.64%
Public	5.98%
Others	1.50%

Relative Price Performance



Bold Expansion into Logistics, Strong Third Party Cargo Volumes and Improving Performance at Navkar, which will emphasise the Volume Recovery for Future Growth ...

Highlights and Investment Rationale

JSW Infrastructure Ltd is the logistics and infrastructure arm of the JSW Group, primarily engaged in developing and operating ports and related infrastructure. It is India's second-largest commercial port operator in terms of cargo handling with 177 mtpa capacity. The company operates across key maritime states including Maharashtra, Goa, Odisha, and Tamil Nadu, serving industries such as steel, power, and cement with end-to-end logistics solutions including cargo handling, storage, and transportation.

Strong Revenue Growth with Tariff Hikes: Revenue rose 21% YoY to ₹12.2 bn in Q1FY26, driven by ~5% volume growth, higher logistics revenue, and tariff hikes at key ports like Goa and Paradip. Port operations revenue per ton improved 2.8% YoY to ₹369.

Third-Party Cargo & Margins Improve: Cargo volumes rose 4.6% YoY to 29.4 mt with third-party cargo growing 8% YoY, raising its share to 52%. Ports EBIT/ton rose 5.4% YoY to ₹153 and margin expanded by 101 bps to 41.4%.

Logistics Business Scaling Up: Logistics revenue rose 6% QoQ to ₹1.4 bn; margins improved to 5.5%. Navkar Corp led growth, with EXIM volumes up 31% YoY and domestic volumes up 11%. FY26 logistics revenue target: ₹80 bn with ₹90 bn capex planned.

Expansion in Port Network: JSW Infra operates 177 MTPA capacity across strategic ports on both coasts. It targets 400 MTPA capacity by FY30 with upcoming greenfield ports at Keni (Karnataka), Jatadhar (Odisha), and Murbe (Maharashtra).

Operational Challenges and Recovery Outlook: Dolvi plant shutdown impacted Jaigarh volumes in Q1, but rising JSW Steel volumes and iron ore bookings from July are expected to offset the decline. Employee expenses have trended lower.

Acquisitions and Connectivity Boost: The acquisition of Navkar Corp and NCR Rail Infra enhances JSW Infra's Pan-India logistics network, especially for steel cargo. NCR Rail is strategically located near both DFCs and NCR, offering return load potential.

Government Policy Tailwinds: JIL benefits from India's push to reduce logistics costs, especially through the rail-sea-rail coal route. It continues to develop integrated logistics hubs with captive rail infrastructure to support future growth.

Key risks:

- **Cargo Volume Slowdown & Disruptions:** Any decline in cargo volumes or weather-related disruptions can impact port operations and may cause damage to infrastructure.
- **Project Delays:** Delays in the construction of new ports, land acquisition, or regulatory approvals can hinder expansion and growth plans.
- **Group Dependency Risk:** Slower capacity additions at JSW Group steel plants or a downturn in the steel sector could reduce cargo flow, affecting overall performance.

Key Financial Indicators & Valuation (Consolidated)					
YE March (Mns.)	FY23	FY24	FY25	FY26E	FY27E
APAT	739.80	1155.89	1503.08	1724.88	2029.68
EBITDA Margin(%)	50.79%	52.29%	50.54%	50.57%	50.54%
EBIT Margin(%)	38.54%	40.69%	38.33%	39.17%	39.35%
Net Profit Margin(%)	23.16%	30.72%	33.58%	32.11%	31.49%
ROE(%)	21.80%	20.16%	17.60%	16.70%	16.80%
Current Ratio	2.21	3.96	2.34	3.5	4.2
EPS	4.0	5.5	7.2	8.3	9.8
PE	-	43.57	44.1	36.8	31.3
BV/S	20.87	39.1	46.8	56.2	69.8
P/BV	-	8.1	6.8	5.4	4.4

Variance Analysis (Consolidated)					
Particulars (Rs. In Cr.)	2025-Jun	2024-Jun	YoY(%)	2025-Mar	QoQ(%)
Net Sales	1223.85	1009.77	21.2	1283.18	-4.62
Total Expenditure	642.69	495.13	29.8	556.07	15.58
PBIDT (Excl OI)	581.16	514.64	12.93	727.11	-20.07
PAT	389.57	296.55	31.37	515.58	-24.44
PBIDTM% (Excl OI)	47.49	50.97	-6.83	56.66	-16.18
PBIDTM%	54.83	60.27	-9.03	63.58	-13.76
PATM%	31.83	29.37	8.38	40.18	-20.78
Adj. EPS(Rs)	1.85	1.42	30.28	2.46	-24.8

Valuation and Outlook

JSW Infrastructure (JSWINFRA) stands to benefit significantly from the JSW Group's robust steel production growth, particularly with rising cargo volumes expected from the ramp-up of JSW Steel's Dolvi plant expansion. Growth is also likely to be supported by increasing third-party cargo volumes, aided by the company's strategic presence at major ports and its active participation in upcoming terminal bids. Notably, it recently secured a Letter of Award (LoA) from SMPK for the redevelopment and mechanization of container berths, further enhancing its third-party cargo potential. JSWINFRA is also strengthening its logistics capabilities through the turnaround of Navkar and the acquisition of NCR Rail, which boasts six rail lines connected to both Dedicated Freight Corridors (DFCs). From FY25 to FY27E, revenue, EBITDA, and net profit are projected to grow at a CAGR of 20%, 20%, and 16.2% respectively. The stock closed at ₹306.05 on July 30, trading at a trailing P/E of 40.26 (TTM EPS ₹7.6), with forward P/E multiples estimated at 36.8x for FY26E and 31.3x for FY27E. **These developments are expected to unlock value for minority shareholders, and we maintain a bullish view on JSWINFRA with a target price of ₹366, implying a potential upside of 19.59% over the next 8–12 months.**

Profit And Loss Statement (Consolidated)					
YE March (Mns.)	FY23	FY24	FY25	FY26E	FY27E
I. Income					
Net Sales	3,194.7	3,762.9	4,476.1	5,371.30	6,445.5
Net Sales	3,194.7	3,762.9	4,476.1	5,371.3	6,445.5
II. Expenditure					
Power and Fuel	125.0	160.9	180.4	214.9	257.8
Other Mfr. Exp	1,081.6	1,197.8	1,563.1	1,875.7	2,252.7
Employee Cost	230.5	285.4	241.9	290.3	348.4
Selling and admin	96.8	120.3	184.9	221.9	266.3
Other Expenses	38.3	30.9	43.7	52.4	62.7
Total Expenditure	1,572.2	1,795.4	2,214.0	2,655.2	3,187.9
EBITDA	1,622.6	1,967.5	2,262.2	2,716.1	3,257.6
Depreciation	391.2	436.5	546.6	612.0	721.0
EBIT	1,231.3	1,531.0	1,715.6	2,104.1	2,536.6
Interest	596.1	332.5	265.7	323.0	432.0
Other Income	175.7	266.5	353.0	400.0	460.0
Earnings Before Tax(EBT)	811.0	1,465.0	1,802.8	2,181.1	2,564.6
Tax	61.5	304.3	281.4	436.2	512.9
Profit After Tax(PAT)	749.5	1,160.7	1,521.5	1,744.9	2,051.7
Minority Interest	-9.7	-4.8	-18.4	-20.0	-22.0
Adjusted Profit After Tax(APAT)	739.8	1,155.9	1,503.1	1,724.9	2,029.7
EPS - Basic	4.0	5.5	7.2	8.3	9.8

Investment Rating Matrix

Ratings	Expected Return
Buy	>15%
Accumulate	10% to 15%
Hold	0% to 15%
Sell	< - 15%

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