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IPO note: JSW Infrastructure Limited - "SUBSCRIBE"

Sep. 25, 2023

### Impressive background and business model..

JSW Infrastructure Limited ("JSW Infra") was incorporated on April 21, 2006. The Company is the fastest growing port-related infrastructure company in terms of growth in installed cargo handling capacity and cargo volumes handled during Fiscal 2021 to Fiscal 2023, and the second largest commercial port operator in India in terms of cargo handling capacity in Fiscal 2023 (Source: CRISIL Report).

The Company's operations have expanded from one Port Concession at Mormugao, Goa that was acquired by the JSW Group in 2002 and commenced operations in 2004, to nine Port Concessions as of June 30, 2023 across India, making it a diversified maritime ports company. The Company's installed cargo handling capacity in India grew at a CAGR of 15.27% from 119.23 MTPA as of March 31, 2021 to 158.43 MTPA as of March 31, 2023. During the same period, the Company's cargo volumes handled in India grew at a CAGR of 42.76% from 45.55 MMT to 92.83 MMT. Further, its installed cargo handling capacity in India grew from 153.43 MTPA as of June 30, 2022 to 158.43 MTPA as of June 30, 2023, and the volume of cargo handled by the Company in India grew from 23.33 MMT for the three month period ended June 30, 2022 to 25.42 MMT for the three month period ended June 30, 2023. In addition to its operations in India, the Company operates two port terminals under O&M agreements for a cargo handling capability of 41 MTPA in the UAE as of June 30, 2023.

The Company provides maritime related services including, cargo handling, storage solutions, logistics services and other value-added services to its customers, and are evolving into an end-to-end logistics solutions provider. The Company develops and operate ports and port terminals pursuant to Port Concessions. The Company's ports and port terminals typically have long concession periods ranging between 30 to 50 years, providing it with long-term visibility of revenue streams. As of June 30, 2023, the capacity weighted average balance concession period of its operational ports and terminals is approximately 25 years with Jaigarh Port, one of its largest assets, having a balance concession period of 35 years.

JSW Infra has shown consistent financial performance over the last 3 Fiscals, with its revenue from operations, EBITDA and profit after tax having grown at a CAGR of 41.15%, 42.06% and 62.28%, respectively, from Fiscal 2021 to Fiscal 2023.

The Company is part of the JSW Group, a multinational conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital and sports. Being a member of JSW Group, the Company received initial cargo from its JSW Group Customers (Related Parties), which facilitated swift ramp-up of its assets and improved utilization of its capacities. The Company expects to continue to benefit from the growth of various businesses within the JSW Group. For example, JSW Group Customers (Related Parties) are in the process of achieving expanded installed capacities at their facilities in India with JSW Steel aiming to achieve up to 37.00 MTPA in Fiscal 2025 from 27.7 MTPA in Fiscal 2023, and JSW Energy aiming to achieve up to 10 GW in Fiscal 2025 from 4.8 GW in Fiscal 2023. The Company expects such expansions to add to the growth of cargo volumes across its existing assets and provide a base for future growth at new locations.

### Investment recommendation and rationale

**At the upper end of the price band of ₹ 119, the Company's IPO is valued at P/E of 19.4x at Q1FY24 annualised EPS and at a P/E of 33x at post IPO FY23 EPS is reasonable considering the strong fundamentals. We recommend investors to "SUBSCRIBE" the issue due to the following factors: a) Fastest growing port-related infrastructure and second largest commercial port operator in India; b) Strategically located assets at close proximity to JSW Group Customers (Related Parties) and industrial clusters supported by a multi-modal evacuation infrastructure; c) Predictable revenues driven by long-term concessions, committed long-term cargo and stable tariffs; d) Diversified operations in terms of cargo profile, geography and assets; e) Demonstrated project development, execution and operational capabilities; f) Benefit from strong corporate lineage of the JSW Group and a qualified and experienced management team; and g) Strong financial metrics with a growing margin profile, return metrics and growth, h) Company has raised ₹1,260 Crore from marquee anchor investors which instills confidence in the issue.**

Type of Issue	Fresh issue of equity shares aggregating upto ₹ 2,800 Crore (Approx. 235,294,117 Equity shares at the upper end of the price band)
Issue size	₹ 2,800 Crore at the upper end of the price band
Issue date	Sep. 25, 2023 - Sep. 27, 2023
Listing date	October 06, 2023
Price Band	₹ 113 - ₹ 119 (Face value: ₹2 )
Bid lot	126 equity shares and in multiple thereof
Issue structure	QIB - 75%, NIB - 15%, Retail - 10%
Post issue shares	2,100,001,567 equity shares at upper end of the price band
Promoters	Pre IPO: 90.91%   Post IPO: 80.72%
Promoters group	Pre IPO: 5.51%   Post IPO: 4.89 %
Public	Pre IPO: -   Post IPO: 11.20 %
Shares held by Employee	Pre IPO: 3.58%   Post IPO: 3.18%
Trust	
Post issue implied market cap	₹ 24,990 Crore at the upper end of the price band
BRLMS	Axis Capital, JM Financial, Credit Suisse, DAM Capital, HSBC Securities, ICICI Securities, Kotak Mahindra Capital, SBI Capital Markets
Registrar to the issue	KFin Technologies Limited

### Financial Summary (Restated Consolidated) (₹ Crore)

Particulars	Q1FY24	FY23	FY22	FY21
Revenue from operations	878.10	3,194.74	2,273.06	1,603.57
Operating EBITDA	451.34	1,620.19	1,109.43	816.44
Operating EBITDA (%)	51.40	50.71	48.81	50.91
Profit before tax	412.49	810.99	425.98	392.62
Net profit for the period	322.20	749.51	330.44	284.62
PAT margin (%)	35.09	22.22	13.89	16.96
Equity share cap.	359.575	359.575	59.93	59.93
Networth	4,306.09	3,994.63	3,272.12	2,891.17
Total borrowings	4,228.39	4,243.70	4,408.69	3,945.81
Less: Cash & Cash equivalents	2,354.61	2,027.94	1,077.58	336.77
Net Debt	1,873.78	2,215.76	3,331.11	3,609.04
Post IPO EPS (₹)	1.53 <sup>^</sup>	3.57	1.57	1.36
P/E (x)#	19.44	33.33	75.79	87.50
RoE (%)	7.56 <sup>^</sup>	18.80	10.21	10.29
RoCE (%)	5.68 <sup>^</sup>	19.49	10.88	8.15
Installed Capacity (MTPA)	158.43	158.43	153.43	119.23
Capacity Utilisation (%)	62.64 <sup>**</sup>	56.88	38.41	35.19
Total cargo volume handled in India (MMT)	25.42	92.83	61.96	45.55
Total Cargo Growth (for total cargo volume handled in India) (%)	8.96	49.81	36.03	33.93

Source: Red Herring Prospectus (RHP), # denotes P/E at Q1FY24 annualised EPS, ^ denotes not annualized, \*\*Capacity utilization for the three month period ended June 30, 2023 has been calculated based on the proportionate installed capacity for the three month period ended June 30, 2023



### Company and Directors

The Company was originally incorporated as 'JSW Infrastructure & Logistics Limited' on April 21, 2006. Sajjan Jindal Family Trust and Sajjan Jindal are the Promoters of the company. Currently, the Promoters hold 1,695,135,390 Equity Shares representing 90.91% of the Pre-issued, subscribed and paid-up Equity Share capital of the company.

### Objects of the issue

#### Fresh Issue: Upto ₹2,800 Crore

The Net Proceeds are proposed to be utilized in the manner set forth below:

Objects	Estimated Amount ( ₹ Crore)
Prepayment or repayment, in full or part, of all or a portion of certain outstanding borrowings through investment in the wholly owned Subsidiaries, JSW Dharamtar Port Private Limited and JSW Jaigarh Port Limited	880.0
Financing capital expenditure requirements through investment in the wholly owned Subsidiary, JSW Jaigarh Port Ltd, for proposed expansion/upgradation works at Jaigarh Port as follows:	
a) LPG Terminal Project	865.75
b) Setting up an electric sub-station	59.40
c) Purchase and installation of dredger	103.88
d) Financing capital expenditure requirements through investment in the wholly owned Subsidiary, JSW Mangalore Container Terminal Private Limited, for proposed expansion at Mangalore Container Terminal	151.05
General Corporate purposes*	-

Source: Red Herring Prospectus (RHP), \*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

### Competitive strengths

#### **Fastest growing port-related infrastructure company and second largest commercial port operator in India**

The Company is the fastest growing port-related infrastructure company in terms of growth in installed cargo handling capacity and cargo volumes handled from Fiscal 2021 to Fiscal 2023 (Source: CRISIL Report). The Company's installed cargo handling capacity in India grew at a CAGR of 15.27% between March 31, 2021 and March 31, 2023, and the volume of cargo handled in India also grew at a CAGR of 42.76% from Fiscal 2021 to Fiscal 2023. Further, its installed cargo handling capacity in India grew from 153.43 MTPA as of June 30, 2022 to 158.43 MTPA as of June 30, 2023, and the volume of cargo handled by the Company in India grew from 23.33 MMT for the three month period ended June 30, 2022 to 25.42 MMT for the three month period ended June 30, 2023. The Company has grown by catering to the growing demand for its services that it has been able to meet efficiently through assets located in close proximity to industrial and mineral rich hinterlands.

The Company is also the second largest commercial port operator in India (in terms of cargo handling capacity in Fiscal 2023) in an industry that has several entry barriers. The maritime infrastructure industry is capital intensive with long gestation periods and significant regulatory requirements. Ports in India also require substantial investments in evacuation infrastructure and skilled resources, resulting in a small number of new industry entrants in recent years (Source: CRISIL Report).

The Company operates nine Port Concessions in India with an installed cargo handling capacity of 158.43 MTPA as of June 30, 2023, and its position in the Indian maritime infrastructure industry enables it to leverage economies of scale in project development capabilities and resource optimization. Based on the expertise, it has developed over the years, the Company is able to provide a wide range of maritime services and cater to its customers' diverse cargo needs across key locations, which it believes is difficult to replicate, and creates significant barriers for new entrants.

The Company's experience, scale of operations, track record and related brand equity positions it well to qualify for additional opportunities such as bidding for larger Port Concessions and strengthening its position in the Indian maritime infrastructure industry.

#### **Strategically located assets at close proximity to JSW Group Customers (Related Parties) and industrial clusters supported by a multi-modal evacuation infrastructure**

Location is a major differentiator in the ports industry. Ports which are closer to major shipping routes enjoy competitive advantage as shipping from those ports translates into cost savings for importers and exporters (Source: CRISIL Report). Our Port Concessions are strategically located on the west and east coasts of India and are well connected to its customers including JSW Group Customers (Related Parties) located in the industrial hinterlands of Maharashtra, Goa, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana, and mineral rich belts of Chhattisgarh, Jharkhand and Odisha. These states manage large volumes of cargo from coastal areas and the broader hinterland (Source: CRISIL Report).

The location of its assets helps it to provide end-to-end logistics services as they are connected to cargo origination as well as cargo consumption points. Majority of its assets have the natural advantage of a deep draft enabling direct berthing of larger vessels like cape size and post panamax vessels. The Company's Jaigarh Port on the west coast has a draft of 17.5 meters, which is one of the deepest draft ports in India (Source: CRISIL Report). The strategic location of the Jaigarh Port allows it to operate a hub-and-spoke model of cargo handling with its ability to handle cape size vessels with DWT of 192,498



tonnes and its ability to trans-ship cargo to Dharamtar Port, which is a riverine/ lower draft port located at a distance of 18 nautical miles from Mumbai. The Paradip Coal Exports Terminal has opened up avenues for coastal shipping by handymax to cape size vessels through achieving economies of scale for larger parcel sizes such as minicape size vessels of 110,000 DWT as compared to handling the cargo in smaller vessels.

**Predictable revenues driven by long-term concessions, committed long-term cargo and stable tariffs**

Port Concessions are long life assets with concession periods typically ranging between 30 to 50 years. The Company's Jaigarh Port (Maharashtra) was awarded a concession for a period of 50 years in 2008, while its Dharamtar Port (Maharashtra) and each of its other port terminals located at Major Ports, were awarded concession/ license periods of 30 years. As of June 30, 2023 the capacity weighted average balance concession period of its ports and port terminals is approximately 25 years, providing the Company long-term visibility of revenue streams.

The Company has long-term contracts with its JSW Group Customers (Related Parties) for cargo handling services at its Port Concessions, some of which have take-or-pay provisions which provides long-term visibility of cargo and revenue at its ports. The majority of its take-or-pay contracts are extendable on an arm's length basis as may be mutually agreed. The tariff it is able to charge its customers is typically governed by the concession agreement for the relevant port or port terminal. Under some of its concessions, tariff is escalated annually and is linked to the WPI. For its other concessions, the tariff may be determined by the Company based on prevailing market conditions. Our long-term take-or-pay contracts (with JSW Group Customers (Related Parties) and Long-Term Third-Party Customers) are similarly subject to WPI-linked escalations. As a result, the tariff it charges its customers across all its Port Concessions is escalated annually in line with the WPI thereby providing strong visibility of revenue streams.

Going forward, there is a positive outlook for the underlying industries of its customers engaged in the business of steel, power and cement (Source: CRISIL Report), giving it the strong cargo visibility and increasing its proportion of "sticky cargo" due to repeat customer orders. The structure of its revenue model, through tariff stability and volume security, helps achieve long-term predictable revenue streams and provides operational resilience.

The table below sets forth a summary of its long-term take-or-pay contracts for cargo handling services as of March 31, 2023 and the volume of cargo handled during Fiscal 2023:

Customer	Minimum Commitment for Fiscal 2023 (MMT)	Actual volume handled during Fiscal 2023 (MMT)	Tenor (Calendar Year)	Service Type	At Port/Terminal
JSW Steel	15.00	22.89	Through 2030	Cargo handling	Dharamtar Port
JSW Steel	4.00	13.77	Through 2030	Cargo handling	Jaigarh Port
Western Concessions Private Limited (formerly known as H-Energy Gateway Private Limited) ("Western Concessions")	1.40	0.0	Through 2058	Cargo handling	Jaigarh Port
JSW Steel	4.00	2.81	Through 2035	Cargo handling	Ennore Coal Terminal
JSW Steel	1.00	0.30	Through 2035	Cargo handling	Ennore Bulk Terminal
JSW Energy Limited ("JSW Energy") as part of its tolling arrangements with JSW Steel, Amba River Coke Limited ("Amba River Coke"), JSW Cement Limited ("JSW Cement"), JSW Steel Coated Products Limited(1) ("JSW Steel Coated Products")	Fixed sum(2)	Fixed sum(2)	Through 2024	Cargo handling	Jaigarh Port
<b>Total</b>	<b>25.40</b>	<b>39.77</b>	-	-	-

Source: Red Herring Prospectus (RHP),

Note: 1) Cargo commitment by JSW Energy and its customers for the power plant located in Ratnagiri

2) Fixed sum represents the commercial arrangement between the parties under these contracts to provides it with a fixed fee for cargo handling services and is not linked to cargo volume.

In addition, the Company enters into customised long-term service contracts with some of its customers on a take-or-paybasis. The table below sets forth a summary of itsfee arrangements for customized services as of March 31, 2023 and the volume of cargo handled under these arrangements during Fiscal 2023:

Customer	Minimum Commitment for Fiscal 2023 (MMT)	Actual volume handled during Fiscal 2023 (MMT)	Tenor (Calendar Year)	Service Type	At Port/Terminal
JSW Steel	4.00	2.16	Through 2031	Mini-bulk carriers	Jaigarh Port
JSW Steel	9.00	13.77	Through 2030	Dredging fee	Jaigarh Port
JSW Energy as part of its tolling arrangements with JSW Steel, Amba River Coke, JSW Cement, JSW Steel Coated Products	Fixed sum(1)	Fixed sum(1)	Through 2030	Dredging fee	Jaigarh Port
Trans Impexx LLP ("Trans Impexx")	Fixed sum(2)	Fixed sum(2)	Through 2027	Liquid storage facility	Jaigarh Port
<b>Total</b>	<b>13.00</b>	<b>15.93</b>	-	-	-

Source: Red Herring Prospectus (RHP),

Note: 1) Fixed sum represents the commercial arrangement between the parties under these contracts to provide it with a fixed dredging fee that is not linked to cargo volume.

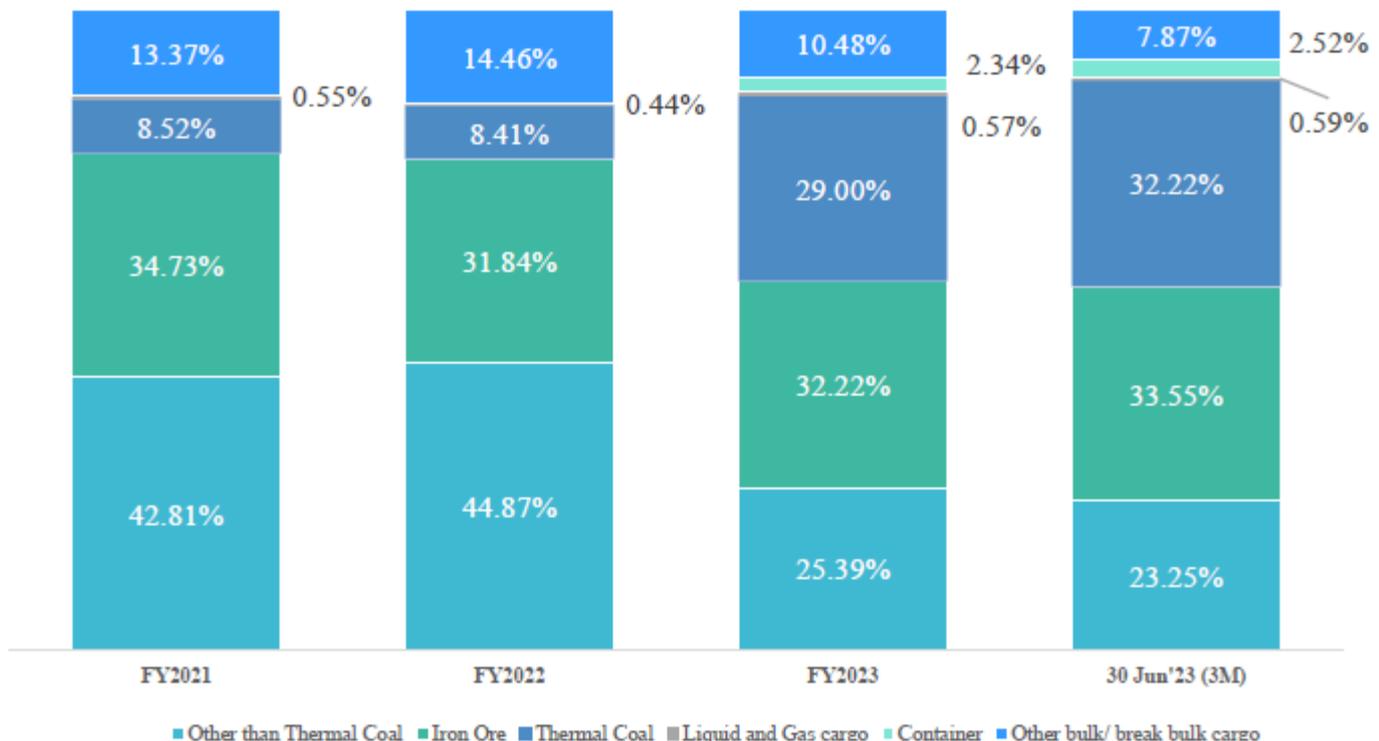
2) Fixed sum represents the commercial arrangement between the parties under these contracts to provide it with a fixed fee for using its liquid storage facility, that is subject to an annual escalation of 5%.

#### **Diversified operations in terms of cargo profile, geography and assets**

The Company has evolved into a large maritime infrastructure company and has developed and operate multi-cargo ports and port terminals that are equipped to handle various categories of cargo, including dry bulk, break bulk, liquid bulk, LPG, LNG and containers. The Company currently handles various types of cargo including coal, fluxes and iron ore, sugar, urea, steel products, rock phosphate, molasses, gypsum, barites, laterites, and edible oil. Coal comprises of (i) thermal coal; and (ii) other than thermal coal (which includes coking coal, steam coal and others).

The chart below sets forth volume of cargo handled in India by cargo-type for the periods indicated:

**Break-up of Cargos Handled (MT)**



Source: Red Herring Prospectus (RHP)

The Company expanded its operations geographically from having a limited presence along the west coast of India for its JSW group customers (Related Parties) to handling diverse cargo types along the east and west coasts of India for both JSW Group Customers (Related Parties) as well as third-party

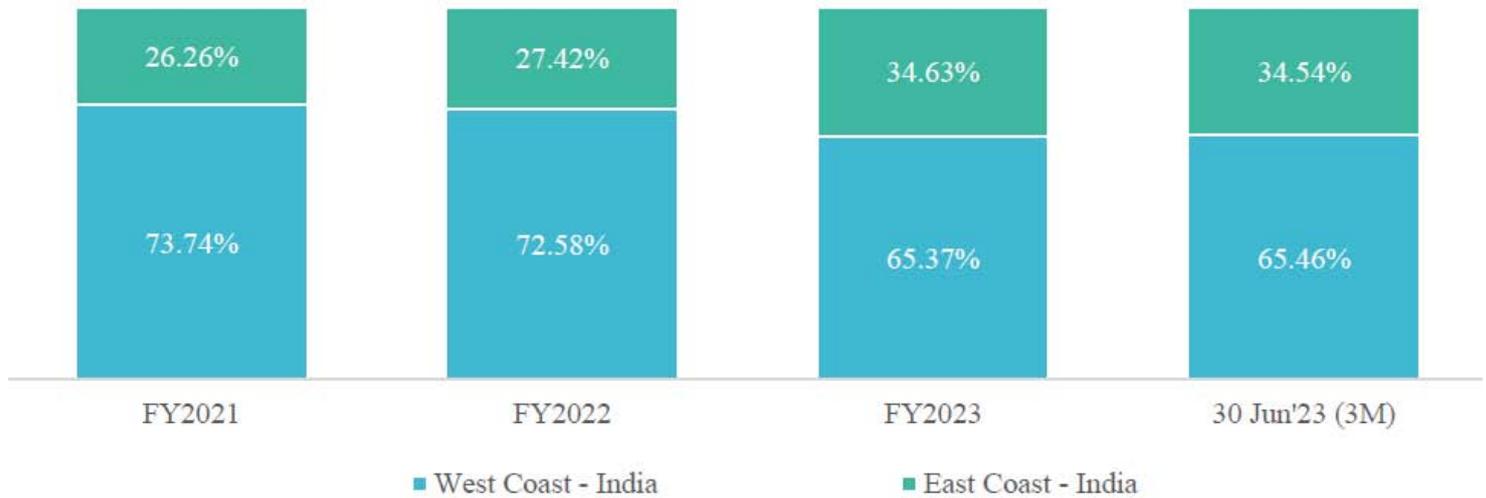


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customers. The Company's Non-Major Ports are located in Maharashtra along the west coast. The Company's terminals are located at Major Ports across Goa and Karnataka in the west coast, and Odisha and Tamil Nadu along the east coast.

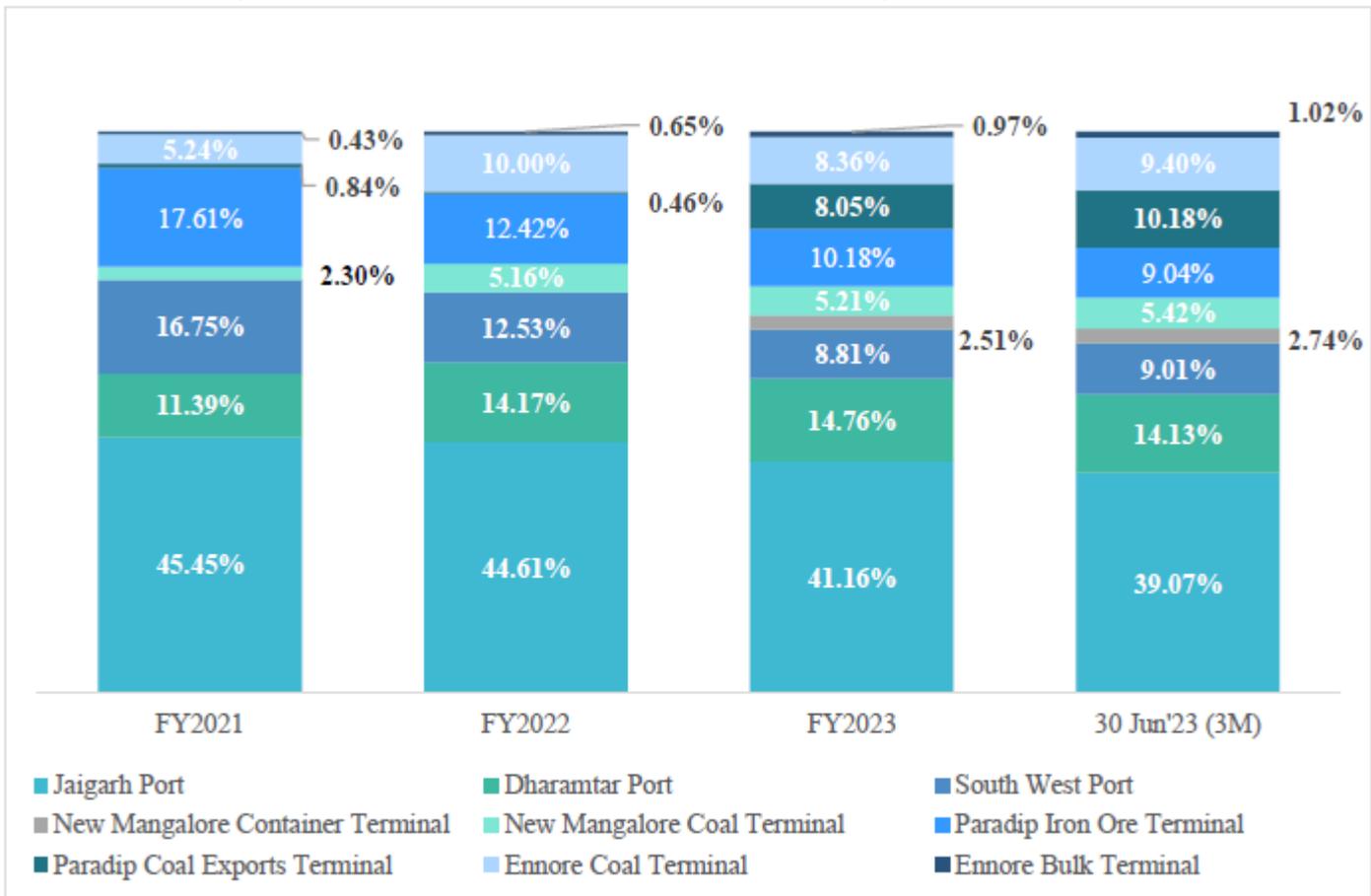
### Coast Wise Cargo Handled (MT)



Source: Red Herring Prospectus (RHP)

In addition, the Company has scaled up its business from a single Port Concession at Mormugao, Goa that was acquired by the JSW Group in 2002 and commenced operations in 2004, to nine Port Concessions in India as of June 30, 2023.

The chart below sets forth port or terminal wise revenue for its nine Port Concessions for the periods indicated:



\*The port or terminal wise revenue from operations has been calculated after eliminating inter-company transactions used for purpose of consolidation. Revenue of JSW Infrastructure Limited, JSW Terminal (Middle East) FZE and Nandgaon Port Private Limited has not been considered in the above.

Source: Red Herring Prospectus (RHP)



The Company has also developed its portfolio of assets to cater to both exports (outward movement of cargo) and imports (inward movement of cargo). For instance, its Dharamtar Port, South West Port, New Mangalore Coal Terminal and Ennore Coal Terminal all cater to raw-material import requirements and finished goods export requirements of its JSW Group Customers (Related Parties) while its Jaigarh Port, Paradip Iron Ore Terminal and Paradip Coal Exports Terminal predominantly handle outward cargo from the mineral rich belts of Odisha to the various consumption centers. The breadth of its operations significantly reduces risks associated with dependence on any single asset or type of cargo or geography and enables it to realize strong growth momentum. In addition, its diversified operations have aided it in expanding its customer base, service offerings, flexibility in operations and opened up new business opportunities. The Company's diversified operations provide it with a competitive advantage in serving its customers across weather patterns, climate and demand schedules.

#### **Demonstrated project development, execution and operational capabilities**

The Company has a demonstrated track record of developing, acquiring and operating nine Port Concessions, as of June 30, 2023. The Company's installed cargo handling capacity in India has grown at a CAGR of 15.27% from March 31, 2021 to March 31, 2023, and the volume of cargo handled by the Company in India has grown at a CAGR of 42.76% between Fiscal 2021 and Fiscal 2023. Further, its installed cargo handling capacity in India grew from 153.43 MTPA as of June 30, 2022 to 158.43 MTPA as of June 30, 2023, and the volume of cargo handled by the Company in India grew from 23.33 MMT for the three month period ended June 30, 2022 to 25.42 MMT for the three month period ended June 30, 2023. The application of its operational expertise in running large ports and port terminals has contributed significantly towards this growth.

The Company has won numerous bids for developing and operating terminals at Major Ports, such as Paradip Coal Exports Terminal, Paradip Iron Ore Terminal and New Mangalore Container Terminal; developed greenfield ports such as Jaigarh Port and Dharamtar Port; and successfully acquired three terminals in 2020, i.e., Ennore Bulk Terminal, Ennore Coal Terminal and New Mangalore Coal Terminal. The Company has accumulated deep domain knowledge of trade flows, particularly for bulk cargos, giving it a competitive advantage as it plans its next phase of growth. Furthermore, the Company has also been successful in establishing strong relationships with its vendors for development/ construction of its assets and supply of cargo handling equipment. The Company also strives to execute infrastructure projects on schedule and within cost and establish achievable objectives in its current and future development plans.

Furthermore, its cargo handling systems are largely mechanized, which has enabled quick turnaround times and efficient use of resources. For example, it has modern ship-loaders/ unloaders and are well equipped to load/ unload cargo efficiently including feeding mechanized conveyor systems. Similarly, its stacker-reclaimer, inmotion wagon loading system, track hopper, tipplers and other equipment have increased the efficiency at its Port Concessions.

The Company's development, execution and operational capabilities has led to an improvement in its ROCE, with its ROCE which is not annualized for the three month period ended June 30, 2023 and June 30, 2022, being 5.68% and 4.98%, respectively, and for Fiscals 2023, 2022 and 2021 being 19.49%, 10.88% and 8.15%, respectively.

#### **Benefit from strong corporate lineage of the JSW Group and a qualified and experienced management team**

The Company is part of the JSW Group, a multinational conglomerate with an international portfolio of diversified assets across various sectors, including steel, energy, infrastructure, cement, paints, venture capital, and sports. As part of the JSW Group, it achieves significant synergies, including multiple revenue channels, access to talent, securing financing on competitive terms, administrative services, and sourcing critical equipment and supplies. The Company benefits from the strong support provided by the group to its business and it grows alongside other growing JSW Group businesses. As a member of JSW Group, the Company received initial cargo from its JSW Group Customers (Related Parties), which facilitated ramp-up of its assets and improved utilization of its capacities.

The Company expects to continue to benefit from the growth of various businesses within the JSW Group. For example, its JSW Group Customers (Related Parties) are in the process of achieving expanded installed capacities at their facilities in India with JSW Steel aiming to achieve up to 37.00 MTPA in Fiscal 2025 from 27.7 MTPA in Fiscal 2023, and JSW Energy aiming to achieve up to 10 GW in Fiscal 2025 from 4.8 GW in Fiscal 2023. The Company expects such expansions to add to the growth of cargo volumes across its existing assets and provide a base for future growth at new locations.

The Company benefits from the JSW Group's strong corporate governance, allowing its Company to adopt best corporate management practices. As part of the JSW Group, the Company draws strength from a strong management team with extensive experience in the port infrastructure sector and proven track record of performance. The Company's Board of Directors have vast experience in infrastructure, management, architecture and financial services, having an average of more than 20 years of experience. The Company's senior management team, led by its Board of Directors, has several years of experience in the Indian port infrastructure industry as well as varied industry experience in other major sectors such as shipping and logistics, steel and ports.

Furthermore, the members of its management team possess complementary skills, and are able to leverage on the relevant expertise of its Board of Directors. The Company's visionary leadership and strong management team provides it with a significant competitive advantage as it seeks to grow its business.

#### **Strong financial metrics with a growing margin profile, return metrics and growth**

The Company has shown consistent financial growth in recent years, with its revenue from operations, EBITDA and profit after tax having grown at a CAGR of 41.15%, 42.06% and 62.28%, respectively, from Fiscal 2021 to Fiscal 2023.

#### **Competition**

The Company competes primarily against Non-Major Ports and Major Ports of India. Competition is based primarily on the characteristics and location of the ports, including infrastructure, capacity, congestion, ability to berth large vessels, productivity of port labour, proximity and connectivity to inland cargo centers and refineries. The Company believes that its key competitive advantages include the strategic location of its ports and port terminals, its infrastructure, the cost advantage relative to other ports in the region, port characteristics such as deep drafts, longer and larger berths, dedicated and



expandable back-up areas (that is, areas for internal movement of cargo), quicker turnaround time, integrated services and connectivity to inland cargo centers and its ability to attract and retain highly experienced employees.

### Key risks

- 1) **Dependence on concession and license agreements:** The Company operates and manages its ports and port terminals under nine concession and license agreements, and lease deeds with state maritime boards and/or major port trusts/authorities in India and relevant government agencies and concessioning authorities. The Company had several obligations under these agreements and a breach of the terms could lead to termination, which could materially adversely affect its business, results of operations, financial condition and cashflows.
- 2) **Related party transactions:** The Company engage in significant related party transactions with entities in the JSW group. The Company's total related party transactions (excluding eliminations) as a percentage of its total income constituted 52.51%, 60.79%, 89.36%, 65.77% and 61.66% for the three months period ended June 30, 2023 and June 30, 2022, and Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. Further, a significant portion of its revenue from operations is derived from JSW customers who are its related parties.

Particulars	For the 3 months ended June 2023	For the 3 months ended June 2022	2023	2022	2021
Contribution of JSW Group Customers (Related Parties to its Revenue from Operations)%	51.02%	52.45%	51.88%	55.73%	56.51%

- 3) **Cargo concentration:** The Company's business is significantly dependent on handling of a few specific types of cargo, primarily iron ore and coal which collectively constituted 89.02%, 83.06%, 86.61%, 85.12% and 86.06% of the total cargo handled in India during the three month period ended June 30, 2023, June 30, 2022 and Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively.
- 4) **Capital intensive business:** The Company's expansion and development plans are capital intensive and may encounter funding challenges in the future.
- 5) **Pending litigation:** The environmental clearance for capacity enhancement received by its Subsidiary, South West Port Limited ("SWPL"), has been challenged at the National Green Tribunal and is subject to outcome of other litigations which sought for total and complete closure of coal/coke handling operations at the Mormugao Port. Further, coke/coal handling operations at SWPL and berths 7 and 10 at the Mormugao Port contributed 7.27%, 7.89%, 8.62%, 11.78% and 16.79% to the total cargo handled by the Company in India during the three month period ended June 30, 2023, June 30, 2022 and Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.



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3)	Research Analyst or his/her relative or Ajcon Global Services Limited has any other material conflict of interest at the time of publication of the Research Report	No
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