



A study of financial statement of Adani Port and Special Economic Zone Ltd for the Financial Year- 2023-24

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Abstract:

APSEZ drives with the aim of becoming the world's foremost transport utility company, providing cohesive logistics solutions, and contributing to the economy and society. In FY 2023-24, company made tangible growth in this journey, delivering record-breaking functioning across multiple faces and execution strategic expansions, both domestically and globally. By invigorating our offerings spanning ports, logistics, port-based facilities and industrial expansion, we have established an ecosystem and infrastructure unlike any other internationally. These endeavours position APSEZ right at the core of our consumers' value chain, enhancing their global affordability while playing an essential role in driving forward India's economy, trade, industrial development, and employment generation. Objectives of the Study i) To study the performance of APSEZ in the Financial Year 2023-24. ii) To analysis the financial performance of APSEZ in the Financial Year 2023-24. Hypothesis of the Study: H0: Financial performance of APSEZ in the Financial Year 2023-24 has not significant improvement over last five years. H1: Financial performance of APSEZ in the Financial Year 2023-24 has significant improvement over last five years. Research Methodology: Secondary data was used to write the research paper. Data was analysed through charts and excel sheet. Financial statements were collected from web of APSEZ Ltd. Data of the last five years was collected from the website of APSEZ Ltd. Research paper will be useful to investors, financial institutions, students and research scholars to do further research. Limitation of the Study: Time and money were main constraints. Only secondary data was collected to analysis and elucidated data. APSEZ's Revenue from operations has increased from Rs.11,873 crores (2019-20) to Rs.26,711 crores (2023-24). It has increased by 124.97% in last 5 years. Profit after Tax has increased from Rs.3,785 crores (2019-20) to Rs.8,104 crores (2023-24).

Key Words: EBITDA, COE, ROCOE, ICD and TOS.



1. Introduction:

Adani Ports and Special Economic Zone Limited (APSEZ) is an Indian international port operator and logistics company, part of Adani Group. APSEZ is India's biggest private port operator with a setup of 12 ports and terminals, including India's first port-based SEZ at Mundra and the first deep water transshipment port at Thiruvananthapuram. The company has attracted disagreements for cronyism, alleged stock management and violation of environmental standards.

Operations:

APSEZ has undertaken mangrove afforestation activities totalling 2885 Ha (as of August 2018) with a survival rate of over 85%. In 2016, the company announced that all ports and townships were being prepared to run on 100% renewable energy by 2018 using a mix of solar and wind energy.

In August 2017, a Morgan Stanley analysis described APSEZ as "stacking up well linked to its global peers: On operating metrics such as revenue growth, margins, EBIDTA growth, net income growth and return ratios (RoCE/ RoE), and based on bottom-up estimates by Morgan Stanley analysts covering global ports, APSEZ is likely to be in the top quartile across numerous operating metrics despite the tax holiday for Mundra port coming to an end". Private equity firm Warburg Pincus acquired a 0.49% stake in Adani Ports for ₹800 crore (US\$95 million) on 7 March 2021.

As of 2017, APSEZ functioned 3 inland container depots (ICD) through its subsidiary Adani Logistics Ltd. In August 2022, they procured an additional ICD from Navkar Corporation in Tumb, Gujarat. It holds Category 1 License for the Indian Railways that helps in pan-India cargo passage. The trains owned by Adani Logistics were used to dispatch 30,000 tonnes of food grains to feed over 60 lakh citizens across the states of Tamil Nadu, Karnataka, West Bengal, and Maharashtra, during the 2020 COVID-19 lockdown. APSEZ provides dredging and reclamation solutions, primarily for port and harbour construction. The Adani Group



started investing in developing a dredging fleet in 2005.[citation needed] As of 2018, APSEZ operated a fleet of 19 dredgers, the largest capital dredging fleet in India.

In September 2022, Adani Ports secured a US\$3.1 billion deep-sea port construction project with the West Bengal government. According to the Business Standard report, In the fiscal year 2023-24, APSEZ achieved 420 million metric tonnes (MMT) of cargo, marking a 24% development. Additionally, APSEZ represents 44% of India's containerized seaborne cargo.

In April 2022, it was declared that APSEZ (through its subsidiary, The Adani Harbour Services Ltd.) had acquired the third-party marine services provider, Ocean Sparkle Ltd. In July 2022, APSEZ alongside the Gadot Group won the privatisation bid for Israel's Port of Haifa for US\$1.18 billion. Where Adani Ports and Gadot Group respectively hold 70%:30% of the shares.

In March 2024, APSEZ exposed its procurement of Gopalpur port in Odisha, located on India's east coast. The acquisition comprised purchasing a 56% stake from the Shapoorji Pallonji Group and a 39% stake from Orissa Stevedores Limited in Gopalpur Port Limited, valued at Rs 3,080 crore.[26] In July 2024, the ratings agency ICRA has upgraded the rating of Adani Ports and Special Economic Zone (APSEZ) to AAA/Stable from AA+/Stable. APSEZ has plans to build a new port in Da Nang, Vietnam. The proposal got “in-principle approval” from the Vietnamese government. The port will feature container terminals and multipurpose berths to handle wide varieties of cargo. The other foreign ports operated by the company include Haifa, Israel; Colombo, Sri Lanka; and the Port of Dares Salaam, Tanzania. In August 2024, APSEZ announced purchase of 80% stake in Astro Offshore for \$185 million. This move will aid add to its roster of Tier-1 customers.

APSEZ are implementing various in-house innovations and adopting kaizen methodologies to enhance operational efficiency. Digital revolution is also being taken up as a priority. We are upgrading the Terminal Operating System (TOS) and Port Community System (PCS) system across the ports and terminals.

2. Review of Literature:



In FY 2023-24, we financed significantly to enlarge our portfolio, solidifying our position as India's largest private port player and combined logistics provider. To achieve east-west parity, we consolidated our presence on the eastern coast by ratification a definitive agreement to obtain 95% stake in Gopalpur Port. This transaction is expected to conclude by Q1 FY 2024-25, taking our total Indian ports network to 15. We successfully scaled up operations at Karaikal Port and began commercial processes at the Dhamra LNG Terminal. Additionally, our Haldia terminal is predictable to be operational in FY 2025-26. Our upcoming deep-water international seaport in Vizhinjam, being developed through a public-private partnership, will transform maritime trade for India, handling ultra-large ships and diverting traffic from Colombo Port.

APSEZ is devoted to delivering value to shareholders and stakeholders, and our efforts to optimise our debt position reflect this. During the year, we repurchased bonds worth USD 325 million, bringing down net debt by 9% to Rs.36,462 crore as on 31st March 2024. Our net debt to EBITDA is now at a comfortable level of 2.3x as on 31st March 2024 as compared to 3.1x as on 31 March 2023. During the year, S&P Global Ratings and ICRA have revised our credit outlook to Stable from Negative. APSEZ was also assigned AAA ratings by CARE, becoming the first private corporate infrastructure designer to be rated AAA.

3. Objectives of the Study:

- i) To study the performance of APSEZ in the Financial Year 2023-24.
- ii) To analysis the financial performance of APSEZ in the Financial Year 2023-24.

4. Hypothesis of the Study:

H0: Financial performance of APSEZ in the Financial Year 2023-24 has not significant improvement over last five years.

H1: Financial performance of APSEZ in the Financial Year 2023-24 has significant improvement over last five years.

5. Research Methodology:

Secondary data was used to write the research paper. Data was analysed through charts and excel sheet. Financial statements were collected from web of APSEZ Ltd.



6. Data Analysis and Interpretation:

Revenue from Operations:

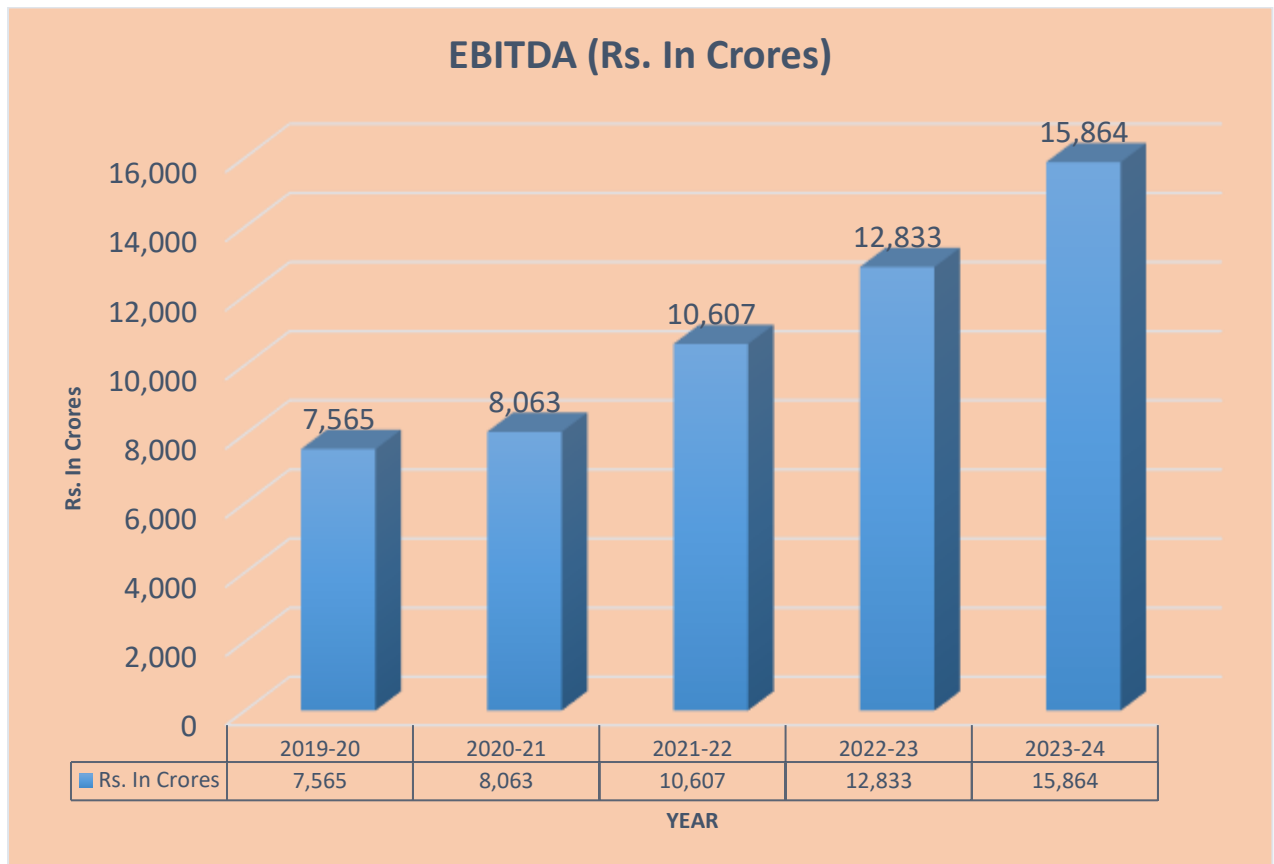
Year	Rs. In Crores	Percentage % (Base Year 2019-20)	% Increase or Decrease (Base Year 2019-20)
2019-20	11,873	100.00	0
2020-21	12,550	105.71	5.71
2021-22	17,119	144.18	44.18
2022-23	20,852	175.63	75.63
2023-24	26,711	224.97	124.97

Analysis: APSEZ's Revenue from operations has increased from Rs.11,873 crores (2019-20) to Rs.26,711 crores (2023-24). It has increased by 124.97% in last 5 years. H1 was fail to reject.

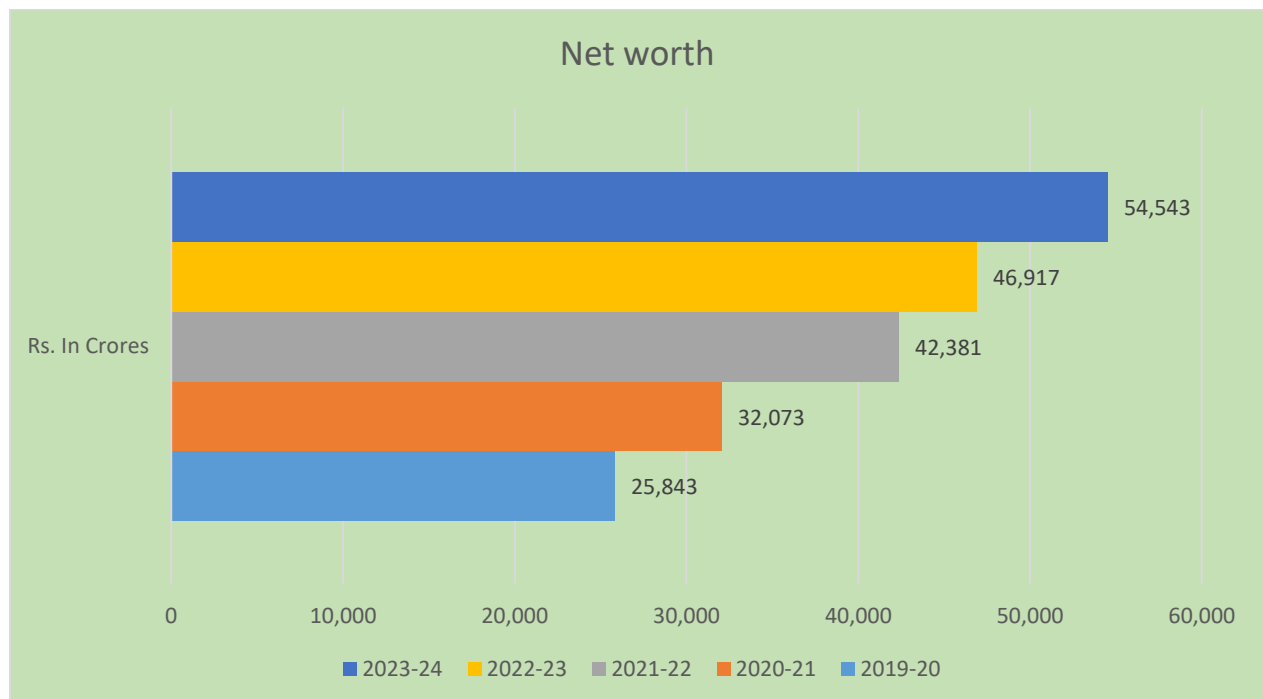
Profit after Tax:

Year	Rs. In Crores	Percentage % (Base Year 2019-20)	% Increase or Decrease (Base Year 2019-20)
2019-20	3,785	100	0
2020-21	5,059	133.66	33.66
2021-22	4,953	130.86	30.86
2022-23	5,391	142.43	42.43
2023-24	8,104	214.11	114.11

Analysis: APSEZ's Profit after Tax has increased from Rs.3,785 crores (2019-20) to Rs.8,104 crores (2023-24). It has increased by 114.11% in last 5 years. H1 was fail to reject.



Analysis: APSEZ's EBITDA has increased from Rs.7,565 crores (2019-20) to Rs.15,964 crores (2023-24). It has increased by 109.70% in last 5 years. H1 was fail to reject.



Analysis: APSEZ's Net worth has increased from Rs.25,843 crores (2019-20) to Rs.54,543 crores (2023-24). It has increased by 111.06% in last 5 years. H1 was fail to reject.

7. Scope of the Study:

Data of the last five years was collected from the website of APSEZ Ltd. Research paper will be useful to investors, financial institutions, students and research scholars to do further research.

8. Limitation of the Study:

Time and money were main constraints. Only secondary data was collected to analysis and elucidated data.

9. Observations:

- Secured approval for treatment imported vehicles, thereby increasing cargo categories and market reach.
- Electrified Adipur- Mundr6 railway network, allowing direct electric locomotives access to APSEZ rail yard, reducing transit time.



- c) Augmented investment in rail terminal cargo handling infrastructure, enhancing container train capacity by nearly 30% to 2.1 million TEUs annually, thus reducing import dwell days for ICD-bound containers.
- d) Infrastructure enhancement for digital collection of port entry charges via Fastag and online payment, ensuring hassle-free, cashless transactions for trucks entering Mundra Port.
- e) Extension of T2 berth by 200 meters to accommodate larger vessels, improving operational capabilities and accommodating growing demand.
- f) Adding of new container lines as customers across both EXIM and coastal sectors, bolstering the port's presence across various trade lanes.
- g) Implementation of rigorous in-house trials to permit berthing of vessels less than 230 meters in length in all tidal conditions, aimed at improving operational efficiency and enhancing overall turnaround time.
- h) In the fiscal year 2023-24, our total energy consumption reached 3453 TJ, marking an increase of 15% compared to FY 2022-23. This rise was accredited to the adding of a new port, Kariakal.
- i) Despite the upsurge in total energy consumption, we observed a reduction in energy strength from 0.134 TJ to .122 TJ per crore in revenue.
- J) Company's goal to source 15% of total electricity utilization from renewable energies by 2024. Impressively, this year, they have attained 13% renewable energy consumption.

10. Conclusion:

APSEZ's Revenue from operations has enlarged from Rs.11,873 crores (2019-20) to Rs.26,711 crores (2023-24). It has improved by 124.97% in last 5 years. Profit after Tax has increased from Rs.3,785 crores (2019-20) to Rs.8,104 crores (2023-24). It has mounted by 114.11% in last 5 years. EBITDA has mushroomed from Rs.7,565 crores (2019-20) to Rs.15,964 crores (2023-24). It has enlarged by 109.70% in last 5 years. Net worth has improved from Rs.25,843 crores (2019-20) to Rs.54,543 crores (2023-24). It has soared by 111.06% in last 5 years.

References:

Website:



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<https://www.bseindia.com/stock-share-price/adani-ports-and-special-economic-zone-ltd/adaniports/532921/financials-results/>