SAGARMALA
A Blue Print of Corporate’s Mega Dream

Jesu Rethinam, Convenor, Coastal Action Network
In order to promote industrial growth, Modi Government has announced ‘Make in India’, ‘Start of India’, ‘Clean Bharath’, ‘Skill Bharath’. Now they have added in this list a National scheme called ‘Sagarmala Scheme’ in their list. This is a ‘Super Ultra Mega Project’ conceived by the Central Government which is unprecedented in the history of India since independence of our country.
Sagarmala - exclusively for cargo transport

- Sagarmala is a major cargo transport scheme.
- First step - to improve the efficiency of cargo transport,
  - 12 ports and 1208 islands will be modernized at the cost of 1000 crores.
  - 189 light houses will be modernized.
- The rationale for that initiative is that
  - port-led development of China constitutes 24%,
  - America of 7%,
  - Netherland of 42% to their countries’ economic growth.
  - India’s port-led development attributes to 0.3%.
Salient features

- Through port-led development, 8 new ports have been proposed through these scheme. At present, the contribution of road cargo transport is 6% and railway cargo transport is 9% to the economic development of the country.

- When compared to that, cargo development through waterways and shipways is lesser.
Salient features

- 101 rivers have been proposed for conversion to facilitate the domestic cargo transport. The shipping transport department has appointed special Consultants for 55 rivers.
- The ports in all the coastal states will be linked.
- Odissa State has come forward to implement the scheme and this State has already constituted the Special Purpose Vehicle to expedite the purpose of implementation.
Salient features

- 15,000 crores allocated for the constitution of the 12 smart cities - be integrated to the industrial corridor.
- This investment will be mobilized from private sector and from domestic & International Corporates.
- If the scheme is implemented, 110 billion rupees will be earned through cargo transport within the year 2020.
Impact from Sagarmala – 2025

- **INR 4 lakh cr**
  - Infrastructure investment mobilisation
  - Port modernization: \( \sim 65,000 \) INR crores
  - Connectivity: \( \sim 220,000 \) INR crores

- **INR 35,000-40,000 cr\(^1\)**
  - Logistics cost saving per annum
  - Optimise modal mix for existing capacities: \( \sim 21,000-27,000 \) INR crores
  - Reduce time to export by 5 days: \( 5,000-6,000 \) INR crores

- **Double**
  - Share of waterways – inland and coastal – in modal mix from 6%

- **USD 110 bn**
  - Boost to exports

- **40 lakh**
  - New direct jobs, and 60 lakh indirect jobs

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\(^1\) Savings from coastal shipping of coal – 17,000 to 18,000 Cr  
Savings from coastal shipping of steel, cement, food grains and fertilisers – 11,500 to 13,500 Cr  
Savings from modal shift and time and variability reduction of containers – 7,000 to 9,000 Cr

Major and Minor Ports

http://sagarmala.gov.in/
Coastal (Villages) Spaces – CEZ

Proposed coastal economic zones

PORT- LED INDUSTRIALISATION

- Steel/ Cement Clusters
- Electronic Clusters
- Gas based petro chemical plants and power complexes
- Apparel Clusters
- Refinery and Petrochemical Clusters
- Marine Clusters (Ship- Building, Marine Services)
- Agro- processing Clusters
- Leather/ Furniture Clusters
- Automotive Clusters
Currently, the company operates 10 domestic ports in six Indian states. APSEZ earned revenues of Rs 11,323 crore (US$ 1.76 billion) in FY18. The company earned a consolidated total income of Rs 8,795.06 crore (US$ 1.22 billion) in 9M FY19.
Hazira Port, Gujarat
- Bulk & Break Bulk
- Liquid Cargo
- Container Cargo

Mormugao, Goa
- Bulk Cargo

Vizhinjam Port, Kerala
- Container Cargo
Kattupalli Port, Tamil Nadu
- Bulk & Break Bulk
- Container Cargo

Ennore Terminal, Tamil Nadu
- Container Cargo

One Coal Terminal for 30 years lease

Vizag Terminal, Andhra Pradesh
- Bulk Cargo

One Coal Terminal

Dhamra Port, Odisha
- Bulk & Break Bulk
- Liquid Cargo - STS
APSEZ – Growth with Goodness

2019  About to acquire Adani Agri Logistics Limited- India’s largest player with 45% market share in modern agri storage infrastructure.

2017  Raised US$ 500 million in foreign currency denominated bonds

2016  Acquisition of TM Harbour Services Private Limited

2014  Acquisition of Dharma Port

2012  Company name changed to Adani Ports and Special Economic Zone Ltd

2011  Mundra Port and SEZ surpasses record 50 million tonnes of cargo

2006  Notified as a Special Economic Zone (SEZ), Merger with MSEZ and ACL

2005  Merger of Adani Port Limited

2003  Container terminal became operational

2001  All four berths at Mundra Port became operational

1998  Incorporated as Gujarat Adani Port Limited on May 26, 1998
Logistics: End to End Connectivity

Transportation
- Rail
- Road
- Inland Waterway
- Air
- Coastal Shipping

Facilities
- Logistics Parks
- Warehousing
- Inland Waterway Terminals
- Air Cargo Complex
- Sea Ports

Other Services
- Stuffing / De-stuffing
- Cargo Aggregation
- Customs Clearance
- Other Value added services

End-to-end Integrated Logistics Services

Creating Value

Example of Customer Centric End to End Logistics Offerings Ensuring Maximum Synergies

Developing fully integrated logistics model for servicing diverse range of cargo
## Our Reach

**Total Installed Capacity**

<table>
<thead>
<tr>
<th>Port</th>
<th>Installed Capacity</th>
<th>Utilization</th>
<th>Cargo Mix</th>
<th>Key Highlights</th>
</tr>
</thead>
</table>
| Mundra | 249 MMT            | 137 MMT (55.2%) | Solid Liquid | Reaching New Heights  
  • Mundra Port was ranked first in terms of total cargo handled across all Non-Major Ports and Major Ports in India for FY19 |
| Hazira | 30 MMT             | 20 MMT (65.3%) | Solid Liquid | All Cargo Segment Grows  
  • Continues to register robust growth and complement nearby Dahej port by handling liquid bulk cargo and container cargo |
| Dahej  | 14 MMT             | 9 MMT (67.4%)  | Solid Liquid | Continues to Register Double Digit Growth  
  • Close to a cluster of chemical, textile, industrial and agricultural manufacturing facilities and power plants |
| Dhamra | 45 MMT             | 21 MMT (46.0%) | Solid Liquid | Well Located to Benefit from Resource Rich Hinterland  
  • Acquired on 22 June 2014 and turned around in the 1st year of operations – Grew at a CAGR of 11.0% from FY13 to FY19  
  • Driving efficiency through rationalizing of operating cost, reducing dredging cost and corporate expenses |
| Kattupalli | 18 MMT          | 9 MMT (50.8%)  | Solid Liquid | Gaining market share due to congestion at Chennai port  
  • Started as O&M operator for LBTA Nov 16 – Acquisition completed in June 2018  
  • Strategy in place to convert it from container handling to becoming multi commodity port |

Note: (1) Does not include Ennore, Tuticorin, Goa, Kandla and Vizag ports/terminals
(2) Actual cargo volumes in FY19, and percentage utilization: calculated as actual volumes in FY19 / installed capacity

**The Company has achieved its capex cycle and is ideally positioned to exploit its capacity for accelerated growth**
**Mundra**
- **Land bank:**
  15,000 Ha.
  (For SEZ and Industrial Parks)
- **Location Benefit:**
  - Shortest logistics connectivity to the North & Western India
  - Well connected to all major global locations through sea
- **Multi modal Connectivity**
  through Port, Rail, Road & Air
- **Fiscal Benefits of SEZ**
- **Target Industries:**
  Chemicals, Ceramics, Heavy Engineering, Aerospace & Defence, Textiles and Electronics

**Kattupalli**
- **Land acquisition is in progress**
- **Direct Rail & Road Connectivity to be developed**
- **Target Industries**
  Chemicals, Petrochemicals, Auto components & Heavy engineering
  - Phase I : 2021
  - Phase II : 2022

**Dhamra**
- **Land acquisition is in progress**
- **Attractive destination for mineral-based industries**
- **Target Industries:**
  Chemicals, Pharma, Engineering, Auto components, Food Processing & Fertilizers
  - Phase I : 2021

*India's largest port based manufacturing hub in Mundra*
Kamaraj Port Ltd
Terminal Facilities

- Two coal wharves dedicated to TANGEDCO formerly TNEB (16 MTPA)
- Common Marine Liquid Terminal (3 MTPA)
- Common User Coal Terminal (10 MTPA)
- General Cargo Berth cum Automobile Export Terminal (3 MTPA)
- Development of Container Terminal
- Development of Multi Cargo Terminal
Coal Consumption to increase

<table>
<thead>
<tr>
<th>(MMT)</th>
<th>FY19</th>
<th>FY25</th>
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<tbody>
<tr>
<td>Total Coal Consumption</td>
<td>969</td>
<td>1,142</td>
</tr>
<tr>
<td>Power (Utilities)</td>
<td>861</td>
<td>1,013</td>
</tr>
<tr>
<td>Non-Coking Coal</td>
<td>566</td>
<td>671</td>
</tr>
<tr>
<td>Power (CPPs)</td>
<td>77</td>
<td>95</td>
</tr>
<tr>
<td>Non-Power</td>
<td>218</td>
<td>246</td>
</tr>
<tr>
<td>Coking Coal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>730</td>
<td>952</td>
</tr>
</tbody>
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Assumptions:

Demand Side
1. Power demand assumed to grow at 5% through FY25
2. By FY25,
   - Coal power requirement (Adj for RE and other non-thermal) is 1,200 BU (1000 BU in FY19)
   - Coal PLF seen to rise to 67%
   - Thermal coal requirement for utilities ~670 MMT (570 MMT in FY19), Captive power ~100 MMT (80 MMT in FY19), Cement and other industries ~250 MMT (220 MMT in FY19)

Supply Side
1. CIL dispatches to grow by 800 MMT (80% of CIL stated target 1,000 MMT), ramp-up assumed in ECL, CCL, NCL, SECL, and MCL
2. Major lines up for opening and unclogging capacities include Shivpur-Kathua in CCL (+20 MMT), Jharsuguda-Barapalli-Sardegia (+35MT, Phase II +50MT), Kharsia-Dharamjaigarh in SECL (+80MT) and Tori-Shivpur in CCL (+80 MMT).
3. Other public and private miners will ramp-up to 65 MMT

Source: Internal calculations
Crossed key milestone of 200 MMT in FY19

FY09
- No. of Port: 1
- Capacity: 80 MMT
- Revenue: 1,496 Cr
- EBITDA: 966 Cr

FY19
- No. of Port: 10, JV-2
- Capacity: 395 MMT
- Revenue: 10,925 Cr
- EBITDA: 7,067 Cr

CAGR (FY09-19)
- Cargo: 19%
- Revenue: 22%
- EBITDA: 22%

Single commodity to multi-commodity

APSEZ is among the top 5 fastest growing port players in the world
Enhanced capacity utilisation with operating leverage

Strong Growth in existing Ports (Projected FY25 Volumes, 25 Capacity)

At 400 MMT, APSEZ ports will have improved capacity utilisation levels by 14%

Source: Internal calculations

Note: (1) Under development
(2) Percentage of the total export and import cargo handled at all ports in India
Next 200 MMT to be achieved in 6 years

APSEZ is among the top 5 fastest growing port players in the world

Source: Internal calculation
SDCL disclose Sagarmala Programme will be taken up by the relevant Ports, State Governments / Maritime Boards, Central Ministries, mainly through Private or PPP mode.

Business Standard

APSEZ-owned Dhamra port to develop industrial park over 2,000 acres
The company has sought the land from the Odisha govt within 20-25 km radius of the port site
Jayajit Dash | Bhubaneswar March 01, 2018 Last Updated at 12:23 IST

SWPL, Adani gets pollution board nod for coal handling at MPT
TNN | Jul 30, 2018, 04:26 AM IST
PANAJI: The Goa State Pollution Control Board on Friday granted fresh consent to operate South West Port Ltd (SWPL), a unit of Jindal Steel Works (JSW), to handle 4 lakh tonnes of coal per month at Mormugao Port Trust (MPT).

The board also restricted Adani Mormugao Port Terminal Pvt Ltd (AMPTPL) to handle 4 lakh tonnes of coal per month at the port, GSPCB member secretary Levinson Martins said.

Adani Group to revive Coal terminal in Vizag
After shutting down its operations for over two years, Adani Vizag Coal Terminal Private Ltd (AVCTPL), a special purpose vehicle floated by Adani Ports & SEZ Ltd, will reopen its greenfield fully automated berth in the inner harbour of Visakhapatnam Port on July 1.

The SPV, which signed the concession agreement with the port in 2011 for constructing the east quay-1 berth in place of old EQ-1 and 2 at a cost of ₹323.18 crore by August 2014, had claimed that it had completed the work eight months ahead of schedule with an investment of about ₹400 crore.

We hear that Adani Ports had signed a 30 years lease in some terminals in major ports such as Kamarajar Port

In March this year, it was revealed that the Adani Group would be investing a whopping Rs 53,031 crore into the Kattupalli port on the outskirts of Chennai, to expand its existing capacity. Classified as a minor port by the Tamil Nadu Maritime Board, the Kattupalli port was acquired with 97% stake by the Adani Group in July 2018 from Larsen and Toubro Limited (L&T) and named Adani Kattupalli Port Private Limited. https://www.thenewsminute.com/article/explainer-what-rs-53000-crore-kattupalli-port-expansion-project-103201

Adani Ports to raise Rs 15,000 cr via overseas bonds
PTI New Delhi | Updated on January 24, 2018 Published on June 10, 2015

Still waters at Ennore terminal rock Adani’s boat
TE Raja Simhan Chennai | Updated on April 24, 2018 Published on April 24, 2018

The Adani Ennore Container Terminal at Kamarajar Port - Ennore LNG terminal may begin operations by Sept. Container terminal lies idle as port refuses to grant discounted tariffs to shipping lines.

Last year, when the Adani group invested ₹800 crore to set up a container terminal at the Kamarajar Port (KPL) in Ennore, it would never have visualised a predicament in which the terminal would be idle.
State Sponsor-Crony Capitalism

Sagarmala Benefits Adani Group and Companies

https://www.adani.com/businesses