

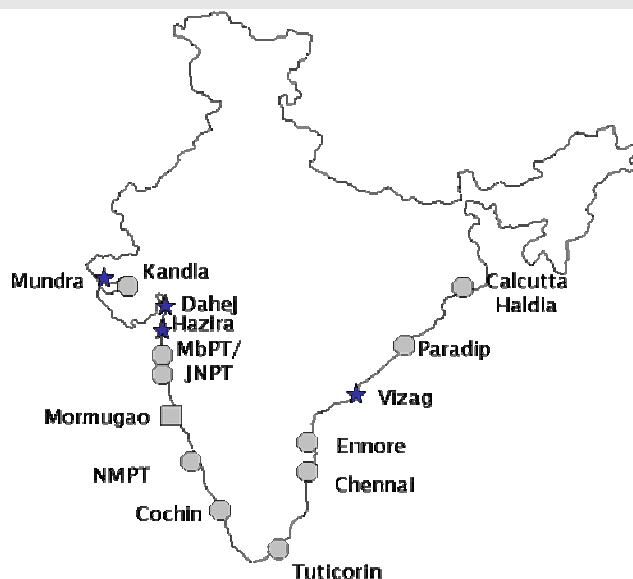
Mundra Port & SEZ | MSEZ IN

Price: ₹131

MPSEZ enters the eastern coast of India

- **Wins mandate to build coal terminal at Vishakhapatnam Port:** In an announcement to the stock exchanges, Mundra Ports & SEZ (MPSEZ) today informed that it has won a bid to develop a coal terminal at Vishakhapatnam. MPSEZ is selected through a competitive bidding process to design, build, finance, operate and transfer Berth East Quay-1.
- **Key features of the terminal/port:** This terminal, to be built at a cost of ₹3bn, will be designed to handle imported coal volume of c.6.5mn metric tonnes with development and commissioning expected within 24 months. The Vishakhapatnam Port is a strategic port for coal imports and feeds local industries and power plants located in the states of Andhra Pradesh, Odisha, Chattisgarh and eastern Maharashtra.
- **Mandate marks MPSEZ's entry into the eastern coast:** This mandate marks MPSEZ's entry into the eastern coast of India and is in line with its objective of pan India presence. MPSEZ is likely to actively scout for further port/terminal development projects on the east coast. All of MPSEZ's ports/terminals (Mundra Port, Dahej Port, Hazira Port and Mormugao terminal) till date were located in the western coast of India.
- **Bid marginally positive:** While we await more details on operating revenue/expenses and revenue sharing to government, we believe this mandate will have a marginally positive impact on our valuation due to its small size compared to group's overall scale (MPSEZ currently has c.120mnt capacity with plans to expand to c.150mnt by FY13-14).

Exhibit 1. Vizag coal terminal mandate marks MPSEZ's entry into the eastern coast



Source: JM Financial;

Note: MPSEZ has operational ports at Mundra and Dahej, while port at Hazira and terminal at Mormugao are under execution.

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