

CON/F&CS/IRC/STOCK EX/2020-21/Q1/CC

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Dear Sir/Madam,

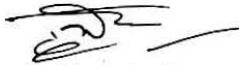
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Pursuant to applicable provisions of SEBI (LODR) Regulations, 2015, please find enclosed transcript of CONCOR's Q1/FY- 2020-21 conference call held on 10.08.2020.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Container Corporation of India Ltd.,


(Harish Chandra)
ED (F) & CS

CC : ED (MIS) for placing on website of CONCOR.



“Container Corporation of India Limited Q1 FY2021 Earnings Conference Call”

August 10, 2020



ANALYST: MS. BHOMIKA NAIR – IDFC SECURITIES LIMITED

MANAGEMENT: MR. V. KALYANA RAMA – CHAIRMAN AND MANAGING DIRECTOR - CONTAINER CORPORATION OF INDIA LIMITED
MR. SANJAY SWARUP - DIRECTOR (INTERNATIONAL MARKETING & OPERATIONS) - CONTAINER CORPORATION OF INDIA LIMITED
MR. MANOJ KUMAR DUBEY - DIRECTOR (FINANCE) & CHIEF FINANCIAL OFFICER - CONTAINER CORPORATION OF INDIA LIMITED
MR. P.K AGRAWAL - DIRECTOR (DOMESTIC) - CONTAINER CORPORATION OF INDIA LIMITED
MR. RAHUL MITHAL - DIRECTOR (PROJECTS & SERVICES) - CONTAINER CORPORATION OF INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY2021 Earning Conference Call of Container Corporation of India Limited hosted by IDFC Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Bhoomika Nair from IDFC Securities. Thank you and over to you Ms. Nair!

Bhoomika Nair: Thanks Margreth. Good morning everyone. On behalf of IDFC Securities, I would like to welcome you to the Q1 FY2021 earnings call of Container Corporation of India. We have the management today being represented by Mr. V. Kalyana Rama, CMD. I will now hand over the floor to Mr. Rama for his initial comments post which we will open the floor for Q&A. Over to you Sir!

V. Kalyana Rama: Thank you, Bhoomika. Good morning to all of you. This quarter is one of the toughest quarters for CONCOR for two reasons, one is the railway policy changed on LLF from per TEU payments to 6% of the value of the land and second COVID impacted the business all around. One saving grace that I would like to share with you that your company never stopped for a day even in the lockdown. We continued to provide our services and the balancing of running between imports and exports maintained very well by our operations team. The empty running cost is not increased compared to last quarter that they got reduced and the overall margins in all these segments remained intact. Of course, operating margin there is a decline because of the increased LLF, so the LLF because of 6% charges there is calculation from our side which we calculated around Rs.450 Crores on the land, which we are now having. As all of you know that we gave back 17 locations where we found that business can be handled from alternative locations available except one location that is Bhusawal, everywhere else we had alternate locations, we did not lose any business. Even Bhusawal also we are trying to shift that into Aurangabad to some extent and we are trying to find out a new location to start a facility in Bhusawal. So with all these impact in the reduction in the import-export the volumes are around 75% to 80% of the corresponding quarter of last year, even the turnover was also around that, slightly less because we moved empties free of cost during the lockdown time to facilitate the Indian industry and Indian exports. So, we lost a little bit of margins over there. The overall scenario is getting tough definitely because the volumes are less, the demand is less so there is a lot of discounts going on around in the market so it is a not an easy situation, a tough one, but as I mentioned to you, we are trying to maintain our margins and trying to maintain the service

quality and pick up the volumes and let us hope that our team will be successful in achieving this. But as the time is going on with the COVID, we may also have to think of going in with more competitive nature into the market. So the time will tell, as of now Q1 results are before you and our expectation is Q2 and Q3 that there may be some improvement in Q4 we are expecting things to come back to normal as the manufacturing activity may start slowly from this quarter on and they may get stabilized into Q3. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari: Thanks a lot. Sir my question is on this land license fee, In notes to account #6, Rs.7.8 billion for Okhla and Tughlakabad that Indian Railways has asked for, what is the amount for all the terminals that you have only from Indian Railway? So that is the first question?

V. Kalyana Rama: That is demand what we got from the railways. Last conference call many of you were asking about what will be impact of land license, so we just now gave this information that the railways calculation is this. But as per our calculation as per the circulars in force is Rs.450 Crores for all the terminals, not only Okhla so this already has been represented to railways and we are working on that and as I can share with you that the circular are to be interpreted so one interpretation which has come is Rs.770 Crores for Okhla.

Atul Tiwari: And Sir could you throw some light what is the difference in your interpretation and railway interpretation broadly just to understand because the difference is quite big Rs.450 Crores versus Rs.780 Crores?

V. Kalyana Rama: That is what I told you our interpretation Rs.450 Crores for all the lands.

Atul Tiwari: Okay but any color on how railways interpreting it and is it market value versus government circle rate something like that?

V. Kalyana Rama: These are too technical, there are certain circulars in force. Application of circular is the job of the executive, so executive is making a calculation and raising a demand note should be base of the circular in force, because this demand has come but as per corporate governance our endeavor is to maintain that and that is why we informed the market this is the demand raised, at the same time we also clarified to all of you that as per circulars info when we did the calculation and it is Rs. 450 Cr.

- Atul Tiwari:** Okay and has railways there is any demand for other terminal except for these two that you have mentioned?
- V. Kalyana Rama:** Except for this there is no other demand raised.
- Atul Tiwari:** And Sir just one housekeeping question. What was the originating volume in the quarter first exim and domestic?
- V. Kalyana Rama:** Other people will ask; you are asking more than two questions so let us wait for the other people's question for that information.
- Moderator:** Thank you. The next question is from the line of Navina from Jeffrey. Please go ahead.
- Navina:** Sir just once again on the land license fee, two questions, one is your discussion with railways by when do you think you could potentially reach a conclusion as to what is the land license fee that is acceptable to both the parties? Is it something that will get done in three months or six months. Secondly is it an option for you at all that if the railway does not come down on the land license fees that you can move maybe one of the terminals and trying and shift the business out. It is difficult, but just wanted to understand how you all are looking at it at this stage?
- V. Kalyana Rama:** I will answer your second question first wherever we thought that there is no point in continuing business when we got an alternative we already surrendered those 17 terminals back to railways. So, as I mentioned in the last conference call that there is no second wave in this, it is only one wave, so we will not be surrendering further terminals as of now as the business continues. Regarding the decision of the railways I cannot comment on when they are going to do it in one month, two months or three months but the calculation what we do definitely, we are very sure that we are doing a right calculation so we will be standing on our calculations and we will be communicating with railways.
- Navina:** Thank you.
- Moderator:** Thank you. The next question is from the line of Achal Lohade from JM Financial. Please go ahead.
- Achal Lohade:** My question is with respect to the land license once again, how much is Tughlakabad as a percentage of our total volume and number two if let us say this is theoretical hypothetical

question I am asking, if this goes to dispute and goes into court, will that impact on the operations?

V. Kalyana Rama: Going to court is a very long drawn and I think it is a very wild guess. We are PSU under the Ministry of Railways, they are administrative ministries so the things are always settled out so let us not speculate on going to court and all that. TKD is one of the important terminals and yes definitely the land license fee of TKD is high because the land value of TKD is quite high.

Achal Lohade: Would it be able to give you any mix and so what will be the mix coming from TKD on the originating?

V. Kalyana Rama: That is beyond the scope of the conference call.

Achal Lohade: Understood and one more question with respect the railway freight margin for the quarter and you had indicated, the margins of 32%?

V. Kalyana Rama: We have many doubts about land license and all, so two questions per people all these things will get repeated.

Moderator: Thank you. The next question is from the line of Bhavin Gandhi from B&K Securities. Please go ahead.

Bhavin Gandhi: Just on the rail freight margins for the quarter, can you share the numbers?

V. Kalyana Rama: Rail freight margin this quarter we had 28.66% compared to the corresponding quarter 28.16%.

Bhavin Gandhi: And Sir, recently the Indian Railways have kind of reduced the haulage charges by about 5% till March so how we are going to deal with it, are we likely to retain this or if you look at passing on the trade given the volume projected?

V. Kalyana Rama: It will be a case to case thing, we are not directly taking any across the Board decision for this 5%, we have got our own VDS schemes and discount scheme for all the various categories so this 5% will be dealt on case to case basis.

Bhavin Gandhi: Sure, Sir I will come back in the queue.

Moderator: Thank you. The next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Sir first question on the realization front you did mention higher share from empty repositioning because of this probably there is a decline in realization, just you are trying to understand on the ground rent front now because of what we understand that delays from the customer side in terms of picking up the containers, do you see any improvement or change in ground rent or because we had raised of ground rent so that does not matter as much?

V. Kalyana Rama: TSC fee slightly gone up compared to the last year. So, there is an improvement of may be about 30% in the TSC earnings, but our policy of 45 days to 90 days continues.

Ankur Periwal: Okay, the decline in the margin then largely because of the land license fee only is that understanding right?

V. Kalyana Rama: It is your understanding, I do not want to ratify it, I will give you the reasons.

Ankur Periwal: Okay no worry, Sir on the empty running side you said there was a decline there so if you can share the numbers both on the domestic and Exim side?

Sanjay Swarup: Empty running cost is Rs. 21 Crores for Exim and Rs.16.74 Crores for domestic so total is Rs.38 Crores compared to Rs.48 Crores of last year that is 22% decline.

Ankur Periwal: Sir if I got the numbers right Rs.21 Crores for Q1 for Exim and Rs.16.74 Crores for domestic?

Sanjay Swarup: Absolutely.

Ankur Periwal: Thank you Sir. I will get back in the queue.

Moderator: Thank you. The next question from the line of Prateek Kumar from Antique Stock Broking. Please go ahead.

Prateek Kumar: Sir my first question is you mentioned about the discount strength continuing so when the volume like for example dipped in this quarter and there remain pressure and you also mentioned that we could also like move in that direction in your opening remark so you also like looking to give more discounts going forward?

- V. Kalyana Rama:** Our discount schemes are very well established and recently we started in fact expanded our discount export or import wherein we started giving more discounts on exports to shipping lines also that become attractive shipping lines so looking at the market condition, we will be coming out with various schemes that was what I was mentioning in my opening remarks.
- Prateek Kumar:** And Sir regarding capex, how are we looking at capex this year pressure on operating profit and generally depressed market condition?
- V. Kalyana Rama:** Operating profit will not get impacted by capex. Capex is out of our P&L where we will keep our reserves, we will be in spending towards further expansions but to answer your question, this time capex we actually trying to scale down from earlier levels because demand is less this year as well as the demand will not immediately pickup next year also because of COVID.
- Prateek Kumar:** So, we are looking at like any specific number versus Rs.800 Crores to Rs.1000 Crores?
- V. Kalyana Rama:** That I will share with you once we finalize that, certain agencies are involved in it. We have to first finalize with them that I can share the numbers.
- Prateek Kumar:** Sure Sir I will get back to the queue.
- Moderator:** Thank you. The next question is from the line of the Bhoomika Nair from IDFC Securities. Please go ahead.
- Bhoomika Nair:** Sir just wanted to understand with the increase in land license fee whether is Rs.480 Crores or the higher number what we did railways talking about will be you look too pass this on because it is a fairly sharp jump in our cost so will we be taking price hike kind of pass this on is that practical for us to do?
- V. Kalyana Rama:** Our pricing is depending on the market conditions. It is not based on the input costs alone so as of now the volumes are less, the competition is very high so we are not thinking of increasing any prices immediately, competition is very high and competitors are really giving a discount which may be untenable discounts.
- Bhoomika Nair:** My second question is on the guidance in terms of volumes we had indicated at the end of the financial year that we could see kind of a 20% decline for the current year but given that

port volumes are recovering quite well, would you want to revisit that guidance and also if you can just tell what is being the lead distances and the originating volume turn?

V. Kalyana Rama:

Guidance we are not changing.

Sanjay Swarup:

Bhoomika actually port have also seen a reduction of 28% in first quarter as compared to the first quarter of last financial year, so ports are also having difficult time and as far as lead is concerned our lead in Exim is 683 kilometers in this quarter and domestic it is 1262.

Bhoomika Nair:

Okay Sir I will come back in the question queue.

Moderator:

Thank you. The next question is from the line of Rushabh Sharedalal from Pravin Ratilal Share and Stock Brokers Limited. Please go ahead.

Rushabh Sharedalal:

I just had two questions one is if you can help me with the working capital cycle in number of days for this quarter and second is pertaining to the disinvestment. I understand that the matter pertains to DIPAM but all I want to ask is that let say if DIPAM says that CONCOR shall go into disinvestment of CONCOR completely ready or are any formalities from our end remaining?

V. Kalyana Rama:

Your first question our working capital we have zero working capital. There is no working capital cycle we do business by taking the advance payments and regarding divestment I think there is a lot of media reporting around and beyond that I cannot share things with you.

Rushabh Sharedalal

No I understand that I am not asking about the media reports on anything. What I want to know is that our formalities from our end ready or is something pending from our end that's all I want to know?

V. Kalyana Rama:

That is nice to know about but certain things, we cannot share with you. Let things come out obviously everything will be given to the press and the information will come from DIPAM only, they are the concerned people.

Rushabh Sharedalal

Okay. Thank you.

Moderator:

Thank you. The next question is from the line of Deepika Mundra from JP Morgan. Please go ahead.

- Deepika Mundra:** Firstly, Sir I just wanted to check on the land license fee how much as it was accounted for in the quarter and it seems like not been capitalized in balance sheet and flowing through all other expenses?
- Manoj Kumar Dubey:** Rs.120 Crores for this quarter we have already made the provisions, but was not paid, but provisions were made in the P&L and you can see there is Rs.95 Crores enhancement in the LLF contributing to other expenses on the freight apart from freight in this Q1 compared to the last Q1.
- Deepika Mundra:** Okay, Rs.95 Crores included in other expenses and balance in depreciation?
- Manoj Kumar Dubey:** That is the impact, vis-a-vis quarter that is accounted in this quarter.
- Deepika Mundra:** Sorry Sir, could you repeat that?
- V. Kalyana Rama:** Rs.120 Crores is the total LLF for this quarter.
- Deepika Mundra:** Okay, fine and secondly, I just wanted to check on all non-rail revenues given all the recent initiatives, was there significant contribution in this quarter?
- V. Kalyana Rama:** What revenue?
- Deepika Mundra:** Non-rail revenue basically warehousing, third parties logistics or the other initiatives that you had started off, any significant momentum on that?
- Manoj Kumar Dubey:** Nothing as such.
- V. Kalyana Rama:** There is no improvement in that.
- Deepika Mundra:** Lastly, can you give the originating volume?
- Sanjay Swarup:** Originating volume for the EXIM is the 413587 TEUs and domestic 51146 TEUs, total 464733.
- Deepika Mundra:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Ajinkya Bhat from Macquarie. Please go ahead.

- Ajinkya Bhat:** Thanks for the opportunity. Sir, two questions. First question is, can you provide us qualitative comment on how has been the double stacking this quarter, was there any decline in double stack trains because of low volumes and has that perhaps led to higher haulage charge on the per TEU basis, because if you are not able to fill the upper stack at the lower haulage charge that is the first question and second question is on the land license fee, just wanted to understand the accounting treatment in the sense that while you discuss it out with railways, would you be making a provision in your P&L for this higher fee and would you be required to make the cash payment to railways according to their demand while you still discuss it out? Thank you.
- Sanjay Swarup:** As far as double stacking is concerned, there has been 55% drop in this quarter as compared to the corresponding quarter of last year. From 758 rakes it has come down to 338 rakes primarily because of less imports, imports have also seen a drop of 27%, so these have resulted in the drop in double stack.
- Manoj Kumar Dubey:** As you have seen from the quarter, there is an impact of Rs.120 Crores of LLF that is Rs.95 Crores higher than the last quarter, so far as provision is concerned. Answering to your question regarding the payment, so actual payment has not been done in this quarter, we are awaiting the clarification between our calculations and the railway calculations and we hope that as and when this calculations are sorted out and we come to a mutual agreement, these payments will be done, till the time this rate of Rs.450 Crores as CMD had mentioned right in the beginning per quarter one-fourth of that will be provisioned.
- Ajinkya Bhat:** So basically, whatever extra amount that railways are demanding Rs.770 Crores, the differential whatever Rs.300 Crores, you will not be providing for that right away during...
- Manoj Kumar Dubey:** That is treated as a contingent liability, but that is not provided for as of now, because we think that is not correct.
- Ajinkya Bhat:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Mukesh Saraf from Spark Capital. Please go ahead.
- Mukesh Saraf:** Thank you for the opportunity. There is also 7% hike in this land license fees, so does that apply even to your way of interpreting it or is that only on railways interpreting itself?
- V. Kalyana Rama:** It will apply.

- Mukesh Saraf:** So basically, the Rs.450 Crores will go up by 7% for us every year?
- V. Kalyana Rama:** Yes.
- Mukesh Saraf:** Secondly, there is also a change in the way the custom is going to be operating more of automatic kind of customs in most of the ICDs, so do you see any positive or any changes at all for us, the way the customs will change their operations?
- V. Kalyana Rama:** Customs whatever they already implemented that we are not expecting anything, but we are going with our own digitization things, our own digitization I am sure that this is going to improve our service quality much more, there is a lot of improvement in our service quality in the last four, five years and we are now trying to take it to next level, we are working on something very important and as and when it finalizes we will let you know.
- Mukesh Saraf:** Okay, basically the reason I asked this, there is going to be some changes in customs clearance etc at ICDs, TKD and all the others so that is not going to have any positive and negative impact for us?
- V. Kalyana Rama:** There is no positive and negative from customs procedure, but there is a positive impact from our own digitization.
- Mukesh Saraf:** Thank you. That is it from my side.
- Moderator:** Thank you. The next question is from the line of Pranav Tendulkar from Rare Enterprises. Please go ahead.
- Pranav Tendulkar:** In a fixed note, you had said that you had requested railways to charge the previous TEU based fee up till the time that you are PSU, so basically it seems that this provision has been made in view of your privatization or divestment and this process will speed up, am I right in interpreting this because obviously private players will object to you getting beneficial treatment as a private player?
- V. Kalyana Rama:** I already answered the demand I think earlier one of your colleagues that I will not ratify your ideas. We made an appeal we have already shared that with all of you as good corporate governance practices. Now will be accounted for that is as per the accounting practices, there are certain accounting practices which are called Ind-AS 116, so these accounting practices what are all the liabilities we have to take note of them and we had to account for them, we cannot leave it and show more corporate that is not the way the

companies run and more so CONCOR which is one of the very well expected the corporate governance practices company will never do that.

Pranav Tendulkar: No, my question is different. This provision has been...

V. Kalyana Rama: Your interpretation I am not going to ratify, okay, your interpretation may not be correct, may be correct, we do not know, why should I talk about that, I already explained you, this is the reason why we did this, no other consideration this is as per Ind-AS practice.

Pranav Tendulkar: Thanks a lot.

Moderator: Thank you. The next question is from the line of Ketul Sakhpara from Mahindra Manulife Investment Management. Please go ahead.

Ketul Sakhpara: Thanks for taking my call. On the land license fees, in the past since you are paying on per TEU basis you may not have optimized the land that you are using TKD and Okhla, is there a chance you can give back some portion of the land and reduce your LLF, if railway does not agree to reducing the fees that they are going to charge?

V. Kalyana Rama: I already answered this question whatever land has to be returned back, as not required in this present business environment, we already returned it back, so there is no second wave on this.

Ketul Sakhpara: Thank you very much.

Moderator: Thank you. The next question is from the line of Ankit Panchmatia from B&K Securities. Please go ahead.

Ankit Panchmatia: Thanks for taking my question. Sir, just to understand from your point of view, the importance of TKD with CONCOR, how important is this terminal for us, what are the operations we feel crucial to CONCOR at this point of time which TKD and Okhla is enabling for CONCOR, if you can just throw some light on this, it would be very helpful Sir?

V. Kalyana Rama: We are operating 64 terminals, every terminal is important to us and TKD is one of it, okay, so volume wise TKD is in the first five terminals where we do good volumes that impact us obviously you can understand. Regarding TKD, many players would like to have a terminal in the vicinity of TKD which is not possible that is why people keep on talking about TKD

and let me assure all our investors that TKD is going to operate and will continue to operate, as I said one of the leading five terminals of CONCOR.

Ankit Panchmatia: Right and any update regarding how has been the ramp up may be in the current quarter, any flavour around this, there has been terminal at JNPT which was impacted, because of this heavy rainfall, so any impact on our volumes because of that?

V. Kalyana Rama: We do not give guess numbers, for the current quarter we are waiting for the results.

Ankit Panchmatia: No problem Sir, this was helpful. Thank you.

Moderator: Thank you. The next question is from the line of Saranya N from JM Financial. Please go ahead.

Saranya N: Thanks for taking my question. Sir, my first question is with respect to employee cost though on your year-on-year basis, there does it seem to be marginal difference, on a Q-o-Q basis there is a 32% uptick, so how should we look at it going ahead?

Manoj Kumar Dubey: PRP i.e. profitability linked incentives that we pay, that is normally paid in the last quarter, first quarter of the every year, so if you see Q1 and Q1, it is almost in the same line, Rs.80 Crores and Rs.78 Crores and Q4 because it is a normal kind of payment and there are lot of adjustments in the Q4 when we make provision in first three quarters and if there is more provisions in fourth quarter, so that is a impact in the Q4, but Q1 to Q1 because it is PRP payment, profitability linked incentive payment have been done, so you find that it is comparable.

Saranya N: How should we look at it for the fully year FY2021?

Manoj Kumar Dubey: There is no intake over fresh employee in the company as CMD had mentioned in the last concall also, so we have optimized our manpower, in fact it is reducing a bit only, so we do not see any increase in staff in this year at all.

Saranya N: Understood. My second question is with respect to the restructuring that has been happening in fact notified that has been restructuring at the zonal level and all that and then there are also media articles they are compressing eight regions into four and then having specific wings for warehousing and focus on first and last mile connectivity etc., so your thoughts on it and what is it does the company thinking about it and the strategy behind this?

- V. Kalyana Rama:** We were working in three tier structure, terminal, regions and corporate office, so we have gone in lot of digitization we did in the last four, five years and that I call it wiring of the company, the company got fully wired now, so we can get information from anywhere to anywhere and the free flow of information is available in the company, today we are paperless office completely, having achieved all this, we thought that we need not go with three tier structure now, we can go with two tier structure, so there is the front end, there is the backend. The front end is our terminals and the back end is the corporate office, so now the media reporting that we have made eight regions into four that is not correct actually, we made three tier into two tier and in corporate office we emphasized our terminal operations only for marketing and operations and identified four areas to look after different terminals, so that is part of the corporate office. The structure is basically to increase the efficiency and the speed of working.
- Saranya N:** If I can squeeze in one last question. The discount in freight movement on freight charge of 5% discount, so will you be returning that or will it be passed to the customer?
- Kalyana Rama:** I answered this.
- Moderator:** Thank you. The next question is from the line of Amit Murarka from Motilal Oswal. Please go ahead.
- Amit Murarka:** Good afternoon Sir. Two questions. One on, you had mentioned in the prior call that we had done a price hike from October 1, 2020, so could you just provide some more details on that or are you still planning to implement it from October 1, 2020?
- V. Kalyana Rama:** As of now we are not giving any further announcement.
- Amit Murarka:** Okay and what will be the quantum of the hike?
- V. Kalyana Rama:** It varies from 3% to 5%.
- Amit Murarka:** Sure, and on SEIS like how much scrips are still outstanding that we have been received this quarter?
- V. Kalyana Rama:** What SEIS?
- Amit Murarka:** The scrips for SEIS.

- V. Kalyana Rama:** SEIS scrips now whatever have been denied and whatever we got it we already done, that the process is completed.
- Amit Murarka:** Whatever non-disputed has all been received and I think Rs.861 Crores is what was the disputed amount from our account?
- V. Kalyana Rama:** Yes.
- Amit Murarka:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Aditya Damani from Damani Securities. Please go ahead.
- Aditya Damani:** Good morning Sir. I would like to ask you something regarding the competition, in light of the COVID situation and the lockdown with the truck movements and coastal shipping also getting some precedence, how are we placed versus coastal shipping and truck movement Sir?
- V. Kalyana Rama:** The areas where we offer is there is not much of competition of coastal, so road is a competitor, but as of now I think there are many constraints on road movement, so lot of people are preferring rail mode of transport and that is how we are getting good volumes in exports.
- Aditya Damani:** Right, when you said earlier in the call Sir that there is a lot of competition that you are referring to private players in the railway lines?
- V. Kalyana Rama:** All competition private players, road, everything put together.
- Aditya Damani:** Right.
- V. Kalyana Rama:** Because of low volumes obviously when we going gets tough, tough gets going, so people try to offer more discounts where they reduce their prices to stay afloat that puts lot of pressure on us because we are one company who operate with good margins, with good service qualities and we do not want to go for price wars, then it puts lot of pressure on us.
- Aditya Damani:** I believe we are turning to be the preferred operator due to the COVID situation, people are preferring to go through CONCOR now instead of other mode of transport is that correct, more so than before?

- V. Kalyana Rama:** Again, I cannot ratify your idea, I do not want to make that statement.
- Aditya Damani:** Thank you. I get a picture. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go ahead.
- Ankita Shah:** You said Rs.450 Crores of land license fees is your estimate, so can you explain how do you arrive at this calculation is based on what assumptions, what percentage of the market value of land, on which it is calculated?
- V. Kalyana Rama:** Calculation is 6% of the market value is Rs.450 Crores. You are a well-educated lady, so you can easily do what is the market value through the reverse calculation.
- Ankita Shah:** This Rs.980 Crores which railways has demanded for two terminals, what about the balanced terminal, have been indicated on what would...
- V. Kalyana Rama:** I have answered this question, the demand has come from only these two terminals as of now.
- Ankita Shah:** But then any indication on what would be the amount of balance terminals?
- V. Kalyana Rama:** You do not get confused, the calculation based on the circulars in force, railway circulars in force which we did our calculation, calculation is Rs.450 Crores, but for two terminals the railways has raised a demand note of this much that is what we are sharing with you as a good governance practice.
- Ankita Shah:** I got that, but I was asking from railways perspective, Rs.980 Crores is for two terminals, so for balance terminals?
- V. Kalyana Rama:** There is no railway perspective in this, railway perspective, CONCOR perspective everybody's perspective will be as per the circulars in force, so it is question of interpretation of the circular by the executive sitting in some chair and working out these figures, so individuals may do right or wrong, the original basic concept will never change that is what I was trying to impress upon all of you that when we say our calculation is of Rs. 450 crore is what we take clues, the base is this, the calculation may define.
- Ankita Shah:** Thank you.

- Moderator:** Thank you. The next question from the line of Pulkit Patni from Goldman Sachs. Please go ahead.
- Pulkit Patni:** Thank you for taking my question. Just one eventually we will see whether the railway number or your number which ever prevails, but my question is does this give us any extra flexibility to develop any parallel revenue stream or do more work using that land like paying a higher price, does that offer us more flexibility on how we can use that land or lesser restriction of how we can use that land, any comments on that?
- V. Kalyana Rama:** Whatever in logistic industry what we can do, we can do right now we were allowed to do earlier also, we are allowed to do in future also, so there has been nothing something new extra, we can add which is not in the logistic side.
- Pulkit Patni:** It does not change any scope with just an additional fee that is the way one should look at it.
- Moderator:** Thank you. The next question is from the line of Shrinidhi Karlekar from HSBC. Please go ahead.
- Shrinidhi Karlekar:** Thanks for the opportunity. Sir, would it be possible to comment on how has market share moved in Q1 versus last year?
- Sanjay Swarup:** Rail freight Market share in Q1 of last financial year was 67.5% and now it is 64%.
- Shrinidhi Karlekar:** Sir last one if I may, would it be possible to share how has been the railway position change in Q1 this year compared to last year at Mundra and JNPT?
- Sanjay Swarup:** JNPT actually last Q1 rail share was 16% which has become 25% now and Mundra 27% and now it is 25.5%.
- Shrinidhi Karlekar:** Thanks for answering my question Sir. All the very best.
- Moderator:** Thank you. Ladies and gentlemen due to time constraints that was the last question. I now hand the conference over to Ms. Bhoomika Nair for closing comments.
- Bhoomika Nair:** Thank you so much for taking time out and answering all are questions giving us an opportunity, on behalf of IDFC Securities we would like to thank all the participants for being on the call. Thank you very much Sir.

Kalyana Rama: Thank you Bhoomika.

Moderator: Thank you. On behalf of IDFC Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.