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Dear Sir/Madam,

विषय : Disclosure under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Pursuant to applicable provisions of SEBI (LODR) Regulations, 2015, please find enclosed transcript of Post results conference call held on 23.05.2025.

For your information and record please.

धन्यवाद।

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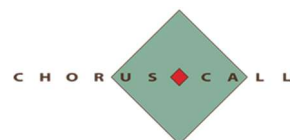
Think Logistics, Think CONCOR





“Container Corporation of India Limited
Q4 FY '25 Earnings Conference Call”

May 23, 2025



MANAGEMENT: **MR. SANJAY SWARUP – CHAIRMAN AND MANAGING DIRECTOR – CONTAINER CORPORATION OF INDIA LIMITED**
MR. AJIT KUMAR PANDA – DIRECTOR (PROJECTS AND SERVICES) – CONTAINER CORPORATION OF INDIA LIMITED
MR. MOHAMMAD AZHAR SHAMS – DIRECTOR (DOMESTIC) – CONTAINER CORPORATION OF INDIA LIMITED
MR. VIJAY KUMAR SINGH – DIRECTOR (INTERNATIONAL MARKETING AND OPERATIONS) – CONTAINER CORPORATION OF INDIA LIMITED
MR. ANURAG KAPIL – DIRECTOR (FINANCE) – CONTAINER CORPORATION OF INDIA LIMITED
MR. HARISH CHANDRA – PRINCIPAL EXECUTIVE DIRECTOR (FINANCE) AND COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER – CONTAINER CORPORATION OF INDIA LIMITED

MODERATOR: **MS. BHOOMIKA NAIR – DAM CAPITAL ADVISORS LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Container Corporation of India Limited Earnings Call Q4 FY '25, hosted by DAM Capital Advisors Limited. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhoomika Nair from DAM Capital Advisors Limited. Thank you, and over to you, ma'am.

Bhoomika Nair:

Thanks. Good morning, everyone, and a warm welcome to the Q4 FY '25 Earnings Call of Container Corporation of India. We have the management today being represented by Mr. Sanjay Swarup, Chairman and Managing Director.

At this point, I'll hand over the floor to Mr. Swarup for his initial remarks, post which we'll open up the floor for Q&A. Thank you, and over to you, sir.

Sanjay Swarup:

Yes. Good morning, everybody. I am represented -- I am having with me Mr. Ajit Kumar Panda, Director, Projects and Services; Mr. Mohammad Azhar Shams, Director, Domestic Division; Mr. Vijay Kumar Singh, Director, International Marketing and Operations; Mr. Anurag Kapil, Director, Finance; and Mr. Harish Chandra, PED, Finance, Company Secretary and CFO of the company.

I would like to give some opening remarks, and then we can proceed with questions. At the outset, I am glad to announce that Board of Directors has approved the bonus share 1:4, 1 share for every 4 shares in the meeting concluded yesterday. And we have announced a dividend of INR2 per share, that is 40% dividend for this quarter, and it takes the total dividend to INR11.50 at a share value of INR5, that is 230%.

Bonus share are subject to requisite approvals, which will be coming in due course. Then as far as the performance of the company is concerned, CONCOR achieved ever highest throughput of 5.09 million TEUs, crossing the 5 million TEUs mark for the first time in its history. Throughput growth has been around 8% in the financial year.

It includes EXIM growth of 7% and domestic growth of 12%. It's in line with the India international trade. Export has grown by 0.08% to US\$437.42 billion and import of India grew by 6.2% to US\$720.24 billion.

In Q4, we had a growth of 8.25% as compared to the corresponding period of last financial year. It includes EXIM growth of 12% and which we are able to sustain in the present quarter also. And domestic, we had a negative growth of 2.6%, primarily because of 3 reasons.

First is the -- we deliberately did not pick up the low-margin traffic that was available. And second reason was the impact of congestion in railway network in Eastern India, which impacted our business in domestic.

And third reason is the delay in supply of tank containers by M/s Braithwaite, our sister PSU due to the various teething technical problems that they were having. Because of these 3 primary reasons, domestic throughput, in fact, declined as compared to the corresponding period of last financial year.

But now I will tell you subsequently, we have taken corrective steps. And in the current financial year, we see a very robust growth in domestic. I also want to highlight that in EXIM, we have increased the market share on Pan-India basis by 40 basis points, JNPT only 9 basis points, Mundra port 127 basis points, Pipavav port 232 basis points.

And one important thing is we have gained market share and despite not sacrificing our margins. In fact, our rail freight margin has increased by 55 basis points. So market share has also increased and rail freight margin has also increased from 25.10% to 25.65%.

Operating margin has remained same year-on-year. Last year, it was 30.7% and this year, it was 30%, almost same. EBITDA margin also same, year-on-year, 25.5% to 25%. So all these performances, we were able to achieve. Because of our strong focus on customer centricity, customers have reposed faith in our services and operational excellence of team CONCOR.

Despite geopolitical challenges that we were facing, we could achieve operating income growth of 2.7% and PAT growth of 3.35%. And PAT is ever highest in company's history and turnover in this financial year is also ever highest in the company's history. And as far as operations front is concerned, we have seen a 16% growth in double-stack handling of rakes.

This year, we crossed 6,000 rakes. We achieved 6,302 double-stack rakes this year. Last year, it was 5,440. So there was a growth of 16%. We also added infrastructure to meet this demand. We commissioned 11 rakes in this financial year, taking our total rake count to 388. We procured around 9,000 containers, taking our container fleet to more than 53,000 containers.

And all this was possible, and we achieved capex of INR810 crores in FY '25. For FY '26, Board of Directors have approved capex budget of INR860 crores, which will be primarily used for procuring containers, procuring wagons, development of terminals for -- and for management of management information system, that is IT equipments.

Company has embarked on massive infrastructure creation after seeing the robust demand. By 2028, we have set a target of 100 terminals, 500-plus rakes and 70,000 containers of our own. For ESG, we have established CONCOR-TERI Center of Excellence for green and sustainable logistics for giving us various consultancy and guiding us how to go for green and sustainable logistics.

As far as outlook for FY '26 is concerned, we see stability in EXIM business and with commissioning of WDFC up to JNPT by December 2025. We see a spurt in volumes in Q4 of this financial year. On domestic front, there is a robust demand. We expect good volumes of bulk cement and tank containers, ceramic tiles, food grain, etc.

In the last financial year, exports basically increased. Ready-made garments saw 84% growth, auto parts saw 22% growth and plastic goods saw 82% growth. Similarly, imports also increased. Raw cotton increased by 122% and glass by 57%.

We have resumed rail services for third country import from Haldia port to Birganj. We loaded more than 1,000 TEUs in the last financial year. And for DPD also, we increased by 31% in last financial year. We have loaded 3,847 TEUs this -- in last financial year, which was a growth of 31% over corresponding period of previous financial year.

So at this moment, I would like to give guidance for FY '26. In EXIM, I am giving guidance of 10% growth, in domestic 20% growth. So overall, there will be 13% growth in this financial year in overall business combined EXIM and domestic.

How we will achieve this? There are various factors that we will be working on. First is customer centricity, which remains the focus area of management. Then second is total logistics solution to customers. We have set upon a target of 100% first mile, last mile that we will be doing in this financial year.

Then we will be working on green and sustainable logistics and bulk cement and tank containers will be a very big driver of growth and long-term agreements we are going to have with corporate customers and shipping lines, which will help us to give more volumes into our fold. And last but not the least, we will have business at our new terminals also that we are going to commission.

In this financial year, we have set up a target of commissioning 4 new terminals, and we are actively working with railways and DFC for getting land for setting up more terminals so that we are able to achieve the target of 100 terminals by 2028. So these are my opening remarks.

Now you can start the questions, please.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Achal Gohade from Nuvama.

Achal Gohade: Can you help us with the originating volume for the quarter?

Sanjay Swarup: Yes. Originating volume for Q4 for EXIM, it is 557,670 TEUs and for domestic 121,789 TEUs. Total is 679,459 TEUs.

Achal Gohade: Understood. Sir, if you could help us understand with respect to the market share. You did mention about the market share, but if you could give the number specifically, what is our market share, JNPT, Mundra, Pipavav and Aggregate India level for EXIM?

Sanjay Swarup: JNPT, we have a market share of 58.44%. Mundra port, it is 37.7%. Pipavav port, it is 48.4%. And on Pan-India, if we see, we achieved the market share of 55.2% in EXIM and 57.6% is domestic. Total is 56%.

Achal Gohade: And if you could help us with FY '24 number as well, sir, in the same fashion, please?

- Sanjay Swarup:** FY '24 JNPT was 58.3%, Mundra port was 36.4%, Pipavav port was 46%. Pan-India, EXIM 54.8%, domestic 66.8% and total is 57.7%.
- Achal Gohade:** Understood. Sir, if you could help us explain the drop in terms of the domestic business, specifically for the quarter. Like it is appearing to be fairly large, somewhere around 15% Y-o-Y in terms of originating volume. What has driven this particular drop, any particular geography or it's just a cement -- bulk cement container basically what you are seeing?
- Sanjay Swarup:** See, I already mentioned in my opening remarks, there are basically 3 reasons. First is there is a lot of traffic available, which is working on very low margin. So purposely, that is a deliberate decision of the management not to pick up that traffic. We have not -- we have decided not to go for 0% margin or 1% to 2% margin.
- So that was a decision of the management for not picking up that traffic. And second reason, as I told you, there was a congestion in railway network in Eastern India and due to various factors and that has impacted our volume in a big way in domestic because domestic, if you analyze it deeply, a lot of traffic is moving from Western India to Eastern India.
- So if there is a congestion, then rakes don't get unloaded, then they don't get loaded. So because of that, the domestic business was severely impacted. Third was the tank containers that we were banking that it will start in Q4.
- But somehow because it is a new product, first time it was being developed in our country. So there was a lot of teething problems, and they could not be delivered, and we could not get any loading of bulk cement in tank containers. So these were the basic 3 big problems that impacted our drop in domestic.
- Achal Gohade:** Understood. And just one more question in terms of the LLF. You've mentioned in the notes, it's INR370 crores net of INR65 crores impact. So I'm just curious, what is the number for fourth quarter? Is it INR110 crores? Or is it INR175 crores? How do we look at it?
- Sanjay Swarup:** My PED Finance can answer this question. INR108 crores -- it is INR108 crores in fourth quarter, I think.
- Achal Gohade:** Okay. INR370 crores is the net number. INR370 crores for the full year. And how do you see it for FY '26? That's my last question, sir.
- Sanjay Swarup:** See, as I mentioned earlier in my -- one of the interviews today morning, FY '26 also, it will be in the same range, even though it will increase by 7%, but we are constantly working on surrendering the terminals that we don't need or the land within terminals that we don't need. So net impact will be around this number only.
- Moderator:** Next question is from the line of Disha from Ashika Institutional.
- Disha:** Sir, my first question is if you would have any idea by when we would receive the specialized containers from Braithwaite because it has almost delayed for 1 quarter, if you have any idea on it?

Sanjay Swarup:

Actually, we have already received 90 containers from Braithwaite that are sufficient to form a rake. Now these containers are under trial loading at one of the cement plants. So we are quite hopeful of a breakthrough. So because for the first time they are being loaded, so you will appreciate that there is a teething issue.

So people are working on it. Our officers are also working. Braithwaite officers are also working. And I'm expecting that by first week of June, it should streamline and stabilize. And apart from that, we have published a tender for 500 more containers for open tender we have published. So that is a parallel exercise we are doing.

And one more thing on bulk cement front, we have signed agreement with 2 leading cement manufacturers, UltraTech Cement and My Home cement, where we have given 2 acre land each to them in our terminal at Dronagiri at Mumbai, and they will be setting up silos. And they are procuring bulk tank containers on their own.

Even My Home cement, they have procured 200 containers already. So they are constructing a silo. And then that loading will be parallelly they will be doing.

Disha:

All right. Sir, my second question is in terms of if you would have an idea on what is the total containers handled at all India ports? And what is CONCOR share in it?

Sanjay Swarup:

See, all India ports, of course, we keep a data, but that may not be very authentic. I will just give you an idea of that. One minute. All India ports, the total handling was around 23 million TEUs.

Disha:

All right. If I may ask one last question. We did see a drop in realization in terms of domestic and EXIM business both. So going forward, do you expect realization increasing in both these segments? I do understand by domestic, we are not specifically going into low-margin business that would slightly impact our volumes, but in the EXIM business?

Sanjay Swarup:

See, as I told you, we are able to maintain EBITDA level of 24% to 25% every year and despite growing also and -- which is quite good in logistics business. Normally, it is in single digit. So we will be able to maintain this business going forward. The things that will help us will be the commissioning of DFC, which will increase the double-stacking.

It will bring down the empty running. Similarly, domestic also, we will be able to move both the loaded traffic and a lot of circuits, we are working on it. So I think we will be able to improve our EBITDA and maintain at 24%, 25% level.

Moderator:

Next question is from the line of Bhoomika Nair from DAM Capital.

Bhoomika Nair:

Sir, just wanted to understand the EXIM segment a little better. This year has been fairly muted in terms of growth, and we're talking about a 10% growth next year. How is the volumes really shaping up in the last 2 months? Has there been a pickup? And what is the outlook that you're seeing in terms of shipping lines?

Is there a balance of trade between EXIM -- between export and import? If you can just talk a little bit about qualitatively in terms of the volume trajectory that we are seeing? Because last year, there was a lot of shipping disruption, which had impacted our volumes.

Sanjay Swarup:

See, in this current financial year, we are able to see a stable volume in EXIM, as I informed earlier. And there is a good business we are getting. And I have had talks with various shipping lines, and they have informed that this year is going to be good because whatever uncertainties remain, but they have sort of overcome that and it has become stabilized.

So export-import is never balanced in our country. So some places, there's more imports, some places there is more exports. So at present, exports are very good as compared to imports. It keeps on happening. So -- but that is not an issue. We are able to overcome that challenge by increasing our double-stacking. So EXIM guidance of 10%, I find it quite achievable.

Bhoomika Nair:

Sure, sir. Sir, the other question was on margins. If we look at EXIM margins for the current quarter, 4Q, while obviously, for the last 2 quarters, it has been quite healthy, but this particular quarter saw a drop to about 20% versus what we've been doing about 25%. So any particular reason why in this quarter there was a drop in the EXIM EBIT margins?

Sanjay Swarup:

See, this was the final quarter. So there are a lot of adjustments also which we carry forward and whatever expenses are there. So all these factors are there. Otherwise, there is no particular reason. As far as operationally, we have been able to reduce the empty running. This number, I don't have with me right at the moment, but it was quite good. Double-stacking was quite good. So this is likely to continue in this financial year also. So margin front, I don't think we have to worry.

Bhoomika Nair:

Okay, sir. Sir, can I just get the empty running and the lead distances, please?

Sanjay Swarup:

Yes. Empty running in this financial year was EXIM, it is INR121.3 crores. Domestic, it is INR286.7 crores and total was INR408 crores. And in both EXIM and domestic, it is less than last financial year. EXIM, it is reduced by 6.4%. Domestic, it is reduced by 5% and there's a total reduction of 5.3% in empty running.

Bhoomika Nair:

Sure, sir. And the lead distances, sir?

Sanjay Swarup:

Lead distances for EXIM, it was 701 kilometers. Domestic, it is 1,321 kilometers. Total is 801 kilometers.

Moderator:

Next question is from the line of Krishnendu Saha from Quantum Asset Management.

Krishnendu Saha:

Just quickly a couple of things on the domestic front. You spoke about the Eastern India volume was impacted the domestic volume. Could you quantify as to what percentage? Like is it a large volume or is it like low single-digit volume for us?

Sanjay Swarup:

In the last quarter, Q4, there was a drop of 2.6% in domestic volume as compared to the same corresponding period of previous financial year.

Krishnendu Saha:

2.6%. Just on the realization part...

- Sanjay Swarup:** Overall for the financial year, there was a growth of 12% in domestic volume.
- Krishnendu Saha:** Yes, sir. Right. I mean, no -- because you said 3 reasons why this happened. So I'm just asking -- just trying to get a number too. On the realization part on the domestic for the last -- from '24 to '25, there's a degrowth of the realization.
- Do you see any pickup in realization per TEU on the domestic front in FY '26 or '27 because '24 there was a degrowth of 5.2%. '25, there was a degrowth of 9.2%. With new business coming in tankers for cement and others and tiles, do we see the realization is being flat? Or do you think that the realization will have further degrowth from here also?
- Sanjay Swarup:** The realization will be good. As I told you, we are working on various circuits. Like suppose my container is coming empty in some -- from point A to point B, I give a very good rate, maybe on very less margin so that at least I get some money. Instead of getting negative returns, I get some returns. So all these strategies we are working.
- So it's a detailed subject. It will not be possible to tell in detail at this moment. So we are constantly working and we are very sure that we will be able to improve domestic margins in this current financial year.
- Krishnendu Saha:** So that will be largely also high realization but is being flattish as compared to '25, right? Is -- that can be taken into consideration, realization for domestic?
- Sanjay Swarup:** Yes, you can say it will be slightly more than FY '25. And overall EBITDA will be 24%, 25% or even more than that.
- Krishnendu Saha:** Sure. And just from my understanding on the EXIM front, just a hypothetical example, where the shipping liners rate per TEU goes down from suppose \$4,000 to \$3,000, do you face a pressure on realization front on the EXIM side also, likewise? And what is the quantity and how fast...
- Sanjay Swarup:** We don't feel any such pressure because we maintain excellent relations with our customers. So whenever we go for any rate increase, first thing is we give them sufficient time. Second thing is we inform them that we are going to do that, and they have these reasons, A, B, C. So we have excellent communication with them.
- So we don't face any such pressure that the shipping lines are reducing ocean freight. Correspondingly, we will also increase or decrease our inland charges. These pressures, we don't face.
- Krishnendu Saha:** You don't -- because large of the number of contracts will be all long term with them. That is the understanding, right?
- Sanjay Swarup:** We are a public sector undertaking. So we are not a private company. So we cannot change our rate on a daily basis. And we cannot be selective that we will charge this thing from person A, and another rate from person B. We can't do that. Whatever rates we are notifying it's public rate, public domain available on our website.

So -- but only thing what we can do is we can give volume-based incentives. So if some person gives me more volume, he will get more incentive. If some person gives me less volume, he will get less incentive. And that is also very transparent.

Krishnendu Saha: But that adjustment happens in Q4, I guess.

Sanjay Swarup: Sorry?

Krishnendu Saha: That adjustment happens in Q4. That's why the margins take a dip in Q4 on the EXIM side. Is that...

Sanjay Swarup: Exactly. Yes, yes, you have hit the point. That ultimately, in Q4, every -- all these things are -- because we close our accounts for the year so all these issues are reflected in Q4.

Krishnendu Saha: And just one small question. This cement tankers and tiles, will they have such a large -- will they have such a better margin than the current domestic TEU profile? Or will be the margin same? Could you just throw some light on that?

Sanjay Swarup: Actually, per se, you cannot say that only one side loaded will fetch good margins. Margin, we should see an overall perspective because in domestic, even for empty container movement, we have to pay to railways, but we don't get anything. While in EXIM, if we move empty container, shipping lines pay us. So that is the difference between -- basic difference between EXIM and domestic.

So domestic, it becomes very challenging because suppose I move tiles from point A to point B., then in return direction, suppose I bring the empty container, I don't get anything, but I have to pay to railways. So my endeavor is that in return direction, I should fill some cargo in that. So basically, you cannot say that for tiles, you will get more returns. The key question should be how much empty running you will reduce.

Krishnendu Saha: Yes. No sir, I was also asking about tankers, the cement tankers which you use, will they have - were they getting -- what you call, that the return cargo would be difficult. So would they have the same margin profile?

Sanjay Swarup: That's a good question. In empty tankers, we will be bringing them in empty state only. But for that, railway has given one incentive scheme valid for first 5 years of the tanker. That -- for first 5 years, we will avail of that incentive scheme in which for empty movement, they give some incentives. But we have notified our rates in such a manner that we take that cost into consideration, that empty cost also and parties have agreed for that.

Moderator: Next question is from the line of Anupam Goswami from SUD Life.

Anupam Goswami: Sir, my first question on the -- what's our target on the double-stack portion? And on the DFC on the Eastern front also, are we looking any double-stack introduction over there? And also on the EXIM margin, I missed on that front, how do we see the EXIM margin from here onwards?

Sanjay Swarup: Yes. See, first question, there is no target on double-stack. We want to increase it as much as possible. And -- but every year, we are getting a good growth. This year, we got a growth of

16%. Before that also, we got double-digit growth. So as such, there is no target that we have fixed for double-stack, but we want to maximize it. So -- but there is a lot of improvements going on in wagon technology also.

Wagons are now coming, which can carry more payload. Now -- previously, there were wagons which could carry 68 to 70 tons payload. Now we have wagons available, which can carry 80 tons of payload. So obviously, these things will increase the double-stacking. So this is helping us a lot. Second question is Eastern.

Eastern DFC is not fit for double-stack. It is -- and it is only catering to bulk and break bulk cargo. Mostly containers are not running and because overhead equipment, height is not that much, that it can -- double-stack train can run on Eastern DFC. So it is not possible to run double-stack.

Third question is about EXIM margin. Yes, EXIM margin, you will see a lot of improvement in the coming weeks, and we will be able to maintain EBITDA of 24% to 25%.

Moderator: Next question is from the line of Vikram Suryavanshi from PhillipCapital.

Vikram Suryavanshi: Just wanted a clarity on depreciation. So last quarter, we have increased the life for assets, and there was a reduction in our depreciation for last quarter. But again, if you look at this quarter has gone up. So can you clarify for that?

Sanjay Swarup: My PED Finance will answer this question.

Harish Chandra: Yes. Depreciation, like in the last quarter, as you know, we have increased the life of our wagons from 15 years to 30 years. So that had an impact of INR79 crores in the December period. And if you see in the March period, the total impact is INR92 crores. So the impact in the March quarter is around INR13 crores because of that. So that's the main reason.

And that has also been reflected or has also impacted our tax provision. If you see there is a deferred tax provision, which has increased. And there is a decline in the current tax provision because we have got the tax benefit for the capex what we have done during the year. So current tax liability has come down.

Vikram Suryavanshi: Okay. So quarter-on-quarter increase is mainly because of the asset addition what we have done?

Harish Chandra: Yes, yes.

Vikram Suryavanshi: Okay. Understood. And in terms of container fleet, we also used to take a fleet on lease. So what you are mentioning around like 53,000 container, does it include only our own container or we have lease fleet also?

Sanjay Swarup: It is all own container. Now there's no lease container.

Vikram Suryavanshi: Okay. Understood. And last question is that our revenue share, which you give every quarter, how much is our revenue share from JNPT, Mundra, Pipavav, Chennai, if you can share that number for full year?

- Sanjay Swarup:** Yes, I will give you. JNPT, our volume share is 33.4%. I'm giving for the full year. Mundra Port is at 37.3%, Pipavav 9.5%, Vizag 5.5%, Chennai 4%; Vallarpadam 4.7%, Tuticorin 1.3%, Ennore 1.75%; Kattupalli 1.72%. Total is 99.41%.
- Vikram Suryavanshi:** Okay. And just to add, since you are talking about end-to-end logistics, are we also looking to come back for coastal any possibility or will be more like a surface, road-to-road?
- Sanjay Swarup:** No, we are open for coastal also. We have signed an MOU with Shipping Corporation of India for coastal movement also. But till now, we are not able to achieve any breakthrough because of the various rates that we worked out and we shared with the trade. It was not favorable to them. But we are constantly on the job. As soon as we get, we will inform you.
- Moderator:** Next question is from the line of Mukesh Saraf from Avendus Spark.
- Mukesh Saraf:** My first question is regarding your comment that once DFC will be connecting to Nhava Sheva and NCR for the volumes, could you help us understand currently what portion of our originating volumes is linked to JNPT -- to and fro JNPT?
- Sanjay Swarup:** 33.4%.
- Mukesh Saraf:** That's of the originating volume, sir? Or that it will include your handling around the port at, say, your other MMLPs around JNPT itself?
- Sanjay Swarup:** So this includes imports plus exports both.
- Mukesh Saraf:** Right. But this will include handling revenues as well, sir?
- Sanjay Swarup:** No, this is not revenue. This is physical volume I'm telling.
- Mukesh Saraf:** Okay. Physical volumes -- originating volumes is about 30%-odd, 33%, right? Right. And so just trying to understand, once the DFC connects to Nhava Sheva, the expectation is that we'll see for the volume. So there should be some shift from road to rail basically. So what proportion right now of volumes moving between, say, Dadri or NCR region to JNPT are moving by road currently?
- Sanjay Swarup:** See, it will not be some shift. It will be a substantial shift from road to rail because -- I will tell you, because in logistics, the people look for 2 things. First is transit time. Second is cost. Dadri will be connected on DFC with Nhava Sheva then both these things will be taken care of. Transit time because we will be running time table trains from Dadri to Nhava Sheva. So there will be predictability in our services, which will be welcomed by the trade, as it has been in Dadri to Mundra circuit.
- Second thing is cost. When we run on -- train on DFC, all will be double-stack trains. For upper deck, there will be substantial cost saving. So without sacrificing my margins, I will share a part of these savings with my customers. And the light cargo, which is at present not coming to rail, it is moving by road. All this light cargo will come to rail.

So I'm expecting substantial shift because of these 2 reasons, predictability and cost, the traffic will be coming to rail. And just to give you an estimate, at present, the rail coefficient at Nhava Sheva is in the range of 17% to 18%. And as soon as DFC is commissioned, immediately overnight, it will not happen, but at least by 1, 1.5 years after that. I'm very optimistic that this rail coefficient will double.

Mukesh Saraf: Okay. Understood. So the reason...

Moderator: Sorry to interrupt, Mr. Saraf, may we request that you return to the question queue for follow-up questions.

Mukesh Saraf: Just my second question, actually.

Moderator: Okay. Go ahead.

Mukesh Saraf: No. I'll just finish this last one. So the reason I was asking this, sir, we haven't seen the rail coefficient go up at Mundra. So what was, say, around 25% in FY '23, even now is around this 25% despite this road to rail shift happening. So that's the reason, if you could just clarify this last point, then I'll get back in the queue.

Sanjay Swarup: Yes, that's a very good question. See, now this 25%, how it is calculated? It includes transshipment volume also. So if you see originating actual numbers, actual numbers, there is a very good growth at Mundra, import-export. But because we are calculating it on percentage of the overall handling at the port.

And there is a sizable chunk, is there of transshipment volumes. Second reason is the DPD. DPD also plays a very important role as the direct port delivery, DPD, and direct port entry is for exports. So DPD, DPD is primarily moving by road at present also, not coming to rail. So because of that, also, it is impacting the rail coefficient. These 2 factors are actually primarily responsible for rail coefficient remaining stagnant.

Moderator: We take the next question from the line of Priyankar Biswas from BNP Paribas.

Priyankar Biswas: Just harping back to the previous participant's question. Sir, if you can give me some more color regarding JNPT, like what extent of the volumes that happen at JNPT are relatively, let's say, low lead because that would ideally not shift to a rail.

And also, if you can give some idea because the understanding is that most of the DFC -- most of the JNPT volumes that occur today at present is more aligned towards Maharashtra and Northern Karnataka. So if you can give an idea is what actually of the DFC volumes that are happening today moves along the -- let's say, the north-south axis?

Sanjay Swarup: It's a good question. Now the thing is that you are right. At present, the JNPT, a lot of volume - I don't have the numbers with me, but a lot of volume is moving to Maharashtra, Karnataka as well as to Andhra also because Hyderabad is also being catered primarily by JNPT. But there is a lot of cargo, which is moving from JNPT -- to and fro JNPT and NCR area also. And a lot of this cargo is moving by road.

So I'm basically targeting this traffic. DFC, of course, will not impact the movement of Karnataka and Maharashtra and Andhra cargo. It will remain like that. But the cargo, which is available in North India, which we are not able to handle by rail for Nhava Sheva, these things will come to our fold.

Priyankar Biswas: So sir, does it imply...

Sanjay Swarup: Percentage figures, I don't have with me right now.

Priyankar Biswas: So can it be fair to say that at least on the northern leg, the number should be at least be higher than 30%, 35%. Otherwise, the rail coefficient really cannot move up. So would that be a right assessment, for broad ballpark?

Sanjay Swarup: Yes, you are right. It should be -- no, but this is the number that I'm telling you, which is moving by rail. Actually, road figures are much higher, like 33% that I told CONCOR volumes coming from JNPT. It is only by rail. Road is not included in that because we are not having road service between JNPT and North India and other places.

Priyankar Biswas: No, no, sir. What I meant is you said that rail coefficient in JNPT is around 17% today. And 2 years down the line, it can double. So I'm saying that around 30%, 35% where it can go up to, that's what you said. So is it fair to say that the north-south volumes that occur, that is along the WDFC route, would be somewhere in this range? That is what I was asking.

Sanjay Swarup: Definitely, it will be in this range.

Priyankar Biswas: Sir, just one last question, if you can share these data points. What are the rail coefficient in the key ports like JNPT, Mundra and Pipavav? And what it was, let's say, last year? That's my final question.

Sanjay Swarup: JNPT last year, it was 16.6%. This year, it is 15.7%. Mundra last year, it was 25.5%. This year, it is 24%. Pipavav last year, it was 62.4%. This year, it is 57.8%.

Moderator: Next question is from the line of Shreeji Kalekar from HSPC.

Shreeji Kalekar: Sir, my first question is in just previous answer, you said there's been almost -- at each of the major ports, there has been a loss of rail coefficient. Could you please elaborate what is really driving this loss of rail coefficient at JNPT, Mundra and Pipavav port?

Sanjay Swarup: See, primary reason is DPD. Are you familiar? What is DPD?

Shreeji Kalekar: Yes, direct port delivery, right?

Sanjay Swarup: Direct port delivery. So DPD is primarily moving by road. It is not moving by rail. This is first. And second reason is the port volumes include transshipment volumes also. When they give throughput of port, they add transshipment volume also. So because transshipment is increasing, so this percentage figure is coming down.

- Shreeji Kalekar:** But that is more of a phenomenon in Mundra, right, sir, not much in JNPT and Pipavav. But we see there also there is a sharp...
- Sanjay Swarup:** So JNPT -- in Pipavav, it is not there. But JNPT, up to some extent, it is there. Yes.
- Shreeji Kalekar:** And sir, second, sir, you guided for a 10% EXIM volume growth. Can you please help us connecting it how should one think about what does it imply in terms of originating volume? Because our double-stacking is generally growing double digits. And your first mile, last mile, you're also aspiring to make 100%. So given these that helps in handling volume, can you help us what our originating volume growth guidance are you really implying?
- Sanjay Swarup:** See, actually, I have given guidance for the handling throughput for EXIM and domestic. So you can work out or we will help you subsequently. So how to give the -- how to work out the guidance for originating volume and financial. This, we can work out subsequently. I don't think we'll have a lot of time now to discuss these things. This is guidance for handling throughput.
- Shreeji Kalekar:** Understood. And sir, you also said that this year, we are targeting 100% first mile, last mile. May I ask how much was it last financial year, F '25?
- Sanjay Swarup:** 35%.
- Shreeji Kalekar:** 35%? Okay. And sir, last one bookkeeping, if I may. Sir, you -- in one of the answers, you alluded that India level, we handled about 23 million TEUs. May I ask a similar number for last year?
- Sanjay Swarup:** Yes, I can tell you. Last year, it was 21 million TEUs.
- Moderator:** We take the next question from the line of Sumit from Axis Capital.
- Sumit:** My first question is, in your opening remarks, you mentioned the possibility of acceleration in EXIM volume growth in fourth quarter, if DFC were to materialize up to JNPT. Given our long-held experience of delays here, another 6-month delay can very well happen. So in that event, how would your 10% guidance for EXIM on handling change for the fiscal?
- Similarly, for domestic tank containers and as freight has been delaying, let us say, delays happen this year also, what would your guidance of domestic volume growth of 20% change to? So I'm just trying to evaluate the risk to your guidance.
- Sanjay Swarup:** See, Sumit, I'm a very optimistic person. So I don't know what force you to ask this question. So in one of the TV interviews today morning, one of the anchor asked me that there is a news that DFC will be commissioned to Nhava Sheva by October, and you are telling December. So you are telling 6 months, why not 3 months before December. You should ask me what should be your guidance then.
- Sumit:** So sir, we had discussed in February and you were of the opinion that it may get delayed to June also. So June '26?
- Sanjay Swarup:** It will not get delayed. It will be on time.

- Sumit:** On time? Okay, sir. Sure. My second question is then if we think about the reported EBITDA margin -- I'm just trying to understand where the gap is coming. The reported EBITDA margin at stand-alone level is 21.4% and this figure in FY '24 was 22.4%.
- So I mean, I'm not including other income in EBITDA margin calculation. So I was just trying to understand when you say stable margins of 24%, 25%, I mean, what are we -- where are we differing in terms of the calculations on EBITDA margins?
- Sanjay Swarup:** See, as per my calculation for FY '24 -- of course, we can check it separately. FY '24 EBITDA margin was 25.5%. That is INR2,300.69 crores. For FY '25, it is 24.9%. I take it 25%, which is INR2,330.4 crores.
- Moderator:** Next question is from the line of Achal Gohade from Nuvama.
- Achal Gohade:** Sir, you did mention about the JNPT connection will drive the increase in volumes. So in that connection, I wanted to check, a, in terms of what kind of cost reduction or price reduction one can look at? As you said, we'll try and maintain margin and pass on this? And b, what is the breakeven lead distance here on the Western DFC, if you could talk about these 2 aspects, please?
- Sanjay Swarup:** See, at this moment, we have not worked out our tariff for JNPT. So I cannot tell you how much reduction we will make. But what was your second question? Breakeven distance, I did not understand. What do you mean by breakeven distance?
- Achal Gohade:** Basically, earlier, we used to say that around -- up to 500 kilometers road is more viable or economical than rail is. In the similar fashion, if -- for the Western DFC specifically, what would that number be? Because in that case, could the South Gujarat cargo can also move from road to rail on the DFC. I'm more curious to know because -- or alternatively, if you could give us some sense about how much road cargo, which is coming from NCR to JNPT?
- Sanjay Swarup:** I don't have those numbers with me right now. But we used to say that for 500 kilometers, rail faces a stiff competition from road and only heavy cargo moves by rail. So this was the complete statement we used to make. But in DFC, that constraint will not be there because in DFC, even light cargo will move by rail.
- Because as I explained earlier, light cargo will move on upper deck, and we will reduce the rate substantially. So it is moving -- that light cargo is moving by road at the moment. It will also come on rail. So that constraint will be removed in DFC.
- Achal Gohade:** Okay. And one more question, just a bookkeeping question. With respect to other expense, if I look at, it has increased from INR258 crores to INR304 crores for full year FY '25. Is there any one-off out here, sir? Because I see for the other expense fourth quarter, the number looks very large compared to 3Q FY '25?
- Sanjay Swarup:** I will request my PED Finance. Maybe last quarter may be having -- we may have made some adjustments and all.

- Achal Gohade:** Right. But for the full year also, sir, 17% looks very large, given our cost optimizations in the past.
- Harish Chandra:** No, other expense include a lot of expenses which are clubbed here. It has mainly expenses related to the maintenance of our depots and the equipment. So there is some increase in the maintenance part of it of our equipment and this thing. And there is some increase in our legal expenses as well. So the overall --there is increase in expenses.
- Achal Gohade:** So it's more of a recurring -- there is no one-off. That's what I guess. Is that sir?
- Sanjay Swarup:** Yes, yes.
- Achal Gohade:** Okay. Understood. Sir, if you could help us with the port mix for FY '24 as well. You have given for FY '25. FY '24, if you could help us with that?
- Sanjay Swarup:** Sorry, I don't have with me right now for FY '24. It will be more or less same.
- Achal Gohade:** Okay. Understood. And empty cost for the fourth quarter, if you may, sir, for EXIM and domestic, only for fourth quarter?
- Sanjay Swarup:** Which cost?
- Achal Gohade:** Empty.
- Sanjay Swarup:** Empty running cost?
- Achal Gohade:** Yes, sir. Empty running cost.
- Sanjay Swarup:** Empty running cost is -- EXIM is INR31.6 crores, domestic INR65.8 crores. Total is INR97.4 crores.
- Moderator:** We take the next question from the line of Koundinya from Jefferies.
- Koundinya:** Three questions from my end. Starting with, sir, on the EXIM side, you did allude to the fact that you spoke -- you are having some conversations with the shipping lines. So how is the -- I mean, how did those shape up post the recent tariffs by the US administration and then waiver on the China side?
- So how are the things with respect to, a, on the trade movement or the container availability side? And in that context, how should we look at the growth, I mean, first half, as I say, second half kind of scenario, keeping aside whatever happens on the DFC? That's one.
- And second question, sir, related to again on the EXIM side. How should we look at the margins from here? Because if I were to look at it on an originating volume basis, we saw a sharp decline this quarter. So how should we look at it on a sustainable basis?
- Sanjay Swarup:** See, as far as the tariffs and all are concerned, now you must be knowing there is a 90 days fall. So tariff -- it is not having much impact on our business in EXIM. So more or less, it is stable

now, import-exports. And for your -- for second quarter, but our originating volume have increased. You are saying it has come down?

Koundinya: No, sir. I'm looking at the margin -- EBIT margin on per TEU on a originating basis. So there's a sharp decline in this quarter?

Sanjay Swarup: Yes. As I told you earlier to other person who was asking a question, this was the fourth quarter, this was the final quarter of the financial year. So whatever discounts and all rebates we have to give, everything we settled in fourth quarter.

So you can see the perspective -- whole perspective for the financial year because in fourth quarter, all these things will be there in our expenses. So it appears as if the margins are less in fourth quarter. But in EXIM, margins are maintained in every quarter. So there is no issue, no worries. No concern should be there on your part.

Koundinya: Okay. Sir, again, just a bookkeeping question on the operating expenses side, excluding the LLF. Throughout the year, we saw a sharp increase ahead of your volumes or revenue number. So just trying to understand what has changed here? I'm looking at excluding the LLF?

Sanjay Swarup: I don't have numbers with me. Such detailed analysis only you, young bright people can do. We will have to work on it and get back to you.

Moderator: Next question is from the line of Disha from Ashika Institutional.

Disha: Sir, you had earlier mentioned that we are planning on commissioning of 4 new terminals. So if you could just give some insights on it?

Sanjay Swarup: Yes. These terminals are very critical terminals for us. One is Salawas, near Jodhpur, which will be catering to the Jodhpur area. It's very, very crucial. We will be able to run double-stack trains from Mundra Port to this terminal because right now, we are not running any double-stack train to Jodhpur.

And when we run double-stack trains, we will divert a lot of business from road to rail. So as I told you, the business at new terminals, this is one of the potential area where we'll get more business. Second terminal is at Pathri, near Haridwar. We don't have any presence in that area, and we have had talks with various stakeholders there.

So we are going to get a lot of domestic traffic there. Patanjali has a very big presence there. So this terminal will also give us very good growth. Then we have targeted at Mandalgarh. Mandalgarh is also a very good place where we can tap the traffic of Bhilwara and other -- near Kota nearby areas. DOC traffic is also there.

Stones are also there and fabric, this Bhilwara is there. So we have a lot of business potential at Mandalgarh also. And fourth is at Chunar. Chunar is near Banaras, Varanasi. There also, there's a lot of carpet industry. So all these 4 terminals are very crucial for us for future.

Disha: So we are already in talks of commissioning it. So I'm assuming we would have some deadline in mind, if you could just mention it?

- Sanjay Swarup:** Yes, of course, we have deadlines and our people are working. Right now, I don't have those deadlines with me, but they will be commissioned quite quickly.
- Moderator:** Next question is from the line of Bhoomika Nair from DAM Capital.
- Sanjay Swarup:** I think this may be the last question. I think one hour is over.
- Bhoomika Nair:** Yes, sir. Sir, just before we close out, just 1 or 2 small questions. One is on Varnama. December onwards, Varnama had started off. And if you can just talk about the benefits. Obviously, the double-stacking continues to go up, but has it helped us in terms of the margin profile, etc., if you can talk a little bit about that?
- Sanjay Swarup:** See, Varnama, per se, we have not calculated separately. But definitely, it has helped us because we have done double-stacking for JNPT, but we have not revised our tariff. So whatever savings, whatever margins are there, we are keeping it with us. We have not shared it with our customers till now. Operationally, of course, benefit is being experienced by our customers, but commercial benefit is only with us. So numbers I don't have, but definitely, it is helping us to have good margins.
- Bhoomika Nair:** Sure. Sir, the other question is in terms of the long-term agreements and volume discounts that shipping lines we are giving or customers -- corporate customers. So what percentage of our volumes is these kind of long-term contracts that we would have done in FY '25 or in fourth quarter, any kind of understanding?
- Sanjay Swarup:** See, as far as EXIM is concerned, almost 20 shipping lines have signed the agreement. So this is a very big volume they cover, almost the entire volume. So as far as domestic is concerned, we are in talks with big corporate customers like Vedanta. Already, we have signed agreement. Jindal also, we are going to sign very soon.
- And we are in talk with JK Group also. Recently, I had a meeting with their MD. So efforts we are continuing. And Tata also, we are going to approach. SAIL also, Steel Authority we met. So they are also very keen to work with us. So we are going to sign agreements with all of these people very soon, and we'll get good volumes.
- Bhoomika Nair:** But right now, as we speak today, sir, is it a very meaningful large amount of our volumes or largely all this will kick in, in the next year?
- Sanjay Swarup:** No, no, it will kick in this year only because -- but in domestic, a lot of volume is fragmented. All is not there with corporate customers, like the ceramic tiles business at Gujarat. I will give you an example. Ceramic tiles business at Gujarat is a fragmented business. There's no single person who controls the business.
- But cement plants, cement manufacturers with whom we are tying up, they are very big people, UltraTech, My Home cement, they are well-known big corporate customers we have. So it's a mix of both.

- Bhoomika Nair:** Okay. So difficult to give a percentage of total volumes, which would be more long-term oriented per se?
- Sanjay Swarup:** Correct. It is difficult to give.
- Bhoomika Nair:** And would the realization drop also be because of the discounts that we are giving to these customers, so which is why we are on a reported basis, seeing these discounts and a drop in realizations?
- Sanjay Swarup:** Yes, definitely in a competitive environment, we have to have some tools by marketing tools by which we attract our customers. So some discounts we have to give.
- Bhoomika Nair:** Understood, sir. Understood. Great, sir. This is helpful. I really appreciate you taking time out for all the investors and all the participants on the call and giving us an opportunity to host the call. I wish you all the very best. And any closing comments from your side, sir?
- Sanjay Swarup:** No, no, nothing. I just want to say that company is having very strong fundamentals, and we are giving a very strong infrastructure push. And our Board of Directors was appreciative about the performance of our employees. And we -- Board of Directors also wanted to reward the shareholders, which they have done by bonus shares and good dividend. So I hope we will be doing better in FY '26. Thank you very much.
- Moderator:** On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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