Adani Ports and Special Economic Zone Limited

Q3 & 9M FY26 Conference Call

February 03, 2026

MANAGEMENT:

MR. ASHWANI GUPTA – CHIEF EXECUTIVE OFFICER & WHOLE-TIME DIRECTOR
MR. D. MUTHUKUMARAN – CHIEF FINANCIAL OFFICER
MR. DIVIJ ANIL TANEJA – CHIEF EXECUTIVE OFFICER, LOGISTICS
MR. RAHUL AGARWAL – HEAD OF INVESTOR RELATIONS & ESG

MODERATOR: **MR. ANSHUL AGARWAL** – EMKAY GLOBAL FINANCIAL SERVICES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Adani Ports and Special Economic Zone Limited's Q3 FY26 Conference Call hosted by Emkay Global Financial Services 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 the call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Anshul Agarwal from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Anshul Agarwal: Thanks, Rio. Good evening, everyone. I would like to welcome the management and thank them for giving us this opportunity to host the earnings call. Representing the senior management, we have with us today Mr. Ashwani Gupta, Whole-Time Director and Chief Executive Officer; Mr. D. Muthukumaran, Chief Financial Officer; Mr. Divij Taneja, CEO Logistics business; and Mr. Rahul Agarwal, Head of Investor Relations and ESG. I will now hand over the call to the management for their opening remarks. Over to you, gentlemen.

Rahul Agarwal: Thank you, Anshul. Hello, everyone, and a warm welcome to APSEZ's Third Quarter Earnings Conference Call. We will begin with Ashwani's opening remarks and then open the floor for Q&A. Ashwani?

Ashwani Gupta: Good afternoon, good morning, good evening, depending on the time zone you are in. Thank you so much for being on this call. And thank you for your continued support and confidence in APSEZ.

As India's largest and world's fastest-growing integrated utility company. APSEZ has once again demonstrated exceptional performance in regular, consistent way. All the 4 business pillars of the company are delivering strong high double-digit growth rates, much more than the markets, much more than the competition, much more than the trade.

And we are setting up the new benchmarks and this quarter, we have even surpassed our internal benchmarks. Whether we talk about financials, we talk about revenue growth. We talk about EBITDA growth. We talk about PAT. We talk about market share, we talk about free cash. We talk about -- if we talk about any indicator you will see a consistent growth delivering a very, very sustainable performance. And we have been saying that in every quarter, and we are demonstrating it in every quarter.

Now I will go a little bit more in detail. The domestic ports delivered the highest ever 9-month container share at 45.6%, which is our main pillar of growth. Then when we talk about international ports, I still remember, we always talked about how the international ports will perform. And now you can see that in quarter, we had a revenue, which was INR1,000 crores. So which means that international business is also becoming between INR4,000 crores to INR5,000 crores revenue annual business, which is a very, very hyper growth trajectory.

When we talk about Marine. And if you remember that when we did the acquisition of Astro, we very smartly handicrafted this business. And this is the reason that Marine is also pulling our

profitable growth. And all these do not come at the cost of profitability. So if you look at Marine and International ports EBITDA, it is more than double with double-digit growth. And also, when you look at logistics, which is -- of course, our second pillar, we have delivered the revenue INR1,121 crores, which is 62% higher year on year and this was possible because of our strategy, which is based on asset heavy, asset light and asset zero.

Then all these financial disciplines, all these operational excellence results in a very strong financial discipline, which means despite the NQXT acquisition, where we are taking AUD700 million of debt. We are still able to keep our leverage under a check of 1.8x, which means moving forward, when we are following this higher double-digit growth trajectory.

Our cash flow is so much significant for us, which will help us in investing in the capacities on the existing assets, which is giving us the organic growth, but also to explore the meaningful rate of return inorganic growth by merger and acquisitions. So with the operational excellence and the financial discipline, we have revised our guidance by INR800 crores.

Now all this have been very clearly appreciated and recognized by the external agencies to start with our balance sheet strength is now validated by Japan Credit Research Agency, which rated us a notch above India sovereign rating.

Now moving forward, we continue to invest in the capacity for the organic growth, especially in India, including liquid, including containers. And very recently, we announced INR16,000 crores within Vizhinjam Phase II expansion and we are investing in Dhamra, Ennore, Kattupalli, Haldia and so on and so on.

And this growth momentum, along with the operational efficiency positions us to be very much on the trajectory towards the FY29, which is our end of 5-year plan, where we said we will be doing INR65,500 crores of revenue and INR36,500 crores of EBITDA. So once again, quarter-on-quarter, we are over delivering with respect to internal as well as the external benchmarks, which are making us very much confident to reach the 5-year plan in FY29.

Now giving a little bit more details at how we are investing in the technology to improve the operational efficiency, very recently, Vizhinjam has achieved the world-class GCR, which is a Gross Crane Rate at 30 container lifts per hour, which is a benchmark just after 8 months of operation. And that's why we keep on continuing to invest in the technologies.

Now all this profitable growth comes with sustainability at the center of our strategy. Sustainability is an enabler, not on our objective for us. That's why as a global leader in sustainable transportation, APSEZ has become India's first company in its sector and among a select group of global players to adopt the Taskforce on Nature-related Financial Disclosures setting a new benchmark for nature-positive infrastructure development.

We will now take the questions. Thank you.

Moderator: Thank you very much. The first question is from Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Congratulations and I had a good set of numbers, sir. So my first question is I was observing the numbers. Our domestic realization is up 9% year-on-year in this quarter. Can you tell us what is the reason driving this?

D. Muthukumaran: This is Muthukumaran. Thank you very much. Spot on, we have increased and we have mentioned in Page 16, we were talking about domestic ports that the higher implied revenue and EBITDA per ton of this quarter is nonrepresentative, and it also includes some take-or-pay charges in addition to the routine price increase and mix change. So what we're trying to say is that actually -- we have sort of enjoyed the benefit of price increase, mix increase and benefit of mix change.

And there is a little bit of benefit from forex. And besides all these things, there is a little bit of an element on the denominator being suppressed because we are getting take or pay, so the volume is not. So if you're calculating price per ton, you have to actually sort of put all these things. And of course, we don't give the breakdown of each of these elements. But yes, I mean, we have all these things put into the price increase.

Ketan Jain: Understood. So that is why that lies in this thing. So my second question is, if you can help us with the cargo breakdown of the international cargo in ports.

D. Muthukumaran: Okay. I'll flip to the page. Can you go to the next question in the meanwhile?

Ketan Jain: Yes. My last question is on Mundra. What is your outlook on Mundra for the full year? I think we are down around 2% for 9 months. And what is your outlook on Mundra for the full year?

Ashwani Gupta: Yes. So as you can see, Mundra is doing extremely well, utilizing each and every capacity, which we could. Quarter 3, if you look at the container cargo because if you remember, I always talk about container and container because we know that 2 of the power plants in Mundra are highly dependent on the imported coal. So we are focusing on that.

You can see that month-on-month, quarter-on-quarter, we are increasing the container. In quarter 3, we did 2.2 -- roughly 2.2 million. In January, we touched 754,000. This is when we have not yet opened up the capacity for the new terminal, which will be coming in next year. So I think in January, we already did 754,000, which is a real benchmark because our efficiency in Mundra is reaching the best of best in terms of GCR, in terms of rail evacuation and so on.

And now after CT5 comes in. Definitely, we will have an add-on capacity. So to answer to your question, container, liquid terminal fertilizers, and all these commodities, Mundra is on the right track. When it comes to the coal, especially the thermal coal there, we, of course, see flat movement. But anyhow, that is not going to change the dynamics of our Mundra financials because as Muthukumaran said just before, those are all take-or-pay capacities when it comes to the financial.

D. Muthukumaran: Okay. On the...

Rahul Agarwal: Given the volumes, the number is about 5.4 MMT, Israel about 2.1 and Tanzania for 3.1 MMT.

Ketan Jain: Sorry, I didn't -- I couldn't hear you. Can you repeat?

Rahul Agarwal: Colombo 5.4 MMT. Haifa 2.1 and Tanzania 3.1 MMT. These are all quarterly numbers.

Moderator: The next question is from Priyankar Biswas from JM Financial.

Priyankar Biswas: First of all, my congratulations to you for increasing the guidance and, of course, for a very strong outlook for the year. My first question is, sir, when I see the numbers in a bit more detail, we are seeing that there is this Other revenue that we are seeing, there is a significant increase in the top line there and almost a doubling of the EBITDA. What is driving that? Is it our dredging entity or is it the track maintenance entity? And how should we look at this particular item going forward?

D. Muthukumaran: Priyankar, thanks a lot for the question. Subsequent to last financial years' income tax changes, we did a little bit of a restructuring of assets and some dredgers which were sitting in Adani Ports, at the top company did go to Shantisagar, which is a subsidiary company and that gets clubbed under Others.

And then Others include another subsidiary Sarguja where our volumes have ramped up quite significantly in this financial year. So I just wanted to lay these explanations out to you. Before coming to your -- I guess, the purpose of question, quality of analysis or quality of revenue. These are sort of sustainable nonrecurring sorry recurring one, sorry. These are sustainable, recurring usual routine income.

So there is no -- it's just a classification. There is nothing in particular sort of for you to focus on other lines. And in any case, actually, as you can see as the last point, on a per ton basis, these contribute EBITDA contributes INR2 increase, so which is not quite significant. So overall, I just wanted to emphasize that these are accounting classifications. And nothing to highlight to you on sort of quality of income.

Priyankar Biswas: Sir, furthermore, in Vizhinjam, we just heard the announcement of this INR16,000 crores further expansion of capacity. Now on that, can you just provide us like what -- like, let's say, what is the time line for the capex? And following that, what sort of volumes, let's say, you are building in? Because by the time it comes, let's say, on stream, we would be very close to our FY28 and FY29 targets. So if you can share some color. And is there some plans for, I think offshore ship-to-ship bunkering, something of the plans at least from the press release that I would make out?

D. Muthukumaran: Last question. Can you just repeat the last sentence?

Priyankar Biswas: So is there some plans for liquids as well in Vizhinjam, as in like ship to set bunkering or something of that?

Ashwani Gupta: No, I think Muthu will talk about -- I mean this INR16,000 crores is as a Phase II development. This will take the capacity more than 5 million because with the technology and with the efficiency, we are delivering 20% to 30% more than the nameplate capacity. This 16,000 includes extension of the breakwater, it includes both includes the equipment and it includes all the ecosystem, which is needed to run the port.

Obviously, this includes the potential to develop the liquid terminal; to start with we have already signed the MOU with BPCL for LNG bunkering. This will be ship-to-ship bunkering because, as you know, that today, the LNG bunkering is at Jebel Ali and then the Colombo is still struggling. And because on this international channel, there is not many competitive LNG bunkering facility that's the reason that shipping lines are not bringing their LNG capable vessels on this channel. But with the vessel-to-vessel, ship-to-ship bunkering facility in Vizhinjam, which is just 10 nautical miles from the international water which is boosting the shipping lines and motivating them to bring their vessels which are LNG capable. And I'm pretty sure this will be very successful. And BPCL will, of course, bring the LNG from very nearby Kochi plant.

D. Muthukumaran: Thank you. To your question, Priyankar on capex. The capex will go on until FY29 and the payments will happen until FY30. I'm actually talking to you trying to pull out the EGM notice in which we have given the year-wise anticipated cash flows. And just once again, I'm getting it up for you. And this will increase the capacity from the current 1.6 million TEUs to -- we will expand it by 4.1. And so therefore, in total, we will go up to 5.7 million TEUs of total capacity. And we have also given the details of exact project specification, how many cranes, what is the breakwater requirement. All of them were in the EGM notice that we have actually calculated. And I'm actually trying to read out to you from there. the capex. FY26, we have 90 million. FY27, we have 350 million, FY28, we have 700 million and 29, 550 million, on FY30, 63 million. This is the anticipated cash flows on account of this project. I mean, it will not be out of place to actually put in a caveat that these are estimates which is going to go 4 years out. So there may be variations, but this is our estimate of cash flow.

Priyankar Biswas: Sir, very helpful. What I was trying to actually understand, like when you are doing this large expansion of Vizhinjam, and you have a plan for INR36,000 crores EBITDA in FY29, so is this asset contributing handsomely to that from this expansion?

Ashwani Gupta: No. This expansion, it will have -- we will see the basic port already exists, right? We already have 800-meter berth. So we will keep on building up. It is not that we will increase the volume in 2028 only. I think we will be doing an incremental ramp-up of our volume. And this EBITDA, which we have declared that we will be doing by FY29 includes all the ports which we have, includes a ramp-up and includes the existing business. So it's not a new decision which we took, which is going to impact the EBITDA. It is all included in our business plan, right?

D. Muthukumaran: And just to add to it, actually, as I mentioned, this project will only be completed by FY29 and 36,000 crores talking about this for FY29. So it will be a very, very small contribution to that estimate. It is being built based on the market's growth and sort of our company's growth going forward.

Priyankar Biswas: And that's very clear. And just if I can squeeze just last one in. Since NQXT would be included from the next quarter, so can you give us some idea like how should the balance sheet be essentially looking like when we close the year, like FY26? And how should we look at, let's say, a little bit ahead?

D. Muthukumaran: So I think in the page number, I'm trying to remember, but basically, the total debt, net debt of Australia is about INR4,800 crores as of December 2025.

Rahul Agarwal: That's the gross debt, INR4,744 crores is the gross debt. INR218 crores is the cash.

D. Muthukumaran: Yes, INR4,500 crores.

Moderator: The next question is from Parash Jain from HSBC.

Parash Jain: Yes. I have 2 questions. First of all, if you can talk about your 2030 target of 1 billion tons. Will it be entirely or largely fulfilled by the ongoing expansion in half a dozen port that you mentioned in your presentation, in Vizhinjam and so on and so forth. That's question number one. And if not, when will there be acquisition target in India or in overseas?

And second question is with respect to Vizhinjam. Do you have an entire ecosystem in place to handle your target capacity in terms of evacuation, in terms of cargo if you can share any color. And also the pricing difference between Vizhinjam and Colombo?

D. Muthukumaran: So let me start with the second question first, Parash. Vizhinjam, basically, at this point in time, we are positioning it as a transshipment. So evacuation into hinterland is marginal for now. That said, there is a road connectivity, which is right outside the port, which can evacuate for EXIM cargo. And there is also a plan for us, and we are evaluating and implementing rail connectivity program in that port. So if and when rail also happens, we will have added evacuation capacity and road, of course, can serve to the extent that we need. So it is not a constraint. As the market develops, we'll be able to actually sort of handle EXIM cargo quite easily. At the moment, it is positioned the transhipment cargo. To your question on 1 billion tons basically, we are talking about the split of largely domestic and international.

Domestic is -- sorry, international is about 150 million metric tons, for which the current four ports that we have in the portfolio sort of has a very clear visibility of how we can get to 150 from these 4 ports, with the current program with nothing sort of added new. Now if we do add anything more in the international, it will actually add to the comfort of 1 billion tons.

As far as the balance, 850 million ton is concerned, it is all going to come from domestic market. Vizhinjam is the transshipment port. And if you go back to the earlier question, I did mention that Vizhinjam is going to have Phase II coming in only post FY30 in volumes. So therefore, current volumes that we are doing you have the current indication of where we will do.

Now if you remove that, everything else is sort of coming from the existing ports that we already have. And we have explained in the last quarter that we see a disproportionate increase in Dhamra. We can see that going up to 100 million tons in times to come. Other than that, all the

ports will actually go up in proportion. Mundra has an ecosystem to grow faster than other people, but that is sort of only at the margin.

By and large, we don't anticipate any proportionate contribution coming from ports in a way which is different from what we have today. So the current split is by and large, indicative of how we will do. All the ports we expect to contribute to growth. And you will see that we have been investing in all of the ports, expansion capacity is being created in an organic manner. So we expect the proportion to by and large, remain the same.

Parash Jain: If you can talk about the pricing difference of transshipment cargo in Vizhinjam versus Colombo, for instance?

Ashwani Gupta: Sorry, your voice.

Parash Jain: Comparable high, low.

Ashwani Gupta: Yes, see, pricing is always the consequence of supply and demand. So Colombo is short of capacity. And I'm pretty sure that in the coming 3 to 4 years, Colombo will be struggling for the capacity. We have the capacity. And in addition to the capacity, we would be also offering the EXIM, very soon.

So Vizhinjam anyhow as an overall port will keep its competitiveness, and we will fight with the competition accordingly so far in the last -- since we started absolutely, we have no pricing pressure because of that because we are driving the business by the services we give to the shipping lines, not only in Vizhinjam port everywhere in the world, including Colombo.

Moderator: The next question is from Sumit Kishore from Axis Capital.

Sumit Kishore: One question on the container cargo volume growth that you have seen in the logistics business, it's about 4% in quarter seem to be a bit low versus what you were tracking and what is in CONCOR has done slightly more than that. Also, as the second biggest player in the space right now, given that DFC is going to come up in March, and the CONCOR has given a very strong growth guidance for the next 3, 4 years on their call. Just wanted to hear your thoughts on how you are looking at the next 3, 4 years post DFC?

Divij Taneja: I'll just respond to that. So you're right. We are Q-on-Q looking at 4%. So that's roughly 1.64 to 1.70. So initial response to that is that we are going down the integrated path and looking at having a complete port to factory sort of thought process, that's why you're seeing a recontact happening. With regards to the DFC, which is roughly 1,506 kilometers, which ultimately will connect the Northern Hinterland into, let's say, Nhava Sheva to Mundra we don't see too much of disruption. We're looking at our volumes remaining steady. And primarily, if I look at it, the rail slabs that you're looking at between, let's say, Mundra and the other ports, vary from 6 to 7 rail slabs that will increase. So apart from, let's say, the increase in cargo carrying capacity, the rail slabs will not really benefit that process. So we will see a little more movement, no doubt,

maybe from road into rail, but we don't see any delta affecting us. In fact, we do look at the industry as a whole, benefiting from this.

Sumit Kishore: So your response sort of gives me the impression that you are looking at a single-digit growth for the next 3, 4 years in the rail container volumes even after DFC? Is that the right impression?

Divij Taneja: So not really. And if I'm looking at Adani Logistics, in particular, we are targeting double-digit growth as we have done even in this year, if you look at my year-on-year numbers, we are in double digits, roughly at 11%. So we are looking at double digit to continue.

Sumit Kishore: For rail container volumes?

Divij Taneja: That's right.

Ashwani Gupta: I think for the DFC, we appreciate DFC because at the end, it is contributing to the overall trade, and it is contributing to the traffic. One thing which is very important for all of us to be very clear, what comes to our competitive port is because of their port competitiveness, which is draft, which is evacuation and so on and so on.

What comes to Mundra is because of Mundra's competitiveness of the port, whether it is a vessel turnaround time, whether it is the efficiency of our ecosystem at Mundra, whether it is the draft and also our relationship with the shipping lines everywhere, right?

Anything which comes to Mundra can also go to a Vizhinjam for the transshipment. So that is the competitiveness in Mundra as a port. Now we can always say that catchment area for our competitor and us are different, so that will always continue. Now the question is what is the impact of DFC on us, is negligible, and I would say zero because when it comes to the travel time, the travel time on the DFC will improve but the travel time on connections to the competitor port and to the competitor ICD will remain the same as it is between Mundra and our other ICDs in the NCR.

So we don't expect the total end-to-end time using the DFC to go much less in -- under until the bottlenecks at which will take time and efforts both -- but more than that, the only competitiveness, which may come is from what is the cost per TEU after the DFC will be started because this is where the shipping lines can say that even if Mundra has got a better draft, even if Mundra has got a better vessel turnaround time, even if Mundra has got a better services, which is end-to-end. But still, your competition will have a competitiveness because of DFC and answer is no. Why? Because there will be additional 300 to 350 kilometers where Mundra will have the competitiveness, which is roughly 5 to 6 railway slabs and which is not a few hundred rupees, which is a few thousand rupees. So I think our customers shipping line will think twice to use our competition DFC, if it is our catchment area, if it is our competitiveness. And that's where we do believe that DFC will increase the efficiency of our competition, but will not take away the business from us.

Sumit Kishore: Very clear. Also, just a brief comment, if you can make on the GPWIS volumes, which have been flattish this year. Is that mainly because of coal not being too much invoke or what is the situation for GPWIS volume being flattish for 9 months?

Divij Taneja: So it's predominantly, if you look at it on the East Coast, we've had an extended monsoon. So I've gone from 5.5 to 5.2. So this is primarily the reason.

Sumit Kishore: Extended monsoon. Okay. And flattish for 9 months is again linked to which commodity?

Divij Taneja: So no change in commodity mix. So it will remain flat.

Ashwani Gupta: I mean we were thinking and we wanted to take your feedback also. We started communicating our GPWIS the Indian policy was talking about increase in the GPWIS and increase in the participation of private players and GPWIS, and we were very bullish on that. But then all of a sudden, they're further pause on the policy. So only thing which we can do is to run GPWIS in a very efficient way.

But the issue comes when we want to run the GPWIS in an efficient way, but at the end, they are connected to the main traffic of the railways. So if GPWIS is not getting the load. Sometimes it comes empty. And that's where you will see the fluctuation of the utilization of the GPWIS, not because GPWIS does not have the business opportunity just because that overall ecosystem of rakes owned by Indian Railways and the rates owned by us do not get the full optimization because of import/export imbalance.

Sumit Kishore: Got it. Just 1 last question. Your EBITDA for 9 months is INR16,830 crores. How has been the conversion to operating cash flow for the 9-month period and the way you are tracking on operating cash flow, which is much, much ahead as compared to your EBITDA. So as compared to your capex plan for FY'26. I mean as we've been asking in the past to your cash position and your balance sheet just gets better. So what are your capex plans through 2030, if you can repeat them once again? And what do you do with the extra cash generation?

D. Muthukumaran: First question, conversion. Basically, we have an annual interest net, including sort of our netting off income in the region of about INR1,800 crores and tax a little less, but call it, similar amount. And we have already given you the guidance for the full year of INR22,800 crores as the EBITDA. So if you remove these two or deduct these two, you will get the sort of operating cash flow is a little over INR18,000 crores.

So that is answer to your first question, and we are on track sort of for this conversion. To your second question, what we are going to do with extra cash. You have seen that over the last 2-3 years have been sort of doing sort of buybacks were required. We have been actually prepaying some loans. So we have said there is a policy. We will keep cash to a comfortable level of at least two quarters of capex and anticipated cash outflows. So that's the minimum that we would like to carry in our balance sheet. And as and when we generate excess cash flows, we will deal with the way we did in the past.

Sumit Kishore: Which is in the past, you would capex plan, but right now, your capex plans are much lower.

D. Muthukumaran: So we will actually give you, along with the next quarter, the sort of capex plan for FY it will be sort of discussed in detail like we have done for past years. At the time of Q4 results, we will give you. And you will see that directionally for all the projects that we have already announced, we will have more cash capex than what we have done in the past. So it will all stack up when we give you the breakdown in Q4.

Sumit Kishore: Sure. But just to revisit, to meet your target of 1 billion tons, has the capex plan over a 5-year time frame, which was there earlier change?

D. Muthukumaran: No.

Sumit Kishore: Okay. So it's only going to be timing of the capex rather than -- okay, I think we'll have -- we'll look forward to the fourth quarter discussion.

Moderator: The next question is from Mr. Achal Lohade from Nuvama Institutional Equities.

Achal Lohade: The first question I have is with respect to container at Mundra. If I see the last 3 quarters, our container volume has been between 2 to 2.2 million TEUs. So, a, if you could rather last 4 quarters. So if you could give us some sense as to what is the challenge out here and be the outlook? I know you've given the kind of overall number. But if you could just talk a little bit on container and coal for Mundra, particularly and also at aggregate level. Thank you so much.

Ashwani Gupta: Sorry. I'm trying to understand your question. You are saying that between 2 to 2.2 is less or more or okay or what?

Achal Lohade: No, actually -- okay, let me rephrase, sir. If I look at the continued volume growth for last 3 quarters, it's minus 3%, plus 4% and plus 6% at Mundra port. So if you could -- I mean it has been growing in high double-digit or mid-teens in the past. If you could give us some sense as to what is creating this hiccup, and b the outlook and similarly for coal?

Ashwani Gupta: I think -- no, there is no hiccup in Mundra. Of course, there was a hiccup in quarter 1 when we had this Operation Sindoor, because of which we had the disturbance in the supply chain. And that's where the quarter 1 was 2 million. But then it started picking up from quarter 2 and quarter 3, as you can see, is 2.2 million. And January itself is 7.5. So if I do my math correct, we should be more than 2.2 million.

So as I said before, Mundra is still having the capacity, and we are really a cashing each and every bit of the capacity. And very soon, our CT5 will be it will be open. So we don't see any challenge in increase in volume in Mundra. I think on the coal, there was a combination of 2 things. Number one, India as a whole saw the sluggish power demand. That was number one, which means the thermal coal import all India basis was minus 2.7%. And we, as the two power plants in Mundra, because they are dependent on the imported coal they also got the hit because of that. And that's where we had this issue. Now moving forward, both the plants have been fired

and I think both have got the approvals to move forward, and they will move forward because that's where the India power needs are.

Having said that, once again, I repeat that the Mudra growth is not driven by these 2 power plants or by the thermal coal. Mundra growth is driven by container, container and container. That's why we decided to invest in container terminals. Mundra growth is also by the liquid, if you would have seen in last 2 quarters, you would have seen the growth in LPG also and the fertilizers, the agri and so on and so on. So overall, we really want to drive the growth in Mundra by container.

Achal Lohade: Got it. Secondly, just a clarification, NQXT will be consolidated from first of January. Have I understood right, or first of April'26?

Ashwani Gupta: First of January.

Achal Lohade: Understood. And if you could clarify in terms of the other expenses line item, that seems to have kind of seen a decline on a Y-o-Y basis. Any particular reason out here, if you could call out if I see this is INR475 crores?

D. Muthukumaran: No. So there isn't actually any particular sort of reason. These are just quarterly and seasonal things. And if you see here as a whole, it will actually stack up.

Moderator: The next question is from Vasudha Khurana from Aviva Life Insurance.

Vasudha Khurana: I would like to ask if kind of borrowing target for FY '27 and what kind of avenues would the company be looking at in terms of domestic and external boring? If you could share some segregation?

D. Muthukumaran: Okay. So in FY27, we have only routine amortizations coming up for repayments, which is in the order of INR3,500 crores. We will generate -- we will give you the EBITDA guidance for the next year when we discuss next quarter numbers. But directionally, you will find that we are generating sufficient cash flows to meet the mandatory prepayments required as well as the capex plan that we have.

This is a little bit of -- without numbers, it's a little bit of a peek into what you might sort of hear from us in next quarter about the next financial year. So we don't need any borrowing. That said, we have been having sort of virtually all markets open. We've been able to borrow in the ECB market. We have been able to borrow in the banking market and the rupee NCD market. So we have -- and then we also have short-term markets like CP.

So we have multiple avenues of sort of markets open to us. And over the course of last 1 year, we have been dipping into each of these markets just to actually remain active in these markets. So we've done -- we've been doing borrowings in all these markets over the period of last 1 year. It gives me the confidence to tell you that all these things are open because -- so we have done deals.

Moderator: The next question is from Kalpit Sabhaya from GYR Capital Advisors.

Kalpit Sabhaya: Congratulations for the management and for the good quarter. So my question is regarding the upcoming projects like with the recent notification of Galathea Bayport as India's 13th major port, and the government move towards the PPP model with the private anchor. Is the company planning for any interest in bidding for this project?

Ashwani Gupta: Yes. Sorry, I missed your question, so I just got it. So thank you in India, we are already running between 27% market share and any new capacity, which is built up in India, definitely, we will go for it, even if it is a PPP model or it is a HAM model, whatever model comes in, we will go for it.

Kalpit Sabhaya: Okay. Great, sir. And if as per the results I have made and the estimated cost of around INR44,000 crores and the Phase I how would such a massive grain for investment project will be like sourced through the current leverage ratio and doubling the EBITDA by FY29?

D. Muthukumaran: Sorry to interject. Your voice is not coming through clearly. It's a little blurred.

Kalpit Sabhaya: Is it properly now?

D. Muthukumaran: We'll try to make it work. Go ahead. Yes, go ahead.

Kalpit Sabhaya: Yes. So the estimated project cost is around INR44,000 crores and how much massive grade investment impact will occur on the current leverage ratios and the long-term target for doubling EBITDA by FY29 or 30?

Ashwani Gupta: The current 44,000 means what?

D. Muthukumaran: No, I understood. So basically, we have given the strategy presentation where we have said that total investment program identified is INR35,000 crores, out of which INR50,000 crores is for the is for the ports. And for us to do that kind of investment, we don't need fresh borrowings.

On the contrary, even after this investment, in a 5-year plan, we will be in a net cash generative because our operating cash flows are far more than the currently declared investment program. So on that basis, our leverage will go down on a net basis. And of course, we are always on the lookout for more growth opportunities. And that is something that will occur episodically. And whenever we actually get the opportunity, we will invest inorganically.

Moderator: The next question is from Manish Somaiya from Cantor.

Manish Somaiya: Obviously, a lot of things went right in the quarter, but maybe at a higher level, if you can just tell us what could have been better. What are we missing? What are we not seeing in the quarter that could have gone better?

Ashwani Gupta: That's great. Thank you. I think in Vizhinjam, we reached 30 GCR in the month of December. If we would have reached it in the month of October, we would have done more volumes in

Vizhinjam because we are up in Vizhinjam. So let me say that. I think the second point is on the logistics I think we announced our strategy nine months before and quarter-on-quarter, we are demonstrating a significant increase in our logistics.

And very recently, we have started the optimization of the rail, trucking and warehousing. I would say that the rail volume, which we saw container volumes, especially the 4% increase, definitely has many opportunities and this is where just before we said, especially in logistics and especially in rail container, we will be doing much better with respect to the previous quarter. I think rest, I would say coal -- thermal coal import is not in our hands. Whatever is in our hands, I would say that if I prioritize, I think the rail container and I would say that I mean that is something which I would say that we will be doing much better.

Manish Somaiya: And then just looking at international ports and logistics margins. appreciating the fact that those two segments are ramping up. How should we think about margins because margins did decline sequentially from second quarter to third quarter, how should we think about the cadence of margins as we look out the next few years, where do they settle?

D. Muthukumaran: So Manish, you're absolutely right. At sort of the headline level, our profitability margins sort of has come down in this quarter. But if I were to set the context correct and analysis is correct, we have been of laying out a strategy which will go down this path. It is well within the framework of what we have set ourselves to do.

And our international margins, bulk of it is coming from Marine is firing at about 55% of EBITDA margin, and it is also giving a return on capital employed of 14%, which is far, far above the threshold. And we've been guiding that as far as the logistics and international ports is concerned, the best metric is to use the return on capital employed because it's a nonhomogenous market. in a heterogeneous market, it's pointless to compare EBITDA margin. It actually does not tell you the business performance. So therefore, we have been providing details on return on capital in plan.

Manish Somaiya: Okay. And then just lastly, Ashwani, there's been a fair amount of discussion today on the FY29 targets. But maybe if you can just help us understand what are -- what could be the tightest constraints to achieving the fiscal 29 guidance that you have laid out. And I think that would be super helpful. And actually related to that, do you have any plans to potentially revise the fiscal 29 outlook that you have provided?

Ashwani Gupta: I think I will answer the question number two. I don't think we are revising the guidance on the 5 years because 5 year is always a guidance, which guides us to execute the business on a day-to-day basis and deliver and communicate the results on quarter-on-quarter. So I think this is what is the policy, the philosophy or the procedures we have adopted, and we will keep that.

Obviously, like we have seen in this quarter that we were confident we have the visibility, so we revised the guidance but we will not update the 5 years just because we are revising the guidance for this quarter. I think this is how we are managing our business by maximizing the opportunity and minimizing the risk.

That's answer to number two. Answer to number one, Manish, that there is only 1 thing which can take away from reaching the target, which is a big turmoil between the countries and which is -- which may impact the trade. But otherwise, with a small geopolitics here and there with a small tariff discussions here and there, you would have seen that it does not move the needle on the reverse direction.

So I think we are very much on the track and we will be on the track and yes. As I said, there is only one thing. It's a big turmoil between the countries, which will impact the global trade, then only we will be impacted. But a small thing here and there, whether it is Red Sea or it is -- it is some Houthi -- or it is something, it does not move the needle because now, fortunately, our base is quite big.

Moderator: The next question is from Pulkit Patni from Goldman Sachs. Please go ahead.

Pulkit Patni: I have a few of them. The first couple are just bookkeeping.

Moderator: Pulkit, I'm sorry to interrupt, your voice is not very clear. If you're on a handset.

Pulkit Patni: Is this better? Can you hear me? It's still not clear?

D. Muthukumaran: I mean we can make do with this Pulkit, but it's not very clear.

Pulkit Patni: Okay. Yes. So I'll just try to be a little loud. My first question is bookkeeping. Is it fair to assume part of the realization improvement that you've seen in the quarter is also to do with the rupee depreciation?

D. Muthukumaran: The answer is yes, Pulkit, but can you be a little far away from your handset or whatever you're talking from because it's a little too jarring, right? We can't hear you clearly.

Pulkit Patni: Okay. Do you -- is that better Muthu?

D. Muthukumaran: Yes, yes, it's better. Please go ahead.

Pulkit Patni: Okay. Okay. My second question is in your press release, in the release, you've spoken of the gross debt, which -- where you mentioned that it includes -- it excludes certain noncore liabilities related to NQXT. Could you just highlight what those are and what would be the total number for those?

D. Muthukumaran: So this is also a matter that was approved by shareholders yesterday in the extraordinary general meeting. If you go back, Pulkit, to the deal construct, along with our acquisition, came certain non-port-related assets and liabilities. And we said that in short order as much as soon as possible, we will take them out. We guided for a few months time frame. But we actually ended up doing within the month.

And also, as of now, it stands approved. So it's only an accounting entry that we need to pass. So for all practical purpose, you can ignore them as we speak today. But just to give you a sense

of amount because you asked for the amount, we have indicated that amounted to be $2.54 billion as on 31st January 2026 However, none of these have any bearing. And as of today, it stands dissolved, and there are no noncore assets and liabilities as we speak.

Pulkit Patni: Okay. So everything is dissolved as of now. My next question is on coal volumes. Quarter of our total volumes come from thermal coal, and while there is a lot of uncertainty, and we've seen in the last sort of couple of years, coal has had some downward pressure. How is the company looking at sort of diversifying away from this exposure to coal? Like what's the plan for coal to settle down for us in terms of our total proportion of volumes? Just some sort of forward-looking guidance there.

D. Muthukumaran: The broad outlook, if you want, I can give.

Ashwani Gupta: I don't know from where you got this number. Coal has got thermal coal. Thermal coal has got imported coal and coastal coal. So imported coal is going down, but coastal coal is increasing, right? All India level, all is increasing. Then second is the coking coal. Coking coal is used in the steel industry. Because the steel is having a growth. The coking coal is also having a growth at 10.8% is the growth, which is on the coking coal, right? Then coastal coal, 1.9% is the coastal coal. So at first, to answer to your question, coal is not going down. Overall, coal is going up. Only the thermal coal, which is linked to the import is going down, right?

So as far as we are concerned. We have a business portfolio, which is a mix of container, coal, iron ore, liquid and so on, and we manage the mix in the way trade is progressing. So if the imported thermal is going down, it's not going to change the needle. As you would have seen, it has not changed the needle in this quarter also.

Pulkit Patni: No, no, absolutely. So let me rephrase guidance mean it's going down. I'm looking at Slide 41, where it's going down as a proportion, which is actually a good thing. I just meant to understand where do you think it will settle as a proportion of the overall cargo for us. So, from 30% in FY24, this 9 months, it's at 22%.

Ashwani Gupta: But where did you get this 30% of thermal coal?

Pulkit Patni: No, sir, thermal coal as a percentage of overall cargo on Slide number 41 is 22% coming down from 30%. That's what I meant.

D. Muthukumaran: See, you are asking Pulkit, where will it actually settle down. If you see that the coal will -- I mean if you look at next 5 years' trajectory, India is talking about the declared power thermal power plants increased by 50% in capacity.

And that is one data point. The other data point is we have been investing in container over the past sort of several quarters, our growth in containers sort of is, let's say, 20% or if you have to take one number, which is growing the highest amongst the portfolio of products that we have got.

So if you bake in both these I would say in the long term, if you're starting with 30% as a number for FY24, there is no reason why we could -- we will be sort of away from, let's say, 20 or coal in 5 years from now. Considering that our container is sort of growing the highest. And we also have, in our business plan, sort of oil and gas products coming in, in the next 5 years. So if you put all of them, so the rate of coal will go down, and we should be somewhere between 20% to 22%.

Pulkit Patni: Okay. So around the same 20 percentage. That's very useful.

Moderator: The next question is from Ankita Shah from Elara Capital.

Ankita Shah: Yes. Firstly, congratulations on a very all-round performance. Congratulations to the team. My question is on NQXT. So in EBITDA, you've mentioned that 1 quarter in the guidance or guidance on EBITDA. And one quarter of NQXT inclusion is included in this INR300 crores. This is for the fourth quarter expectations, right, for FY 26?

Ashwani Gupta: Yes, Ankita.

Ankita Shah: What would be the similar number on the revenue side?

D. Muthukumaran: So it is firing at 65% EBITDA. So INR300 crores is roughly 65%. So it will be about INR450 crores 500, a little less.

Ankita Shah: 65% EBITDA?

D. Muthukumaran: Correct.

Ankita Shah: Going forward, there was expectation that there will be contract negotiations. So will we see contract negotiations on the higher side from FY27 onwards itself? Or it will take time to pan out?

D. Muthukumaran: No. There isn't much happening in FY27. There is a little bit of a contacts in FY28 under a large volume coming up in FY29.

Ankita Shah: Okay. And this could lead to this 65% margin can go up to what levels? Will it become like similar to what our domestic ports are making margins?

D. Muthukumaran: Yes, yes, it will be -- it will lead to that level. You're right.

Ankita Shah: That will be like mostly beyond FY28, right?

D. Muthukumaran: Sorry, I was actually doing the math wise talking to you. No, actually, we would still be at around similar percentage because both denominator and sort of numerator will both go up. As the EBITDA goes up, it is coming from price realization. So absolute EBITDA will go up to the 400 million mark that we have guided.

Ankita Shah: Okay. But you're saying in terms of EBITDA margin, it will remain more or less similarly?

D. Muthukumaran: Let me just do the math for you while talking to you.

Ankita Shah: We can take it offline, it's okay.

D. Muthukumaran: Yes. I mean it will not significantly off. It will be a few percentage points up. See, currently, we are doing $350 million of revenue and $230 million of EBITDA, and the $230 million will go up to $400 million. So the $350 million will correspondingly go up to $520 million. So it's 400, 520, so it will roughly be similar percentage. 70, that's the percentage. That's one.

Ankita Shah: Got it. And in our consolidation, will we take the nameplate capacity of 50 million tons or contracted capacity of 40 in our calculation over future?

D. Muthukumaran: So capacity will be 50 million.

Ankita Shah: No, it's a volume number that we will be calculating will be using the name capacity only 50 million from NQXT, will that be the number that we should work?

D. Muthukumaran: No, no. So for volume, we will actually go with and we will probably put it as a note also whenever this comes up. We will put actually a contracted volume or actual whichever is higher. And the reason for that is actually contracted volume will give us a definitive revenue at a per ton rate. And if we do more volume than contracted, then we are going to realize that much more. We will be paid for the extra volume at the similar rate.

Moderator: The next question is from Rajarshi Maitra from InCred.

Rajarshi Maitra: So my question is on the margins. So if I see Slide 22 in your PPT. So if I look at the margins for few ports like Mundra, Kattupalli, Dhamra and Karaikal. So there seems to have been a year-on-year margin decline. So is there anything specific that you would like to highlight for these? And also for Gopalpur, it's -- obviously, there has been a sharp decline. So these 5 ports, anything specific that needs to be noted.

D. Muthukumaran: No, there is nothing specific here. And on an absolute per ton basis, our EBITDA has been going up in the large ports. Gopalpur, of course, we will implement the turnaround program and the later on it'll catch up. So it is a per ton EBITDA that you need to track where we are going up.

Rajarshi Maitra: Okay. And Gopalpur, specifically, what has been the reason for -- I mean, so this quarter, there has been actually a negative EBITDA and about -- yes, I mean about is close to 70% decline in revenue on a year-on-year basis. So what is the basis here because the volume decline is, I think, 25% or so what explains this kind of a sharp deep dip?

D. Muthukumaran: So there are certain fixed costs in the ports. All the equipments that we have there are on higher. So our fixed cost is sort of is something that we need to work on. So like I said, as we actually work on it, we will actually sort that also out in times to come.

Moderator: The next question is from Nidhi Shah from ICICI Securities.

Nidhi Shah: So my question may be around, but how much of a container volume depend on exports to the U.S.?

Ashwani Gupta: 380,000.

Nidhi Shah: All right. And have you seen any decline?

Ashwani Gupta: Just a minute. 380,000 out of 12.5 million, which we do.

Nidhi Shah: All right. And have you seen any weakness in these volumes specifically?

Ashwani Gupta: We can't measure it because it's so minor.

Nidhi Shah: All right. My last question is that what do you think would be the impact of volumes at Mundra given that there is copper, coal to PVC and the solar module capacity will also be expanding in that region. So overall, what is the contribution of additional volumes that we can expect from new companies?

Ashwani Gupta: It is difficult to say, but yes, it is contributing. It's difficult to say how much.

Moderator: Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for any closing comments.

Rahul Agarwal: Yes. Hang on a second please.

Ashwani Gupta: So thank you. Thank you for your time. Thank you for your support I also want to take this opportunity to share with you that Mr. Muthukumaran will be taking the assignment in the Group with the effect from 1st of March.

So I really want to say thanks to you for your great support to Mr. Muthukumaran because of which APSEZ is at this stage. We will be introducing to the succession. This is in line with our succession plan. and the career development plan, and we will be introducing Mr. Krishna as the new CFO in the next call. Thank you. Thank you for your support.

Moderator: Thank you very much. On behalf of Emkay Global Financial Services Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.