



“Container Corporation of India Limited Q1 FY2022 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to the Container Corporation of India limited Q1 FY21-22 Earnings conference call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Bhoomika Nair from DAM Capital Advisors. Thank you and over to you Madam!

Bhoomika Nair: Thank you. Good morning everyone and on behalf of DAM Capital, I would like to welcome you all to the 1Q FY21-22 earnings call of Container Corporation of India. We have the management today being represented by Mr. V Kalyana Rama, Chairman and Managing Director and also his team. I now hand over to Mr. Rama for his initial remarks post which we will open up the floor for Q&A. Over to you Sir!

V. Kalyana Rama: Thank you Bhoomika. Good morning to everyone. I am here along with all my team. All four directors; PK Agrawal Director (Domestic), Sanjay Swarup, Director (International Marketing), Rahul Mithal, Director (Projects & Services) and Manoj Kumar Dubey, our Director (Finance) and CFO.

Let me first share with you the happy news that this is the best ever Q1 our company has achieved in the history. So we can safely say that now the business in this Q1 is better than pre-pandemic level. We have seen growth in both EXIM and domestic volumes. There is a growth of almost 28% in EXIM volume and very robust growth in domestic volumes, 68% growth that shows the demand and consumption in India in the domestic market.

So we were always having this strong belief that domestic market is poised for a good growth and we are always getting ready for that. We bought a lot of containers in the last few years. We added almost 24,000 containers in the last few years so that really helped us in picking of all these volume.

Today, your company is having around 37,000 containers and we are in fact now trying to develop the container manufacturing within India so that we will become self-reliant in India itself even in different political situations. We need not depend on imports from China. That work is in progress and this demand in domestic is good for the company because we have seen traditionally the income ratio is 80% from EXIM and 20% from domestic but that is now changing.

Domestic is picking up and we expect this to become maybe around 70:30 by the end of this year and we are aiming at making it 60:40 in the coming years maybe in the next three to four years we are working on many things, many lines of business. In fact, we recently completed, we floated a tender and awarded the tender for bulk cement transport which will start happening from the next FY Q1 that is a good volume of business. It will almost be half a million ton. It will be in a year half a million tons of bulk cement transportation. The first bulk cement terminal, the silo is being setup at Coimbatore and there are many possibilities for this to grow all over India. This is one sector where good growth will come up.

This is what we were talking of transporting commodities in bulk. Food grains we are doing as I told you in the annual conference call, we already started doing that. We did some around 2-3 lakhs tons movement for ITC and we did some trials for FCI. We hope to see some more traction in this financial year itself in that.

As I have given the forecast to you that we will grow 12% in our topline and 100% in bottomline. In Q1 we could see that it is happening. In fact our topline growth is much better in Q1 because the base was low but the bottomline as I mentioned to you that 100% growth that we will touch 1000 Crores PAT, we got 250 Crores in Q1. So even mentioning this on a conservative level we are sure that we will achieve 1000 Crores PAT, but as all of us now that Q3 and Q4 normally are the better quarters in the business, so this maybe bettered also.

Regarding the LLF let me tell you and I want everyone to be more into this so that we can avoid lot of repetitive questions on this. The LLF there is complete clarity now. As I have mentioned in the annual call, the liability for this year, we expect it to be 450 Crores we provided 113 Crores in this quarter, based on that calculation but while doing this we completed another exercise of collecting the land rates from Revenue Authorities and that has been completed. So we are reworking now it is giving us an estimate based on the confirmed rates from the land revenue authorities, figure of 375 Crores.

Friends so let me tell you that LLF for this year for your company, the liability will be 375 Crores. That also will push up our bottomline and regarding taking over of the terminal and long-term lease by paying the upfront payment, the work is in progress. So there are news item which are coming up and in fact in the TV interviews they asked me I clarified that, it is wrong media news. There is no objection from any departments, all the department concerned in this, DIPAM, Ministry of Railways and Concor, are all on the same line of

thinking so the work is going on. As all of us know the government process will take its own time, the procedures have to be followed. Onetime payment for all 24 terminals of railway land is work-in-progress and it will happen and the estimates as we discussed last year the same thing, whenever it happens we will go for short-term loan. So things are looking very good and I hope this financial year will be a good financial year for your company. Thank you.

Moderator: Thank you very much Sir. Ladies and gentlemen we will now begin the question and answer session. We have the first question from the line of question from Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari: Thanks a lot and congrats on very good set of numbers and you anyways commented on LLF. Just one additional question what is the onetime payment for 24 terminals based on the new LLF calculation that you have done 375 Crores?

V. Kalyana Rama: The onetime payment as we mentioned we got cash reserves of 2500 Crores to 3000 Crores and we will be going for a loan which may be notified to the exchange of 3500 Crores to 4000 Crores so that is in the range of that, 3000 Crores to 7000 Crores.

Atul Tiwari: Thanks a lot.

Moderator: Thank you. The next question is from the line of Pulkit from Goldman Sachs. Please go ahead.

Pulkit: Sir thank you for taking my question. There are two questions. Sir if I look at your realizations on the EXIM side for the last three quarters there is a marked improvement now on a handle basis we are doing about Rs.16,000 can you highlight specific reasons that are contributing to this and if they are sustainable and that would be my first question?

V. Kalyana Rama: They are sustainable and the reason is that lot of loaded running improved and the empty repositioning and empty running is coming down and also some terminal charges what we imposed is giving us additional margins. We have not increased the freight rates but we increased our terminal charges for the services what we are providing on our terminal that is giving us good rewards and increased margin.

Pulkit: Sure Sir so we can expect this number and my second question is when I look at your margins on the domestic business also for the last two to three quarters there is a marked

improvement there any comments on anything being one of their or again that is something that should be expected to sustain?

V. Kalyana Rama: See one thing first of all you yourself are telling for three quarters you are seeing what improvement, if it is one of thing it will be a flash in the light, one quarter it will happen. It will not happen for three quarters.

Pulkit: But if you attribute a reason to it, it is always easy for us to understand it because six quarters back even this was higher at a time when we were booking SEIS income etc., so a reason would always be easier for us to understand it?

V. Kalyana Rama: That is good question. The reason I will tell you. It is not a flash in the pan. It is a regular feature and the reason is that here also the more and more domestic traffic we are picking up, so more loaded traffic will give us more margins it will cut down in our empty running even though an absolute number empty repositioning cost on domestic side has gone to 45 Crores but if you look at the growth what we achieved 68% that proportionately it is less empty running. We got more loaded running and the other thing is we introduced new containers. All new containers what we brought, maximum of that last 24,000 I mentioned, maximum of that we brought high capacity containers of 34 tons which are carrying 31 tons payload and our rakes also we are upgrading. Earlier these rakes were having a carrying capacity of 61 tons, we are upgrading down to 68 tons and now almost 60% of our fleet is already upgraded so these things are giving us good dividend, high carrying capacity is giving us more margins.

Pulkit: This is useful Sir. Thank you.

Moderator: Thank you. We have the next question from the line of Vishal Dhanvi from Well Quest. Please go ahead.

Vishal Dhanvi: My question is in the same new policy only, so I wanted to understand, in FY 2021 that new policy introduced that the lease will be charged on 6% so can you tell me what was the cost in Q4 FY 2021 for this because if I compare Q4 FY 2021 numbers with Q1 FY 2022, there is huge jump in EBITDA margin which I think mainly due to these cost only?

Manoj Kumar Dubey: Yes, in Q4 you may be knowing we paid something of a backlog on empty payments also and it was 220 Crores that we paid towards LLF in Q4, this quarter we are only paying 113 Crores. So obviously it will have a good impact on the margin also, there is no doubt about

it, but if you look at the margin in Q1 to Q1 which was Apple to Apple and there is a marked improvement in the margin for the reason already mentioned.

Vishal Dhanvi: I got it. Basically I just wanted to understand that in Q4 what happened because in Q4 there was dip in EBITDA there is an impact of lease only but amount wise I was not knowing and can you give some light on divestment process also that right now it is at what stage and what is going on there?

V. Kalyana Rama: It is work-in-progress.

Vishal Dhanvi: Okay understood.

V. Kalyana Rama: We cannot give any details it is work in progress. It will happen.

Vishal Dhanvi: Okay.

Moderator: Thank you. We have the next question from the line of Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi: Good morning Sir. One is bookkeeping question about originating volume and second Sir we are now seeing good traction coming in bulk side of the business, how is the opportunity with this modified wagon for automobiles or RORO basically if you can highlight?

V. Kalyana Rama: Bulk is not about RORO and automobile. Bulk is moving the commodity without bagging it, so there is lot of demand for cement to move in bulk. The necessary infrastructure is now as I said is getting created at one of the terminal and it may be replicated in other places in addition to that we are working in some more things to bring in bulk into containers in a different technology and food grain in bulk already we did around 3 lakhs last year and we got the technology. FCI is also happy with the trials that also may happen. This year we can see some more traction that is what I have mentioned.

Vikram Suryavanshi: I got you Sir. Let me rephrase, but after this bulk, my question was would we like to diversify into automobile and RORO?

V. Kalyana Rama: Automobile we will not own the wagon. We are already providing our facilities for doing automobile loading unloading that will continue. Beyond that we are not interested in getting into automobile because that is a low margin business as far as we are concerned because we cannot do the value added services like VDI and all that. Regarding RORO,

RORO is not possible on many routes but under DFC RORO if it is possible and if we see traction we will be definitely be entering into the RORO business on DFC.

Vikram Suryavanshi: And originating volume Sir for this quarter?

V. Kalyana Rama: Originating volume what you want for the Q1?

Vikram Suryavanshi: Yes Sir.

V. Kalyana Rama: Q1 is 0.529 million, TSO is 0.083 million, total is 0.612 million.

Vikram Suryavanshi: Thank you Sir.

Moderator: Thank you. The next question is from the line of Ajinkya Bhatt from Macquarie. Please go ahead.

Ajinkya Bhatt: Thanks for the opportunity. Sir just one question; you mentioned about domestic manufacturing of containers. So the question is when you procure the domestically manufactured containers, is it significantly cheaper than Chinese imports and would there be saving on capital expenditure from that angle or is it predominantly to reduce import dependence but not really material financial benefits from that if you could clarify on that.

V. Kalyana Rama: See there might not be financial gains in that because one container costs around 2.8 lakhs. If we import last vis-à-vis we constitute something like that and in India also we may be getting in the same level so the main important thing is self-reliant India and Atmanirbhar Bharat what government is talking of. So in different political situations we may face problems, sometimes of importing or giving contracts to other countries so we will be seeing robust growth in domestic business and also because we now introduced containerized warehouse which is picking up very fast we will be requiring more containers. We need containers. We want to make self-reliant India for container manufacturing.

Ajinkya Bhatt: How much would be the procurement let us say over the next three years or five years any plans you have on that Sir?

V. Kalyana Rama: We said this 8000 containers every year for next five years.

- Ajinkya Bhatt:** The final question Sir. You have now successfully forayed into transportation of bulk commodities through containers, we are seeing that in food grain now cement, anymore opportunity on the card say fertilizers, iron ore, or anything else?
- V. Kalyana Rama:** Iron ore and coal are not allowed as on date to move in containers by railways, but other commodities we are already doing bulk transportation of soda ash we are doing, industrial salt we are doing, we are doing raw material for Colgate paste and tooth powders so all these things are happening. There are many commodities but I mentioned the major commodities where there will be good volume, cement, and food grain.
- Ajinkya Bhatt:** Understood Sir. Thanks a lot and all the best.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from Citi group. Please go ahead.
- Atul Tiwari:** Just a bookkeeping question on lead distance, if you could share the EXIM and the domestic lead distances for the quarter?
- V. Kalyana Rama:** EXIM is 704, domestic is 1377.
- Atul Tiwari:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pulkit from Goldman Sachs. Please go ahead.
- Pulkit:** Sir thank you for giving me the opportunity again. Sir this is on LLF. When we say that LLF will come down to 370 is this our assessment or this is a number that is vetted by Indian Railways as well?
- V. Kalyana Rama:** As of now it is our number but when we give the numbers, we know the numbers based on valid documents is a certainty, so there is no vetting process in this. Even earlier also there is no vetting. It is more of mutual consultation happens. If there is a difference of opinion then the decision is based on documents. As I mentioned we got our documents very clear, so as per that this is it.
- Pulkit:** Sir since I have got the opportunity. Maybe I will ask one more question. Sir any sense on any possible tariff hikes one could look at in the near term?

- V. Kalyana Rama:** We are looking for volumes and maintaining the growth path and got very good margins now so maybe immediately we are not looking on any freight rate hikes. This quarter we had 31.96% operating margin.
- Pulkit:** Absolutely Sir. Thank you so much for that.
- Moderator:** Thank you. The next question is from the line of Koundinya from JM Financial. Please go ahead.
- Koundinya:** Sir thanks for the opportunity. Sir just trying to understand when I look at the financial there is a sharp reduction in other expenses and operating expenses as well so can you help me understand this better please?
- Manoj Kumar Dubey:** Other expenses there is one term item last year if you recall, we contributed a lot to PM Cares Fund for this COVID. So last year 25 Crores booking was there that the company as a CSR is giving to PM Cares Fund. So this year that is not there so that is one of the important item which is bringing it down by nearly 20 Crores.
- Koundinya:** Sorry for repeating this question. There was disturbance in the line when you answered this. What is the onetime calculation total amount you are speaking about? What is the amount exactly with respect to LLF?
- Manoj Kumar Dubey:** LLF, as we mentioned it will be around 375 Crores.
- Koundinya:** I am speaking about the onetime amount that we have to pay to acquire the lease?
- V. Kalyana Rama:** It will be anywhere between 6000 Crores and 7000 Crores.
- Koundinya:** Understood Sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Mukesh Saraf from Spark Capital. Please go ahead.
- Mukesh Saraf:** Thank you for the opportunity. My first question is with regards to the Indian Railways permitting the 25 ton actual load now for the wagon so just wanted to kind of check with you how this can benefit us in terms of margins or probably market share or double stacking what is your say on this?

V. Kalyana Rama: See 25 tons when they permit, the carrying capacity on the wagon will go to around 80 tons so that will improve the possibilities of double stacking so we will be carrying more load on same asset otherwise which we are carrying 68 tons that will definitely improve our margin so this available only on DFC route so let me share with all of you. Everybody may please listen that DFC started functioning from yesterday night so the train operation started and our major terminal, Khatuwas is connected to DFC yesterday night. So there we will get the benefit of running 25 ton axle load wagon and those wagons we already got 12 rakes with us, 25 tons of axle load and this year we will be procuring 48 rakes. So by the end of this year we will have around 48 to 50 rakes of 25 ton axle load with us, so this will give us more opportunity to do more double stacking and also to increase the loading in domestic also because we can club domestic EXIM containers together to bring in so many opportunities are there let us see.

Mukesh Saraf: So 48 rakes is what we are planning to procure this year additional?

V. Kalyana Rama: Already 12 rakes we got these are all new wagon 25 tons axle loads.

Mukesh Saraf: Secondly we were also hearing that some of the large shipping lines they are trying to kind of push rail over road on the export direction in the last 2 to 3 months so have you seen any of these benefitting our rail volumes and how do you see this go ahead in the future?

V. Kalyana Rama: This will go up. See there is definitely growth in the exports. You could see the volumes this quarter itself that we did more volumes. It is not that on low base of last year Q1 but even otherwise this is best volume in any quarter. We touched almost a million ton in this quarter. We were short up by 9000 otherwise we were there at 1 million TEU throughput 991,000 something we did and with the DFC the running time will come down, from Delhi to Mundra, the running time of 72 hours may come to 40 hours so what will definitely attract more and more traffic on to rail.

Mukesh Saraf: Lastly book keeping the interest cost in this quarter has gone up sequentially, so have we take that?

V. Kalyana Rama: We are a debt free company, so we need not read too much in this Ind-AS results. We have no debt on our balance sheet.

Mukesh Saraf: Sure just wanted to check we have already taken 3000 Crores and all. Thanks Sir.

Moderator: Thank you. The next question is from the line of Vishal Dhanvi from Well Quest. Please go ahead.

Vishal Dhanvi: Sir my question is on the line of this other expenses thing only. You have mentioned that we have paid 25 Crores related to that COVID and there was a payment of 220 Crores of lease which is 113 Crores in this quarter, so extra 100 Crores is there. So total extra payment is 125 Crores but the difference which we are seeing in other expenses is approximately 250 Crores to 260 Crores. So can you highlight some other costs also which was either one time or which will not impact now?

Manoj Kumar Dubey: I think you have not attended the Q4 results. There was 74 Crores provision for staff also regarding this PRMS fund that is reported as medical scheme fund so that was also there that gap you were mentioning that provisioning was also done in the last quarter and then again there was 46 Crores provision for service tax dues that we may expect from railways which we did not pay earlier scheme of LLF system, before GST so these two provisions of 74 Crores and 46 Crores were also part of Q4 provisioning.

V. Kalyana Rama: Moderator please listen I think today the number of participant may be less. I am seeing the repetition is happening, so you can check with Dam Capital if not many participant we can close it early this conference call.

Moderator: Sir we have four questions in the queue right now. Deepika Mundra from JP Morgan please go ahead.

Deepika: Hi Sir and thanks for taking my questions. First is DFC being operational I just want to know what is the difference in the freight cost for the customer if any and secondly what is operational or benefits that you are likely to gain from DFC versus regular chain?

V. Kalyana Rama: You first question there will be no difference in freight rates in either our payment to railways or what we collect from customers but the second thing what we will gain is our asset utilization will increase because faster moment will happen. The customers will be happy because their containers will reach port faster so it is a very good competition to road, and we can issue more transit assurances for the customers so more and more customers can prefer rail and double stack this quarter surprisingly itself nobody has asked for double stack we did a maximum number of double stack 807. I think this again is a record and that will be further going up because we got a terminal called Swarupganj where we will bring JNPT volumes and try to do double stack between Swarupganj to Khatuwas

that will improve margin, so there is lot of advantages of DFC running which we will try to maximize in our next three quarters.

Deepika: Sir just a follow up on that given that the DFC is operational only partially what is the kind of expected traffic benefit or traffic increase and how will the logistic work out given that it is on partially running on the western side?

V. Kalyana Rama: So more than this I think if you are expected you are very greedy. We are only expecting the Mundra and Pipavav Port to get connected and the JNPT port connection is little far away. Now this Mundra and Pipavav both port are connected up to Rewari and Delhi will also take time to get connected. Dadri will get connected. That is this again is a little far way. Now Khatuwas the terminal which is doing almost 6 lakhs TUEs per annum it will further go up in volumes and as I mentioned the other advantages I already told you what will happen so these all things will smoothly happening from Khatuwas. The ports are connected there is good benefit of running and also volumes in this DFC operation.

Deepika: Thank you very much.

Moderator: Thank you. The next question is from the line of Eric from Newport. Please go ahead.

Eric: Thank you very much for giving me the opportunity to ask the question Sir. The follow up really on the DFC completion, I know the Prime Minister indicated in January that the project would be finished by June 2022. I am curious if you can confirm that is still the completion date targeted and the second question is about the property required to achieve that particularly outside of the port in Mumbai has that property been secured and it is just a construction exercise at this point. Thank you very much.

V. Kalyana Rama: Eric, you are in India or you are calling from outside?

Eric: I am calling from California. It is beautiful here.

V. Kalyana Rama: Okay that is interesting. Eric, the thing is that your question regarding the connectivity to JNPT that Mumbai Port, I will not have all the required details because your question can better be answered by Dedicated Freight Corridor Corporation. As far as I know the properties are not yet fully acquired it will take time that is why I am mentioning that it will be little far away connecting Mumbai Port as well as connecting Dadri, our terminal in Delhi these two are little far away. The thing which happened now, Mundra and Pipavav connected to Khatuwas and which started running from yesterday night this benefit of

Mundra and Pipavav Port, we will start reaping now. What is the other question you asked?
Have I answered all your queries or is anything left out?

Eric: It sounds like you are saying we will not have the completion of DFC by June 2022 targeted deadline by the Prime Minister, is that correct?

V. Kalyana Rama: I cannot comment on that because it is Prime Minister's comment so I do not want to comment on that but the things look, there may be a doubt.

Eric: Thank you very much.

Moderator: Thank you. The next question is from the line of Vikram Suryavanshi from PhillipCapital. Please go ahead.

Vikram Suryavanshi: What was the rail freight margin in this quarter Sir?

V. Kalyana Rama: 30%.

Vikram Suryavanshi: The second question can you share what was the empty running cost for domestic and EXIM for this quarter?

V. Kalyana Rama: EXIM is 26 Crores, domestic is 46 Crores.

Vikram Suryavanshi: Okay. Thank you Sir.

Moderator: Thank you. The next question is from the line of Aditya Makharia from HDFC Securities. Please go ahead.

Aditya Makharia: Just couple of clarifications how many government terminals do we have currently. I mean the ICDs which are on government land?

V. Kalyana Rama: We have 24.

Aditya Makharia: When you say the LLF is revised to 370 Crores are we going to plan to give out anymore?

V. Kalyana Rama: No. We are not giving up anything. For all the terminals what we are having now this year the liability will be 370.

- Aditya Makharia:** This includes the TKD as well right?
- V. Kalyana Rama:** Yes.
- Aditya Makharia:** Great. Sir the second question is you mentioned the Mundra connectivity to Khatuwas, but Sir what we understand is right now only the diesel locos will be running because the electric wires are not ready. Will you be able to carry 25 tons actually right now will you be able to run or it will still be 20 tons to 30 tons?
- V. Kalyana Rama:** We got very good diesel locos from Indian Railway so there is no problem of running this 25 ton axle load. See 25 ton axle load wagon is only 100 tons per wagon and 45 wagons is 4500 tons load. So there are diesel locomotives which can carry even 9000 tons.
- Aditya Makharia:** Just the last question Sir the connection from Mundra I think the Surendra Nagar line and the Pipavav line those are also ready to take the higher load now?
- V. Kalyana Rama:** Yes.
- Aditya Makharia:** Thanks.
- Moderator:** Thank you. The next question is from the line of Srinidhi Karlekar from HSBC. Please go ahead.
- Srinidhi Karlekar:** Thanks for the opportunity and congratulations on great set of numbers. Sir you mentioned rail freight margins for 30% this quarter. May I ask you what it was for last quarter like Q4 because I do not think it was disclosed during last earnings call and second question in on capex Sir, how much capex is likely for this year and if you could give some guidance on likely capex in next 3 to 4 years that would really be helpful Sir?
- V. Kalyana Rama:** Last quarter also it is 30% rail freight margin and capex this year we will be spending roughly around 500 Crores and coming next few years it will be something like that maybe anywhere between 500 Crores and 800 Crores. It depends mainly on the divestment process.
- Srinidhi Karlekar:** Sir last one if I may very strong performance on the EXIM side, Sir just want to know it appears like this margin is despite unfavorable mix as in higher exports container contribution which are typically lower margin is that observation correct like good margin despite unfavorable mix?

- V. Kalyana Rama:** Yes if the imports increase the margins will further increase.
- Srinidhi Karlekar:** Sir last one if I may, you touched upon some increases that we took in terminal handling side would it be possible to quantify that?
- V. Kalyana Rama:** No. It is not possible. You should be happy that we are getting good margins.
- Srinidhi Karlekar:** Of course. Thank you for answering my questions Sir and all the very best.
- Moderator:** Thank you. The next question is from the line of Rakesh Vyas from HDFC Mutual fund. Please go ahead.
- Rakesh Vyas:** Good morning. Hope everyone is doing well. Three quick questions if I may, one is can you just highlight when is the Swarupganj terminal getting fully commissioned and also in context to that Khatuwas 6 lakhs TEUs which it is handling, broadly indicated we are maximizing the double stacking already so how and how much do we expect to gain further on double stacking?
- V. Kalyana Rama:** As I mentioned, this double stacking we did record number of double stack trains in this quarter, 807 double stack, so double stack traditionally we do more on imports and little less on exports, now we will be increasing more and more into exports also. So there is a possibility of increasing more double stack in our export side. Another possibility JNPT we are now moving directly into the hinterland now we will route it via Swarupganj so that will also increase the possibility of double stack and then 100 ton running between Swarupganj and Khatuwas will increase the possibility of making more double stack. So there are three possibilities so that will increase further double stacking.
- Rakesh Vyas:** Sir, this Swarupganj is commissioned, I just wanted to check this as well?
- V. Kalyana Rama:** Swarupganj is commissioned.
- Rakesh Vyas:** Sir second question is can you break the EXIM volume between export and import on originating side?
- V. Kalyana Rama:** It is not possible. We do not keep that figure right for this conference.
- Rakesh Vyas:** Last question just on the DFC and benefit of it given that Gujarat based ports have got the lead in terms of connectivity. In your assessment do you think that some volume can

actually shift for JNPT Ports to Gujarat Ports which is more north bound now that there is a fast connectivity to these ports?

V. Kalyana Rama: You ask this question to Ministry of Shipping. For me anywhere traffic is good for CONCOR.

Rakesh Vyas: Sure got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Mukesh Saraf from Spark Capital. Please go ahead.

Mukesh Saraf: Thank you for the opportunity again. I just wanted to check the port wise market shares that you provide and the rail coefficient?

Sanjay Swarup: JNPT 33.36%, Mudra 37.55, Pipavav 9.16, Chennai 6.78, Vizag 6.63. These are the main ports we are having share otherwise other figures are very small.

Mukesh Saraf: The rail coefficient in each of these ports at least the JNPT?

Sanjay Swarup: Only for 3 ports I am having right now. Nhava Sheva 19.6% out of that our share is 62%, Mundra is 7%, our share is 43%, Pipavav it is 64% our share is 54%.

Mukesh Saraf: Just the last one is could you provide us with rebates and discount?

V. Kalyana Rama: First of all what you understand is if you see the figure and if you got old figures our figures have gone very high at Pipavav and Mundra also. Mundra we increased 800 basis points, Pipavav we increased 1500 basis points in our rail share. These are things you people should pickup and analyze. Not the absolute numbers. What is your next question?

Mukesh Saraf: Thank you for that Sir. Just on the rebates and discounts for this quarter how much do we provide?

V. Kalyana Rama: That is very minimal. That is only 26 Crores.

Mukesh Saraf: Thank you Sir. Thank you for that.

Moderator: Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

- Aditya Mongia:** Good morning everyone and thanks for the opportunity. I just wanted to clarify one thing what is the amount or onetime amount you are expecting to pay for terminal, I heard two different numbers at 3500 Crores and 6-7000 Crores, so I just wanted to clarify?
- V. Kalyana Rama:** You had not listened properly, Aditya. I said 3500 Crores is the loan which we will take which we will notify the exchange and the amount will be 6000 Crores to 7000 Crores after final figure we work out with railways.
- Aditya Mongia:** Thank you Sir for my clarification. That was my only question.
- Moderator:** Thank you. The next question is from the line of Girish from Morgan Stanley. Please go ahead.
- Girish:** Good morning Sir and thanks for taking my question. Only one question, of the capex number that you expect to incur can you provide small ballpark split on rakes and terminals that you expect to add over the next 3 to 5 years in terms of value?
- V. Kalyana Rama:** This year on equipment rakes and other equipment we expect to spend around 300 Crores and the rest of things on IT, land, and other infrastructure.
- Girish:** Should I expect the similar number going forward for 50-odd rakes roughly about 300 odd Crores and does it include other equipments as well?
- V. Kalyana Rama:** You are following Girish the company, so rakes actually what the forecast we have given is we are going for 270 rakes in next five years. So now as I said 48 we are procuring now still the number is left out is roughly around 220 rakes we will be doing in the next four years so there will be capital expenditure but as I mentioned the divestment process is on so some other things will depend in the divestment process, but I think this will go on because this is the main core business.
- Girish:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now hand the conference over to Ms. Bhoomika Nair for her closing comments.
- Bhoomika Nair:** Thank you very much every one for being on the call and especially the management for answering all the queries and explaining it. Thank you very much Sir. Much appreciate your time.



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V. Kalyana Rama: Thank you Bhoomika.

Moderator: Thank you very much. Ladies and gentlemen on behalf of DAM Capital Advisors Limited that concludes the conference. Thank you for joining us. You may now disconnect your lines.