“JSW Infrastructure Limited

Q2 FY27 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to JSW Infrastructure Q2 FY27 Earnings Conference Call hosted by Investec Capital 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 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 Mr. Veenit Pasad from Investec Capital Services. Thank you, and over to you, sir.

Veenit Pasad: Thank you. Good evening, everyone. A warm welcome on behalf of Investec India to the Q2 FY27 earnings call of JSW Infrastructure Limited. We have with us the Senior Management team from the company represented by; Mr. Rinkesh Roy, Joint MD and CEO; Mr. Nagarajan, CFO; and Mr. Vishesh Pachnanda, Head Investor Relations.

Now I'll hand over the call to senior management for their opening remarks, post which we'll open the floor for Q&A. Thank you, and over to you, sir.

Rinkesh Roy: Thank you, Veenit. Good evening, everyone and thank you for joining us for our earnings call to discuss our performance for the quarter and half year ended September 30th, 2026. The global operating environment continues to remain dynamic, shaped by geopolitical developments, evolving trade flows and periodic supply chain disruptions. Despite these uncertainties, India's economic fundamentals remain strong, supported by robust domestic demand, continued investments in infrastructure, manufacturing-led growth and favorable policy initiatives.

As India's logistics and trade ecosystem continues to evolve, we believe the long-term opportunity for integrated ports and logistics infrastructure remains highly compelling. Against this backdrop, JSW Infrastructure delivered another period of healthy operational performance and strategic progress during the first half of FY27.

During H1 FY27, we handled 60.5 million tonnes of cargo, including 29.4 million tonnes in Q2, and our India operations grew 10% year-on-year, significantly ahead of industry growth of 5%, driven by a diversified cargo mix, deeper customer engagement and increasing third-party cargo volumes.

The resilience of our operating model and the strategic positioning of our assets enabled us to maintain strong momentum across our network. In our India operations, third-party volumes reached 28.1 million tonnes, registering growth of 11% year-on-year, despite a decline of 1% due to the nil contribution from Fujairah Liquid Terminal.

A key pillar of our growth strategy continues to be logistics, where we are rapidly building a pan-India integrated platform. Navkar Corporation delivered another strong performance during the period, with domestic cargo volumes growing 26% year-on-year and EXIM cargo volumes increasing 7% year-on-year in H1 '27.

We also continued to strengthen our logistics platform during the period. Our rail rake fleet expanded from 42 rakes in Q1 FY27 to 78 rakes currently, reflecting the rapid scale-up of our logistics business. We remain on track to further increase the fleet to at least 110 rakes by March '27.

The logistics business continues to benefit from increased network utilization and customer additions. Overall, on a consolidated basis, our operating revenue was INR2,926 crores for the first half of FY27, representing 18% year-on-year growth. Operating EBITDA for the period stood at INR1,348 crores, marking a 13% increase, while net profit reached INR686 crores.

Turning to project execution during the quarter, we continued to make steady progress across our development pipeline. Execution remains on track across all major projects, with the slurry pipeline project reaching a significant milestone through the completion of approximately 257 kilometers of pipeline lowering and another 10 kilometers of HDD pipelines in progress, equivalent to nearly 88% of the total scope. The project remains on schedule for commissioning by March '27.

At Jatadhar Port, Odisha, construction activities are progressing at a healthy pace. Our brownfield expansion projects are also progressing steadily. At Dharamtar Port and Jaigarh Port, the berth side works are substantially completed and mechanization works are expected to be completed during Q1 FY28 for Jaigarh, while Dharamtar will be completed by Q4 '27. These investments will further enhance capacity, improve operational efficiencies and support future cargo growth.

In the container cargo segment, we achieved a key milestone by signing the 30-year concession agreement for the 13 million ton per annum Outer Container Terminal project at NSD Dock, Kolkata. Once operational, the project will increase our total container handling capacity in Kolkata to approximately 1.4 million TEUs, significantly strengthening our presence in Eastern India, enhancing our container cargo volumes and enhancing our ability to serve the trade.

During the quarter, we also commenced interim operations at the 6.3 million ton per annum Kolkata container terminal, which was awarded in JulY25, providing an early platform to establish customer relationships, build volumes and support a seamless transition to full-scale operations.

Beyond ports, we continued to strengthen our logistics platform during the period through the acquisition of NCR Rail Infrastructure Limited, approval for the development of an inland container depot at Kudathini, Ballari and the award of the Gati Shakti Cargo Terminal at Kulipalaiyam, Tamil Nadu.

These milestones further expanded our network footprint, enhanced our rail-link logistics infrastructure and strengthened our ability to deliver integrated end-to-end supply chain

solutions. These achievements build upon the strong progress made since our entry into logistics in October '24.

In just two years, we have expanded our network from 3 locations to 8 locations across India, scaled our rake fleet nearly tenfold from 8 to 78 rakes and increased our domestic container fleet from approximately 2,400 containers to nearly 5,000 containers. This rapid scale-up reflects our commitment to building a nationwide multimodal logistics franchise and reinforces our vision of creating a leading integrated ports and logistics platform.

Our long-term vision remains unchanged. We continue to build a diversified ports and logistics platform with a clear objective of expanding port capacity from the current 186 million tonnes per annum to 300 million tonnes by FY28 and further to 400 million tonnes by FY '30, while simultaneously creating a nationwide logistics network that enhances cargo stickiness, strengthens customer engagement and drives sustainable growth.

As part of our strategy, we remain focused on the rapid scale-up of our logistics business while maintaining strong execution across our port expansion projects. With a strengthened balance sheet, a visible growth pipeline and increasing integration between our ports and logistics businesses, we are well positioned to capitalize on India's long-term trade and infrastructure opportunities and deliver sustainable value creation.

With that, I would now like to hand over the call to our CFO, Mr. Nagarajan, who will take you through the financial performance and other details. Thank you.

Nagarajan J: Thank you, Rinkesh ji, and good evening, everybody. Let me first talk about our port business. In Q2 FY27, the company handled cargo volumes of 29.4 million tonnes compared to 28.9 million tonnes in Q2 FY26, registering a growth of 2% Y-o-Y, while our India operations grew by 8% Y-o-Y.

The increase was primarily driven by improved capacity utilization at Paradip Coal Terminal, Ennore Bulk and Mangalore Coal terminals and was further contributed by interim operations at the Tuticorin Port and commencement of interim operations at the Kolkata container terminal. The overall growth was muted on account of nil of volume contribution from the Fujairah Liquid Terminal, along with lower volumes at Jaigarh and Paradip Iron Ore Terminal.

The third-party cargo volumes accounted for 45% of the total volumes during the period. Third-party volumes in the Indian business registered a healthy growth of 13% Y-o-Y. However, overall third-party volume growth was limited to 1% due to nil contribution from Fujairah terminal.

Operating revenue for the ports segment grew by 9% during the quarter to INR1,202 crores, compared with INR1,100 crores in Q2 FY26. The revenue increase was driven by volume growth and ancillary and allied services, along with rupee depreciation.

Operational EBITDA for the port segment stood at INR594 crores, up from INR585 crores. The EBITDA margin was 49.4% versus 53.1% a year ago, the dip in port EBITDA margin was primarily driven by absence of volume, contribution from Fujairah and incremental volumes

coming from coal terminals like Paradip Coal, Ennore Bulk, Mangalore Coal and Tuticorin Bulk Terminals.

Talking about logistics, Navkar Corp delivered strong operational and financial performance in Q2 FY27. Domestic cargo volumes stood at 459,000 metric tonnes, up 16% compared with the same period last year, while EXIM volumes reached 88,000 TEUs, representing 12% Y-o-Y growth.

Operating EBITDA for the logistics segment stood at INR81 crores, up from INR25 crores, representing a 3.3x increase Y-o-Y. EBITDA margin expanded to 29% from 15%, driven by the growing contribution from rail logistics business.

The rail rake fleet increased from 42 rakes at the beginning of the quarter to 78 rakes by quarter-end. The base fleet of 42 rakes operated throughout the quarter, while out of the additional 36 rakes, only 8 were deployed in September 2026.

Consequently, 72 rakes have been operational since October, with the remaining 6 expected to be operationalized during November and December, providing further support to volume and earnings growth. A further 32 rakes are expected to be delivered over H2, which would take the total fleet size to 110 by March 2027.

Total consolidated operating revenue for the company stood at INR1,481 crores and operating EBITDA stood at INR674 crores, reflecting a Y-o-Y growth of 17% and 11%, respectively. Consolidated depreciation was INR175 crores, and finance cost was INR108 crores in the current quarter, as compared to INR149 crores and INR99 crores, respectively, in the previous quarter ended September '25.

PBT stood at INR431 crores, compared with INR463 crores in the corresponding period last year. The decline was primarily driven by unrealized forex losses on account of rupee depreciation, an upward shift in yield curve and higher depreciation charges, reflecting the commissioning of growth projects in the port business and the continued scale-up of the logistics segment. The impact on PBT was partially offset by higher other income during the period.

PAT stood at INR328 crores, compared with INR369 crores in the corresponding period last year. The decline was primarily driven by lower PBT and higher effective tax rate, largely due to the absence of tax-exempt earnings from the Fujairah Oil Terminal during the period.

As of September 2026, we maintained a cash position of INR1,693 crores, underscoring one of the strongest balance sheets in the sector. In line with the accounting treatment for the specialized rakes business, we have revised the FY27 logistics EBITDA margin guidance to 28% from 24%, while retaining the overall logistics EBITDA target of INR400 crores.

Capex. The company has incurred a cumulative capex outlay of approximately INR8,250 crores up to September '26, including INR1,500 crores spent during the quarter towards ongoing and existing growth projects. In addition, the company has already committed a further INR6,000 crores of capex by placing orders for machinery, long-lead items and other civil work towards

ongoing projects across port and logistics businesses. Further, the company has an outstanding capex creditors of nearly INR950 crores.

With this, I request the operator to open the line for questions.

Moderator: The first question is from the line of Sumit Kishore from Axis Capital.

Sumit Kishore: My first question is in relation to the rail rake business. What was the revenue contribution from this part of the logistics business in Q2 and H1, and the EBITDA margin as well?

Nagarajan J: The EBITDA margin is around 28% overall, whereas the margins for the rake business stood at around 90%, because in the revenue part, we only take the premium and the rebate. The haulage charges are netted off.

Sumit Kishore: And what was the revenue in Q2 and H1?

Nagarajan J: Revenue from the rake business was...

Vishesh Pachnanda: Sumit, there is a slide on Page 12, which has a logistics business revenue of close to INR279 crores. And then there is a Navkar slide, so if you just take that Navkar revenue out it, which is INR223 crores, balance would be for the rail freight.

Sumit Kishore: Okay. Balance would be the rail freight business. And sir, how does the -- is this linearly extrapolable? As you increase the number of rail rakes, the revenue for this business should go up in the same proportion?

Nagarajan J: So, from a container rake perspective, it will depend the volumes primarily. But as far as the LSFTO rakes is concerned, that will typically linear.

Sumit Kishore: Sure. My second question is in relation to your other income, which has gone up sharply quarter-on-quarter. Anything to call out there? And on the data front, you mentioned INR15 billion of capex in Q2. So how are you progressing in H1 versus your expectation for FY27?

Nagarajan J: So for H1, we have spent INR2,100 crores, and roughly around INR5,000 crores to INR6,000 crores, we expect to spend in this financial year.

Rinkesh Roy: So here, already up to September cumulatively, we have already spent, as we told you around INR8,250 crores. And another INR6,000 crores of orders of machineries and contracts has already been put into place. So close to -- you can say that our committed expenditure till September '26, right from the start of our capex program, is now nearly close to INR14,250 crores.

Sumit Kishore: Okay. And on other income in the quarter, any comment?

Nagarajan J: Yes, that's primarily because of the QIP proceeds which came in. It's interest on those QIP proceeds.

Moderator: The next question is from the line of Atul Tiwari from JPMorgan.

Atul Tiwari: Sir, the first question is on your margin. So while, obviously, Fujairah is not contributing, so that is well understood. But in addition to Fujairah, is there any other reason why your EBITDA margins have been somewhat suppressed over the past couple of quarters?

Nagarajan J: In this quarter, if you see, the volume growth has primarily come from terminals, wherein, obviously, the EBITDA margins continue to be in the range of 30% to 35%. A slight dip has happened in Jaigarh volumes. That has also contributed to a drop in the overall EBITDA margin. But in H2, we expect a pickup in Jaigarh, which can enhance the overall port margins.

Atul Tiwari: Okay. And, sir, on Fujairah itself, what is the status there on the ground? And when can we expect some kind of volume and EBITDA contribution from Fujairah to resume?

Rinkesh Roy: So just to give you a background, 8 tanks are already now under the process of commissioning. So this is FOIS, that is their authority. So they have asked us to start the testing of this 8 tanks for operations. On 29th or so, they will be giving the final permission for commissioning these 8 tanks for operations. So we expect to start operations somewhere in the first week of November.

However, there's a caveat attached here. Currently, as I told you earlier also, the demand for storage tanks in that area has come down substantially because of the problem. The ships are not coming there. And this is one aspect that we are watching, and we'll see the best that we can do in this period.

Moderator: The next question is from the line of Parash Jain from HSBC.

Parash Jain: I just wanted to get an update on the bridge from FY28 to FY '30, your volume from 300 million to 400 million tonnes. If you can bring us to speed with the progress made with those 3 projects, Keni, Murbe and Oman. And are you facing any delays? Are we on track? Any color on the progress of these 3 projects will be much appreciated.

Rinkesh Roy: So first of all, let me take you to Oman. So in Oman, we already have floated the tenders for the project, and we are going to receive the bid somewhere in mid-November. And we are also in the process of appointing the PMC for the project along with our MDO partner.

And we expect work to start somewhere in Q4 of FY27. In Murbe, we are already proceeding with land acquisition and the process of inviting tenders has already been done. And again, here, we expect the work to start somewhere in Q4 of FY27.

In Keni, we have been -- as you all know, we have been delayed on the environment clearance. So the KCZMA in the last few days, they have recommended the proposal to the central government, the MOEFCC for giving the approval for the project. However, there, we expect it to take another 3 to 4 months to get the EC, after which the entire process for getting the construction on.

Then about Jatadhar, we have already substantially completed the berth works, mechanization works are under progress. And we expect the berth to be ready to handle cargo by March '27.

And Cape size facilities will take a bit longer for that. That should be coming up somewhere in Q3 of '28.

Nagarajan J: Further update on Oman is in this quarter, we have subscribed to the equity capital by infusing INR40 crores waiting allotment.

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

Priyankar Biswas: So my first question is, recently there has been the JSW Steel results. And in that, we have seen that there has been substantial projects that has been announced. So for example, like the expansion of Bhushan, then further expansions of Utkal Steel. So can you give us a broad sense that how do we intend to benefit from these expansions? Because prima facie, at least it seems that at Jatadhar because your capacity is only 50 million tonnes, this does not seem quite sufficient to actually capture these opportunities. If you can elaborate on that?

Rinkesh Roy: So currently, Jatadhar Port has got a waterfront permission for close to 3.5 kilometers, out of which the current development is around 690 meters to handle the 30 million tonnes in the first phase. As you rightly pointed out, we have already got the EC clearance for 52 million tonnes in Jatadhar.

And as the projects come up, the waterfront is not going to be an issue anymore because we have got sufficient waterfront for that. The channel is already getting dredged. So it's a question that as and when the capacities increase, this generally take a time frame of at least 36 months.

So we will be in a position to develop all these facilities. Because the basic shell that the breakwater and the channel, they don't change. So the waterfront area is inside the harbor, so that will not become an issue.

Priyankar Biswas: So sir, if I have to hypothetically ask, so to what extent this 52 million tonnes that is there, to what extent it can go up to, number one, because there may be other constraints also like inland constraint, let's say, if there are adequate railway lines and those. So how do you see that?

Rinkesh Roy: So as I told you on one side 690 -- let us say, 700 meters is equal to around 30 million tonnes capacity. Another 700 will give you another 30 million or 35 million. It depends on what kind of machinery you are putting into play. So you have an ample scope for taking it up to 100 or 120.

So on that part, there is absolute clarity that there is going to be no issue. The second part, as you have rightly pointed out, is that we have to get a common corridor into the plant. So for which already work is underway, land acquisition process is being done.

And this would take care of a railway line, which will link the steel plant and the port to the main Badabandha that's a station near Paradip. So the Cuttack-Paradip line is the place where we are looking at the connection along with connection to the Haridaspur-Paradip line through a flyover.

So these are already -- these in-principle approvals for these projects are already being taken and the common corridor is being developed. So that common corridor should take us at least another 2 years to get it into place, including the land acquisition and all.

Nagarajan J: That takes care of the inbound cargo.

Rinkesh Roy: Inbound, outbound, everything. Because the major part would also be through the slurry pipeline that we are looking at. So iron ore would be coming through the slurry pipeline. So this would be -- we are looking at this.

Priyankar Biswas: Okay, sir, that's quite clear. Just building on that because right now for the ports part, there is a INR30,000 crores capex that has been originally announced. So I guess this further -- to seize these further opportunities, it would require additional capex is what I believe, like if you are doing these railway lines and then, let's say, further enhancements.

So given that you had raised funds and it does not seem anytime soon that you would cross this 2.5x net debt to EBITDA. So where exactly are the growth opportunities that will come from on addition to what is already disclosed in the INR30,000 crores port capex pipeline?

Nagarajan J: So Priyankar, 2 parts to it. One is, as just we discussed, the Paradip piece, we can grow it beyond 30 million tonnes, which is the Jatadhar Port. Second is in Oman, there is a possibility of a Phase 2. Already INR30,000 crores doesn't cover the Kolkata Phase 2 container terminal, which we won very recently.

Plus, we are also bidding for a few container terminals in the southern part of India. So those also will come in play in case we win the bid. So these are all further upsides to the 400 million tonnes, which we have disclosed.

Priyankar Biswas: And sir, if I just can squeeze one last question in. So in case of Jatadhar, what I see is, you are saying mechanical completion. So is it different from a full completion of the port? Or does mechanical completion means that, let's say, from April 2027, we should be able to start handling cargo. So what is the understanding?

Rinkesh Roy: So what we are saying is that all the mechanical work and the berth works will be over by March '27, including dredging up to Panamax handling capacity. However, we are looking at progressively taking this for cape handling. So cape handling will come up somewhere in Q3 '28. Cargo we will be starting to handle by end of March '27 or April of '27. So that is what we are looking.

Priyankar Biswas: Okay. So for April of 2027, we should be able to start handling cargoes. That is the right understanding.

Rinkesh Roy: Around that time, so end '27, early 28, that is where we should be handling.

Moderator: The next question is from the line of Alok Deora from Motilal Oswal Financial Services Limited.

Alok Deora: Just a couple of questions. So first is on what led to the decline in volumes in Jaigarh and also the Fujairah Port, what is now the status? I mean, status in the sense, how do we see this? Because

now you also mentioned about there's an issue of the demand itself being in place now apart from the availability of the tanks. So how do we see that shaping up and what implications it could have on us? So that is on the port side.

Second is on the logistics side, I believe that we have cut down on the revenue guidance, revenue numbers for full year. So what's led to that? And at the current run rate, still there is a big ask to reach around INR1,400 crores. So just some thoughts on that.

Nagarajan J: Yes. So if at all taking your question on Jaigarh volumes, even though the volumes in Jaigarh have gone down, if you look at Dharamtar volumes, that has picked up. So it is more of where the Dolvi plant is sourcing from which port. So here, it was from Dharamtar and the Mumbai anchorage combination. So going forward in the next 6 months, the combination will be Jaigarh and Dharamtar. So that is where from a Jaigarh and Dharamtar perspective for the whole year, we believe that we'll be in a position to handle around 46 million ton cargo for FY27.

Talking about the logistics piece, and you see for Q1 and Q2, we have delivered around close to 30% EBITDA margin, whereas in the guidance, we have kept a 25% EBITDA margin. This is predominantly slip in the accounting piece, wherein the haulage service initially, we thought that we can do a dividend credit or a contra piece. Now we are netting off the haulage service.

So instead of 25% EBITDA margin coming from the logistics -- the rail business, we believe we can get around about 88% to 90% EBITDA margin. So that is where we have cut down the turnover, whereas we have kept the EBITDA constant for the whole financial year. So that is where there has been a jump in the -- or a revision in the EBITDA margin.

Rinkesh Roy: And on Fujairah, as I told you that the situation is still fluid. And I would like to give you a caveat that despite Fujairah, we are now totally focused on the India operation that even in spite of Fujairah, we'll be able to meet the guidance that we have given you approximately nearing those numbers. So broadly, we stick to that commitment.

Alok Deora: Sure. And just last question. So the other income was high because of the fundraise proceeds. So going forward, it will be back to the normalized level from 3Q?

Nagarajan J: No, because we have invested the funds which we have raised net of, I mean, INR6,400 crores was something which we realized net of all the charges, and that has been invested in mutual funds and fixed deposits. And as and when the capex spend keeps happening, drawdown will be happening from that fund. Otherwise, it will be continuing to invest in FD and mutual funds.

Moderator: The next question is from the line of Aritra Banerjee from Nomura.

Aritra Banerjee: So sir, my first question is regarding the updated guidance. As the previous participant was also mentioning in H2, the logistics part will still have a lot of catching up to do. So what gives us the confidence that we'll be able to ramp up the logistics business and meet the guidance numbers for FY27?

And also regarding the margin side of things. So we have upgraded the logistics margin guidance for FY27, but our FY28 EBITDA margin guidance still remains same for the logistics segment.

So what is the rationale behind that? Just want to understand these two points in the logistics side.

Rinkesh Roy: The additional rakes that we got into the system, so these came to the Q2 end. So these are now available for the entire H2 period. So that gives us the confidence that these numbers because they will be now available for the full 6 months of the year. So now we are pretty confident on that part of meeting the logistics target. And the second one was...

Aritra Banerjee: On the margins, FY28 margins?

Nagarajan J: Margins we have revised only for FY27. Maybe in Q3 or Q4 results, we'll take a call for the FY28 numbers.

Vishesh Pachnanda: Just remember, in FY28, there will be container rakes as well. So the margin profile is slightly different over there. And this revision is primarily to accommodate the specialized rakes margin, which the CFO also explained.

Aritra Banerjee: Understood, sir. Sir, my next question is regarding the third-party cargo growth. So for the past few quarters, it has been slightly on the softer side. So just wanted to understand, is it more of a conscious decision to focus on the captive cargo side of things? Or is there any headwinds we are facing on the -- ramping up the third-party cargo side of things in the port business?

Rinkesh Roy: So if you look at it, mostly the captive cargo remains very sticky unless there is a jump in the capacity addition in the steel plant. So broadly, we follow that pattern. So the next jump that we will see in group cargo will happen when Dolvi steel plant moves into its next phase of expansion.

However, on third party cargo, what we have done this year, we had a lot of focus on terminals that were not being utilized fully. So here, we gave a lot of attention at Paradip coal terminal. So if you look at Paradip coal terminal, it has really performed well. And we expect a historic cargo growth in Paradip coal terminal this year. So that drives the third-party cargo also.

Similar growth we have seen in Ennore bulk terminal. And broadly in other places, we were able to touch the full potential of these terminals at Tuticorin, Mangalore, all the places we have been able to do quite well. And with Kolkata coming on as a new addition, we expect further cargo growth in Kolkata terminal in H2.

So these were just the -- we started operations in July, so it has been hardly 2, 3 months. So now the trade is confident with our performance in Kolkata and we expect that to be driving as well. Paradip coal and all the other terminals are driving this third-party growth.

Aritra Banerjee: Last question would be on the finance cost side. So this quarter, we obviously had a sizeable forex loss. So for the full year, what is the kind of number you're expecting on this side of things on the overall finance cost for the H2 part, if you could just give some color on that?

Nagarajan J: It will be broadly in line with what is there in H1 because whatever incremental borrowings are ongoing are all towards capex, wherein the interest cost is getting capitalized. Also for H2, there

can be a slight increase in the interest cost on account of ROU spend because we have taken some rakes on these finance lease primarily. So there under the accounting entry, ROU expense will be there, which will be sitting in the finance expenses.

Moderator: The next question is from the line of Koundinya Nimmagadda from Jefferies.

Koundinya Nimmagadda: Sir, my first question is slightly on the short-term. If I were to look at the ask rate for second half, right, to meet the EBITDA guidance, it looks really steep. So can you help us understand the levers to achieve this guidance, given Fujairah is also, I mean, a little bit -- it looks a bit challenging at the moment. So can you help us understand what are the drivers for you to meet FY27 guidance?

And within the same, if you can also speak a little bit about the FY March '27 port capacitation charges. We see some delays in Jaigarh location, especially both for LPG and also the captive as per the disclosure. Just trying to understand what caused the delays there.

Nagarajan J: Yes. Koundinya, so while we articulated our FY27 EBITDA guidance of around INR3,000 crores in Jan, the environment was slightly different operating environment, I would say. Escalations and all in Middle East, Fujairah Terminal contributed virtually no EBITDA during this period. And in fact, we have reported EBITDA loss of around close to INR16 crores in H1 on account of this international operations, primarily because of the fixed overheads sitting in the P&L.

Despite this, I would say from a logistics business, even though we have achieved only INR153 crores in H1, as we articulated, this number of rakes have come in and delivered only in September, which will be giving us potentially fulsome revenue for Q3 and Q4. Plus, we have also said that entire rake fleet, we plan to take it from 78 to 110, which over this next 6 months, as and when those rakes keep hitting the track, the revenue will start coming from that also.

So from a logistics perspective, we are confident that we should be in a position to achieve slightly above INR400 crores in terms of EBITDA. From a port perspective, instead of INR2,600 crores, maybe we may end up somewhere around about INR2,550 crores to INR2,560 crores. So that is where on a fulsome basis, we can say that around about INR2,950 crores to INR3,000 crores range, which is there, we are targeting to end FY27.

Koundinya Nimmagadda: Got it. So if you can also speak a little bit about the capacitation plans at Jaigarh. I think the...

Rinkesh Roy: So at Jaigarh, basically, what has happened was that on the LPG front. So the marine operations, the berth side operations will start by March '27. So that work is already going on. The tankage operations, when we started this process, it was under the special planning authority, somehow there was a government order and the planning authority changed. So that led to delays in getting the regulatory approval. So these have now come in place. So we are expecting to start the tankage works very shortly.

Koundinya Nimmagadda: Sure, sir. Sir, correct me if I'm wrong. Our understanding was trolley will commence by September. Therefore, there should not be any challenges because of these delays, right?

Rinkesh Roy: As I told you, there are 2 parts to it. One was the marine side. So where the berth construction and the dredging and all, these have been completed. So now we are getting the marine loading and unloading arms.

So these are going to be fit in. And then the ships will start berthing on these newly constructed berths somewhere by March '27. And the tankage part of it, where we are building 2 large tanks. So this will take additional time. So that we are just assessing as to by when that will get complete by around Q3 of '28.

Koundinya Nimmagadda: Understood. Sir, my second question is on logistics. I think you had a guidance of about 250-odd rakes by March 2030. And you're already guiding for 110 rakes this year and a few more additions by FY28. So can you provide some color? Is that like a fluid target? Or how should we look at it this target in this context?

Rinkesh Roy: So you see this is a fluid target. And our initial goal was to touch if you would have seen our earlier paper was around 157 for container rakes and around 110 for LSFTO rakes, broadly a number of around 267, 270 rakes. So these numbers are fixed on basis of the number of terminals that we start to get in place.

So as and when we are expanding the number of terminals, and the linkages to these terminals come into play, this number is going to get revised upwards. So we expect these numbers at least to be going substantially up in the next 2, 3 years. So -- but the initial guidance is at 267. The more terminals we have, the more rakes we are going to add.

Koundinya Nimmagadda: Understood, sir. Sir, sorry, I dropped briefly. If you are touch base on it. I think the interim FY27, FY28 capex guidance was INR16,500 crores. Has there been any change to that number?

Nagarajan J: We have already spent INR2,000 crores, rather INR2,100 crores in this financial year and almost INR6,000 crores of POs are outstanding and INR900 crores of creditors are also lying. So we continue to stick with that INR16,500 crores guidance.

Moderator: The next question is from the line of Achal Lohade from Nuvama Institutional Equities.

Achal Lohade: Sir, if you could give us some color in terms of Fujairah, what was the contribution in terms of EBITDA for Q2 FY26 as well as first half FY26?

Nagarajan J: So around INR16 crores is a negative contribution on account of -- because of the fixed overheads, which we continue to incur. Only thing is from Dibba Port and Fujairah Port, wherein we do the O&M contract, around INR4 crores of income we have received.

Achal Lohade: Sir, I wanted to check for last year, not for the current year, sir.

Nagarajan J: Okay. For last year it was around INR250 crores.

Achal Lohade: And is that for Q2 or H1, you are talking about, sir?

Nagarajan J: It was for the full year, FY26, it was INR250 crores. This was primarily, I would say, 11 months of full operation and March, it was like temporarily down -- from March onwards, the downfall commenced.

Achal Lohade: Got it. So roughly, one would say about INR70 crores a quarter. Would that be a fair assumption? Like last year same quarter would be INR70 crores of EBITDA contribution.

Nagarajan J: H1 of FY26, it is -- EBITDA was at INR134 crores from Fujairah.

Achal Lohade: Got it. Understood. And with respect to -- you've talked about the work and all that. But is the -- what is the status on the loss of operations, loss of profit? Is that -- do we expect anything on that front as well?

Nagarajan J: No. See, claims are still being assessed by the insurance company. One is obviously forensic study and all has been done on that. They are also awaiting for the state to declare whether it is a war or not.

So that is one fundamental thing which the insurance agencies are awaiting. So once that happens, then how the claim will be put up. So our first priority will be to secure the capital expenditure, which we will be incurring to construct or reconstruct this storage stack. So that will be a priority rather than going for a loss of profit.

Achal Lohade: Understood. And just a second, with respect to the major port terminal additions apart from what we are already working on how the pipeline is looking like? Are we still intending to aggressively bid for that? Or any color on that particular aspect of the expansion?

Rinkesh Roy: So currently, if we look at it with a lot many projects coming up, we are looking at more of diversification of our commodity basket into primarily containers and liquids. That remains a very key area of focus for us as a strategy that we diversify. So as you would have seen, we have taken the 2 terminals at Kolkata.

We are looking at further bids which are coming up now in the southern part of India for containers as well as for liquids. On the bulk, we are participating, but it would be not very aggressively. It would be -- if that is -- it makes a lot of strategic sense, then we move into those. Otherwise, our key area of focus remains containers and liquids right now for more of diversification as well as the future growth that we look into.

Achal Lohade: Got it. And just to clarify, you mean the bids for container and liquid in South, these are for major port terminals or these are the greenfield?

Rinkesh Roy: For major ports.

Achal Lohade: For major ports.

Rinkesh Roy: For major ports. The privatization bid.

Moderator: The next question is from the line of Shubham Borade from ICICI Securities Limited.

Shubham Borade: So last quarter, you had guided for 11 operational tanks at Fujairah. So I mean what would -- given the continued disruptions, what would be the approach here? And second would be, are we maintaining the volume guidance for FY27?

Rinkesh Roy: So first of all, on the Fujairah liquid terminal, so let me just give you and which we have told also in the last earnings call that Fujairah remains a very strategic location now. And we are very bullish on its potential in the future because a lot of cargo shifts, we are seeing are now taking place to Fujairah because it's outside the Straits of Hormuz. So that's number one.

A lot of pipelines from Abu Dhabi area and other places are now being connected to Fujairah along with the train line. So the cargo potential is there. In the short-term, in the immediate-term, the strategy is to get the 8 terminals, as I told you, which are currently under testing to get them official commissioning done and start operations by November 1st week.

However, this will play out depending on the demand for products at that point of time in November, December. So it's a kind of a very fluid situation. Long-term prospects, extremely bullish, but immediate prospects, we have to wait and watch.

Moderator: The next question is from the line of Veenit Pasad from Investec Capital Services.

Veenit Pasad: Firstly, I wanted to check at Paradip iron ore port, we have a sharp decline in terms of volumes for Q2. Was there any specific reason for that? And if yes, have we recovered back to 2 million, 2.5 million tonnes of -- we should return back to 2.5 million tonnes of quarterly volumes?

Rinkesh Roy: So actually, if you remember on August 22, ship sank of the coast of Paradip around 240 nautical miles of Paradip Port, carrying iron ore. This was not from our terminal, but it was carrying iron ore and it sank in the coast there. So after that, there's a concept called transportation moisture limit, which is applicable for iron ore traffic. So there has been very -- because of the rainy season. So clearances for exporters were not given by the regulators at that point of time. Stocks have built up at Paradip terminal.

So by end of September, we had close to 8 lakh tonnes of stock lying with us. And we had to refuse traffic. So once the weather started drying up and the transportation moisture limits came within the permissible limits, then only shipments started. So that was one of the main reasons for a sudden dip in movement of the terminal. So that took place between August and the full month of September.

Veenit Pasad: Understood. And in continuation to that, so with Paradip again going back to where it used to be, Kolkata, we've started operations, Paradip Coal, Ennore Bulk, we've done exceptionally well. Now considering all of this, should -- and we've grown H1 volumes by close to 8%, 9% for domestic business. And now considering all of these factors and improvement in terms of our performance for second half of the year should domestic cargo growth for us should be better than H1?

Rinkesh Roy: Yes, yes. So generally, if you look at it, H2 has a higher -- is always a higher proportion than H1. So...

Veenit Pasad: No, on a Y-o-Y basis?

Rinkesh Roy: And Y-o-Y, it would be broadly in the same range. That's what we expect between 8% to 10%, that's what we would expect in this H2 period. There would be -- as with one shutdown that we'll be taking in Tuticorin for commissioning the berth there, that would be in a range of 30 days, but we are confident that we'll be keeping this guidance going of growth.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Rinkesh Roy: So our key priorities remain firmly aligned with our long-term vision. In the ports business, we continue to execute our growth pipeline with a clear road map to expand capacity to 300 million tonnes per annum by FY28.

At the same time, our logistics platform is gaining strong momentum, supported by network expansion, increasing asset utilization and deeper customer engagement. We are also beginning to realize the benefits of our investments in underutilized assets with improving operating leverage and operational efficiencies contributing to stronger performance across the business.

Despite global headwinds and geopolitical uncertainties, including the disruption of operations at our Fujairah terminal, we have demonstrated resilience and the ability to pivot quickly. The strength of our diversified ports and logistics platform, coupled with a nimble organization and disciplined execution has helped us to navigate challenges effectively while continuing to deliver growth and execute our long-term strategy.

On that note, I would like to thank all our stakeholders for their continued trust and support and wish you and your families a happy Diwali and a very happy and prosperous New Year ahead. Thank you.

Moderator: Thank you. On behalf of Investec Capital Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.