Navkar Corporation

Operator: Ladies and gentlemen, good day, and welcome to Navkar Corporation Ltd. Q2 FY27 earnings conference call, hosted by Investec Capital Services Limited.

As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the 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. Vineet Prasad from Investec Capital Services. Thank you, and over to you, sir.

Vineet Prasad – Investec Capital Services: Thank you. Good evening, everyone. A warm welcome on behalf of Investec India to the Q2 FY27 earnings call of Navkar Corporation Ltd.

We have with us the senior management team from the company, represented by Mr. Rinkesh Roy, Joint MD & CEO, Mr. Nagarajan, CFO, and Mr. Vishesh Pachnanda, Head of Investor Relations.

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

Rinkesh Roy – Joint MD & CEO: Thank you, Vineet. Good evening, everyone, and thank you for joining us for our earnings call to discuss the quarter and half year ended September 30, 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, we 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 FY27.

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We also continue 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 2027. The logistics business continues to benefit from increased network utilization and customer additions.

Overall, on a consolidated basis, our operating revenue was 2,926 crores for the first half of FY27, representing 18% year-on-year growth. Operating EBITDA for the period stood at 1,348 crores, marking a 13% increase, while net profit reached 686 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 km of pipeline lowering and another 10 km of HDD pipelines in progress, equivalent to nearly 88% of the total scope. The project remains on schedule for commissioning by March 2027.

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 FY27. 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 tonne per annum outer container terminal project at NSD Docks, 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 tonne per annum Kolkata container terminal, which was awarded in July 2025, providing an early platform to establish customer relationships, build volumes, and support a seamless transition to full-scale operations.

Beyond ports, we continue to strengthen our logistics platform during the period through the acquisition of {? MCTR Rail Infrastructure Limited ?}, approval for the development of an inland container depot at {? Kudatini ?}, Ballari, and the award of a Gati Shakti cargo terminal at {? Pullipalayam ?}, Tamil Nadu. These milestones further expanded our network footprint, enhanced our rail-linked 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 2024. In just 2 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 the clear objective of expanding port capacity from the current 186 million tonnes per

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annum to 300 million tonnes per annum by FY28, and further to 400 million tonnes per annum by FY30, 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 – CFO: Thank you, Rinkesh, and good evening, everybody.

Let me first talk about our ports business. In Q2 FY27, the company handled cargo volumes of 29.4 million tonnes, compared to 28.9 million tonnes in Q2 FY26, registering growth of 2% year-on-year, while our India operations grew by 8% year-on-year.

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

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

Operational revenue for the port segment grew by 9% during the quarter to 1,202 crores, compared with 1,100 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 594 crores, up from 585 crores. The EBITDA margin was 49.4% versus 53.1% a year ago. The dip in port EBITDA margin was primarily driven by the absence of volume contribution from Fujairah and incremental volumes coming from coal terminals such as Paradip Coal, Ennore Bulk, Mangalore Coal, and Tuticorin Bulk Terminals.

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

Operating EBITDA for the logistics segment stood at 81 crores, up from 25 crores, representing a 3.3x increase year-on-year. EBITDA margin expanded to 29% from 15%, driven by the growing contribution from the rail logistics business.

The rail rake fleet increased from 42 rakes at the beginning of the [cut off]

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Management: The quarter ended with 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.

Further, 32 rakes are expected to be delivered over H2, which would take the total fleet size to 110 by March 2027.

Total consolidated operational revenue for the company stood at 1,481 crores, and operating EBITDA stood at 674 crores, reflecting year-on-year growth of 17% and 11%, respectively.

Consolidated depreciation was 175 crores and finance cost was 108 crores in the current quarter, as compared to 149 crores and 99 crores, respectively, in the corresponding period ended September 2025.

PBT stood at 431 crores, compared with 463 crores in the corresponding period last year. The decline was primarily driven by unrealized FX losses on account of rupee depreciation and an upward-shifting 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 328 crores, compared with 369 crores in the corresponding period last year. The decline was primarily driven by the 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 1,693 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 400 crores.

On capex, the company has incurred a cumulative capex outlay of approximately 8,250 crores up to September 2026, including 1,500 crores spent during the quarter towards ongoing and existing growth projects.

In addition, the company has already committed a further 6,000 crores of capex by placing orders for machinery, long-lead items, and other civil work towards ongoing projects across the port and logistics businesses.

Further, the company has outstanding capex-related creditors of nearly 950 crores.

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

Operator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested

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to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore – Axis Capital: Good evening. Thanks for the opportunity. 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 what was the EBITDA margin as well?

Management: 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 – Axis Capital: And what was the revenue in Q2 and H1?

Management: Revenue from the rake business was [trails off]

Management: So, Sumit, there is a slide on page 12 which has the logistics business revenue of close to 279 crores, and then there is a Navkar slide. So, if you just take that Navkar revenue out of it, which is 223 crores, the balance would be for the rail rakes.

Sumit Kishore – Axis Capital: Okay, the balance would be the rail rake business. How does this work? Is the revenue linearly extrapolable as you increase the number of rail rakes? Should the revenue for this business keep going up in the same proportion?

Management: From a container rake perspective, it will depend primarily on the volumes. But as far as the SFTO rakes are concerned, that will typically be linear.

Sumit Kishore – Axis Capital: Sure. My second question is in relation to your other income, which has gone up sharply quarter-on-quarter. Is there anything to call out there? On the data front, you mentioned 15 billion rupees of capex in Q2. How are you progressing in H1 versus your expectations for FY27? Thanks.

Management: For H1, we have spent 2,100 crores, and we expect to spend roughly 5,000 to 6,000 crores in this financial year.

Management: Up to September, cumulatively, we have already spent, as we told you, around 8,250 crores, and another 6,000 crores of orders for machinery and contracts have already been put into place. So, our committed expenditure through September 2026, right from the start of our capex program, is nearly 14,250 crores.

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

Management: Yes, that is primarily because of the QIP proceeds which came in. It is interest on those QIP proceeds.

Sumit Kishore – Axis Capital: Okay. Thank you so much.

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Operator: Thank you. The next question is from the line of Atul Tiwari from JP Morgan. Please go ahead.

Atul Tiwari – JP Morgan: Yes, sir. Thanks a lot. The first question is on your margins. While Fujairah is not contributing, that reason is 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?

Management: In this quarter, if you see, the volume growth has primarily come from terminals, wherein the EBITDA margins continue to be in the range of 30% to 35%. A slight dip has happened in Jaigarh volumes, which 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 – JP Morgan: Okay. And on Fujairah itself, what is the status there on the ground? When can we expect some kind of volume and EBITDA contribution from Fujairah to resume?

Management: Just to give you some background, 8 tanks are already under the process of commissioning. This is {? FOAS ?}, that is their authority. They have asked us to start testing these 8 tanks for operations. On 29 or so, they will be giving the final permissions for commissioning these 8 tanks for operations. So, we expect to start operations somewhere in the first week of November. However, there is 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. This is one aspect that we are watching, and we will see the best that we can do in this period.

Atul Tiwari – JP Morgan: Okay, got it. Thank you. Thanks a lot.

Operator: Thank you. The next question is from the line of Paras Jain from HSBC. Please go ahead.

Paras Jain – HSBC: Hi, thank you. I just wanted to get an update on the bridge from FY28 to FY30, your volume from 300 million tonnes to 400 million tonnes. If you can bring us up to speed with the progress made on those 3 projects, Keni, Murbe, and Oman. Are you facing any delays? Are we on track? Any color on the progress of these 3 projects would be much appreciated. Thank you.

Management: First of all, let me take you to Oman. In Oman, we have already floated the tenders for the project, and we are going to receive the bids somewhere in mid-November. We are also in the process of appointing the PMC for the project, along with our MDO partner. We expect work to start somewhere in Q4 FY27.

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

In Keni, as you all know, we have been delayed on the environmental clearance. The KCZMA, in the last few days, has recommended the proposal to the central government, the MOEFCC, for approval of the project. However, we expect it to take another 3 to 4 months to get the EC, after which the entire process of starting construction can begin.

Regarding Jatadhar, we have already substantially completed the berth works. Mechanization works are in progress. We expect the berth to be ready to handle cargo by March 2027. The capesize

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facilities will take a bit longer. Those should be coming up somewhere in Q3 FY28.

Management: A further update on Oman is that, in this quarter, we subscribed to the equity capital by infusing 40 crores, awaiting allotment.

Management: Hello?

Operator: Thank you. The next question is from the line of Priyankar Biswas from JM Financial. Please go ahead.

Priyankar Biswas – JM Financial: Good evening, sir. My first question is regarding the recent JSW Steel results. In those results, we saw that substantial projects had been announced. For example, the expansion of Bhushan, followed by further expansions of Utkal Steel. Can you give us a broad sense of how we intend to benefit from these expansions? Prima facie, at least, it seems that at Jatadhar, because your capacity is only 50 million tonnes, this does not seem quite sufficient to capture these opportunities. Can you elaborate on that?

Management: Currently, Jatadhar Port has received waterfront permission for close to 3.5 km, out of which the current development is around 690 m to handle 30 million tonnes in the first phase. As you have rightly pointed out, we have already received EC clearance for approximately 54 million tonnes in Jatadhar. As the projects come up, the waterfront is not going to be an issue anymore because we have sufficient waterfront for that. The channel is already being dredged. As and when the capacities increase, this generally takes a timeframe of at least 36 months. So, we will be in a position to develop all these facilities.

The basic shell, comprising the breakwater and the channel, does not change. The waterfront area is inside the harbor, so that will not become an issue.

Priyankar Biswas – JM Financial: If I were to ask hypothetically, to what extent can this 52 million tonnes go up to, number one? There may be other constraints as well, such as inland constraints. For example, are there adequate railway lines? How do we see that?

Management: As I told you, on one side, 690 m, or let us say 700 m, is equal to around 30 million tonnes of capacity. Another 700 m will give you another 30 million or 35 million tonnes. It depends on what kind of machinery you are putting into play. So, you have ample scope for taking it up to 100 million or 120 million tonnes. 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. Work is already underway for this. The land acquisition process is being carried out, and this would take care of a railway line that will link the steel plant and the port to the main Badabandha, which is a station near Paradip. The Cuttack–Paradip line is where we are looking at the connection, along with a connection to the Haridaspur–Paradip line through a flyover. In-principle approvals for these projects have already been taken, and the common corridor is, you know, being [cut off]

Management: Well, that common corridor should take us at least another 2 years to get into place, including the land acquisition and everything.

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Priyankar Biswas – JM Financial: That takes care of the inbound part?

Management: Inbound, outbound, everything. The major part would also be through this slurry pipeline that we are looking at. Iron ore would be coming through this slurry pipeline. This is the way we are looking at this picture.

Priyankar Biswas – JM Financial: Okay, sir, that is quite clear. Just building on that, because right now for the ports part, there is a 30,000 crore capex that was originally announced. I assume that, to seize these further opportunities, it would require additional capex. If you are doing these railway lines and further enhancements, then, given that you had raised funds and it does not seem that you will cross 2.5 times net debt to EBITDA anytime soon, where exactly will the growth opportunities come from in addition to what is already disclosed in the 30,000 crore port capex pipeline?

Management: Priyankar, there are 2 parts to it. One is, as we just discussed, the Paradip piece, where we can grow beyond 30 million tonnes, which is the Jatadhar Port capacity. Second, in Oman, there is a possibility of a Phase 2. The 30,000 crores does not cover the Kolkata Phase 2 container terminal, which we won very recently. In addition, we are also bidding for a few container terminals in the southern part of India. Those will also come into play in case we win the bids. These are all further upsides to the 400 million tonnes which we have disclosed.

Priyankar Biswas – JM Financial: If I could squeeze in one last question. In the case of Jatadhar, what I see is that you are referring to mechanical completion. Is it different from full completion of the port, or does mechanical completion mean that, from April 2027, we should be able to start handling cargo? What is the understanding?

Management: What we are saying is that all the mechanical works and the berth works will be completed by March 2027, including dredging up to Panamax handling capacity. However, we are looking at progressively taking this to capesize handling. Capesize handling will come up somewhere in Q3 FY28. Cargo handling will start by the end of March 2027 or April 1, 2027. That is what we are looking at.

Priyankar Biswas – JM Financial: Okay, so for April 2027, we should be able to start handling cargo. That is the right understanding.

Management: Around that time. So, by the end of 2027 or early 2028, that is when we should be handling cargo.

Priyankar Biswas – JM Financial: Okay. That is broadly from my side. Thank you so much.

Operator: Thank you. The next question is from the line of Alok Deora from Motilal Oswal Financial Services Limited. Please go ahead.

Alok Deora – Motilal Oswal Financial Services: Good evening. I have a couple of questions. First, what led to the decline in volumes in Jaigarh? Also, regarding Fujairah Port, what is the current status? How do we see this? You also mentioned that there is an issue with demand itself, apart from the availability of the tanks. How do we see that shaping up, and what implications could it have for us? That is on the port side.

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Second, on the logistics side, I believe that we have cut down the revenue guidance, or the revenue numbers, for the full year. What led to that? At the current run rate, there is still a significant gap to reach around 1,400 crores. I would appreciate your thoughts on that.

Management: Taking your question on Jaigarh volumes, even though the volumes in Jaigarh have gone down, if you look at Dharamtar volumes, they have picked up. It is more a question of which port the Dolvi plant is sourcing from. In this case, it was the Dharamtar and Mumbai anchorage combination. Going forward, for the next 6 months, the combination will be Jaigarh and Dharamtar. From a Jaigarh and Dharamtar perspective, for the whole year, we believe that we will be in a position to handle around 46 million tonnes of cargo for FY27.

Talking about the logistics piece, as you see, for Q1 and Q2, we have delivered an EBITDA margin of close to 30%, whereas in the guidance, we had kept a 25% EBITDA margin. This is predominantly a change in the accounting treatment, wherein we initially thought that we could record the haulage charges as a debit and credit, or as a contra item. Now we are netting off the haulage charges. So, instead of a 25% EBITDA margin coming from the logistics railway business, we believe we can get around an 88% to 90% EBITDA margin. That is why we have cut down the turnover, whereas we have kept the EBITDA constant for the whole financial year. That is where there has been a jump, or a revision, in the EBITDA margin.

Management: Regarding Fujairah, as I told you, the situation is still fluid. I would like to give the caveat that, despite Fujairah, we are now totally focused on the India operations, and even in spite of Fujairah, we will be able to meet the guidance that we have given you, approximately nearing those numbers. Broadly, we stand by that commitment.

Alok Deora – Motilal Oswal Financial Services: Sure. Just one last question. Other income was high because of the fund-raise proceeds. Going forward, will it return to the normalized level from Q3?

Management: No, because we have invested the funds which we raised, net of the charges. We realized 6,400 crores net of all the charges. That has been invested in mutual funds and fixed deposits. As and when the capex spend continues, drawdown will be made from that fund. Otherwise, it will continue to be invested in fixed deposits and mutual funds.

Alok Deora – Motilal Oswal Financial Services: Got it. That is all from my side. Thank you, sir.

Operator: Thank you. The next question is from the line of Koundinya Nimmagadda from Jefferies. Please go ahead.

Operator: Sir, you can go ahead.

Operator: Koundinya, your line has been unmuted. Please go ahead with your question.

Operator: Since there is no response, we will move to the next participant.

The next question is from the line of Aritra Banerjee from Nomura. Please go ahead.

Aritra Banerjee – Nomura: Hi. Thanks for the opportunity. My first question is regarding the updated guidance. As the previous participant was also mentioning, in H2 in the logistics segment, we will

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still have a lot of catching up to do. What gives us the confidence that we will be able to ramp up the logistics business and meet the guidance numbers for FY27?

Also, regarding the margin side of things, you have upgraded the logistics margin guidance for FY27, but our FY28 EBITDA margin guidance still remains the same for the logistics segment. I wanted to understand these 2 points on the logistics side.

Management: The additional rakes that we brought into the system came in at the end of Q2. They are now available for the entire H2 period. That gives us the confidence to meet these numbers because they will now be available for the full 6 months of the year. We are therefore quite confident about meeting the logistics target. What was the second point?

Aritra Banerjee – Nomura: The FY28 margin.

Management: We have revised the margins only for FY27. Maybe in the Q3 or Q4 results, we will take a call on the FY28 numbers.

Management: Just remember that in FY28 there will also be container rakes, so the margin profile is slightly different there. This revision is primarily to accommodate the specialized rakes margin, which the CFO also explained.

Aritra Banerjee – Nomura: Understood. My next question is regarding third-party cargo growth. For the past few quarters, it has been slightly on the softer side. I wanted to understand whether this is more of a conscious decision to focus on the captive cargo side, or whether there are any headwinds that you are facing in ramping up third-party cargo in the port business.

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

However, with regard to group cargo, what we have done this year is focus heavily on terminals that were not being fully utilized. We gave a lot of attention to Paradip Coal Terminal. If you look at Paradip Coal Terminal, it has performed very well. We expect historic cargo growth at Paradip Coal Terminal this year. That also drives third-party cargo.

We have seen similar growth at Ennore Bulk Terminal. Broadly, in other places, we were able to reach the full potential of these terminals at Tuticorin and Mangalore. We have been able to do quite well in all these places. With Kolkata coming on as a new addition, we expect further cargo growth at the Kolkata terminal in H2. We started operations in July, so it has been hardly 2 or 3 months. The trade is now confident in our performance in Kolkata, and we expect that to drive H2. Paradip Coal and all the other terminals are driving this third-party cargo.

Aritra Banerjee – Nomura: Understood. My last question is on the finance cost side. This quarter, we obviously had a sizeable forex loss. For the full year, what kind of number are you expecting on this side, in terms of the overall finance cost for H2? Could you give us some color on that?

Management: It will be broadly in line with what is there in H1, because all ongoing incremental borrowings are towards capex, for which the interest cost is being capitalized.

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Aritra Banerjee – Nomura: Understood. Thanks for answering my questions. All the best for the coming quarters.

Management: For H2, there can also be a slight increase in the interest cost on account of ROU spend, because we have taken some rakes on lease, primarily through finance leases. Under the accounting entry, ROU expense will be there, and it will be recorded in finance cost.

Aritra Banerjee – Nomura: Understood. Thank you, and all the best for the coming quarters.

Operator: Thank you. The next question is from the line of Koundinya Nimmagadda from Jefferies. Please go ahead.

Koundinya Nimmagadda – Jefferies: Hi, sir. Thanks for the opportunity again. I hope I am audible. My first question is slightly on the short term. If I were to look at the ask rate for the second half to meet the EBITDA guidance, it looks really steep. Can you help us understand the levers to achieve this guidance, given that Fujairah also looks somewhat challenging at the moment? What are the drivers for you to meet the FY27 guidance?

Within the same context, can you also speak a little about the March 2027 port capacitation targets? We see some delays at the Jaigarh location, especially both for LPG and also the Capesize facilities, as per the disclosures. I am trying to understand what caused the delays there.

Management: Koundinya, while we articulated our FY27 EBITDA guidance of around 3,000 crores in January, the operating environment was slightly different. Escalations and everything in the Middle East meant that the Fujairah terminal contributed virtually no EBITDA during this period. In fact, we have reported an EBITDA loss of around 16 crores in H1 on account of these international operations, primarily because of fixed overheads being recorded in our P&L.

Despite this, from a logistics business perspective, even though we have achieved only 153 crores in H1, as we articulated, these rakes came in and were delivered only in September, which will potentially give us full revenue for Q3 and Q4. We have also said that we plan to take the entire rake fleet from 78 to 110. Over the next 6 months, as and when those rakes keep coming onto the track, revenue will start coming from them as well. From a logistics perspective, we are confident that we should be in a position to achieve slightly above 400 crores in EBITDA.

From a port perspective, instead of 2,600 crores, we may end up somewhere around 2,550 to 2,560 crores. On a consolidated basis, we can say that we are targeting a range of around 2,950 to 3,000 crores to end FY27.

Koundinya Nimmagadda – Jefferies: Got it, sir. Can you also speak a little about the capacitation plans at Jaigarh, seeing that just we had—

Management: At Jaigarh, what has happened is that, on the LPG front, the marine operations and berth-side operations will start by March 2027. That work is already going on. Regarding the tankage operations, when we started this process, it was under the special planning [trails off]

Management: {? ...ning ?} authority. Somehow, there was a government order and the planning authority changed. That led to delays in obtaining regulatory approval, so these approvals have now

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been put in place. We are expecting to start the tankage works very shortly.

Koundinya Nimmagadda – Jefferies: Sure, sir. Correct me if I am wrong. Our understanding was that {? Dholera ?} would commence by September. Therefore, there should not be any challenges because of these delays, right?

Management: As I told you, there are 2 parts to it. One was the marine side, where the berth construction, dredging, and related work have been completed. We are now getting the marine loading and unloading arms, which are going to be fitted. The ships will start berthing at these newly constructed berths somewhere by March 2027.

The tankage part, where we are building 2 large tanks, will take additional time. We are assessing by when that will be completed, around Q3 FY27.

Koundinya Nimmagadda – Jefferies: Understood, sir. My second question is on logistics. I think you had guidance of about 250-odd rakes by March 2030, and you are already guiding for 110 rakes this year, with a few more additions by FY30. Can you provide some color? Is that a fluid target, or how should we look at these targets in this context?

Management: This is a fluid target. Our initial goal, if you had seen our earlier papers, was around 157 container rakes and around 110 GPWIS rakes, broadly a number of around 267 to 270 rakes. These numbers are fixed on the basis of the number of terminals that we bring into place. As and when we expand the number of terminals and the linkages to these terminals come into place, this number will be revised upwards.

We expect these numbers to increase substantially over the next 2 or 3 years. The initial guidance is 267. The more terminals we add, the more rakes we are going to add.

Koundinya Nimmagadda – Jefferies: Understood, sir. I dropped briefly, so if you already touched on this, I think the interim FY27 capex guidance of 16,500 crores—has there been any change to that number?

Management: We have already spent 2,100 crores in this financial year, and almost 5,000 to 5,500 crores of POs are outstanding. There are also 1,000 crores of creditors outstanding. So, we continue to stand by that 16,500 crore guidance.

Koundinya Nimmagadda – Jefferies: Sure. Got it, sir. Thank you very much, and all the best.

Operator: Thank you. The next question is from the line of Aachal Rohade from Nuvama Institutional Equities. Please go ahead.

Aachal Rohade – Nuvama Institutional Equities: Good evening. Thank you for the opportunity. If you could give us some color regarding Fujairah, what was the contribution in terms of EBITDA for Q2 FY26 as well as the first half of FY26?

Management: There was a negative contribution of around 16 crores on account of the fixed overheads which we continue to incur. The only other contribution is from Dibba Port and Fujairah Port, where we have the O&M contract; we received around 4 crores of income.

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Aachal Rohade – Nuvama Institutional Equities: I wanted to check for last year, not for the current year.

Management: For last year, it was 250 crores. 250 crores.

Aachal Rohade – Nuvama Institutional Equities: Is that for Q2 or H1?

Management: That is for the full year. In FY26, it was 250 crores. This was primarily 11 months of full operation, and in March it was temporarily down. The decline commenced from March onwards.

Aachal Rohade – Nuvama Institutional Equities: Got it. Roughly, one would say about 70 crores a quarter. Would that be a fair assumption? Would the same quarter last year have had 70 crores of EBITDA contribution?

Management: Correct. H1 of FY26 EBITDA was 134 crores from Fujairah.

Aachal Rohade – Nuvama Institutional Equities: Got it. With respect to the work and everything you discussed, what is the status of the loss of operations and loss of profit? Do we expect anything on that front as well?

Management: No. The claims are still being assessed by the insurance company. A forensic study has obviously been completed. They are also awaiting the state to declare whether it is a war or not. That is one fundamental matter that the insurance agencies are awaiting. Once that happens, the claim will be submitted.

Our first priority will be to secure the capital expenditure that we will incur to construct or reconstruct these storage tanks. That will be our priority rather than pursuing a loss-of-profit claim.

Aachal Rohade – Nuvama Institutional Equities: Understood. Just one more question regarding the major port terminal additions. Apart from what we are already working on, how is the pipeline looking? Are we still intending to bid aggressively for those opportunities? Any color on that aspect of the expansion would be helpful.

Management: Currently, if we look at it, with many projects coming up, we are looking at greater diversification of our commodity basket, primarily into containers and liquids. That remains a very key area of focus for us as part of our strategy to diversify.

As you would have seen, we have taken the 2 terminals at Kolkata. We are looking at further bids that are now coming up in the southern part of India for containers as well as liquids. We are participating in bulk opportunities, but we will not be very aggressive. If there is an opportunity that makes a lot of strategic sense, then we will pursue it. Otherwise, our key area of focus right now remains containers and liquids, both for diversification and for future growth.

Aachal Rohade – Nuvama Institutional Equities: Got it. To clarify, the bids for containers and liquids in the south—are these for major port terminals or greenfield projects?

Management: They are for major port terminals.

Aachal Rohade – Nuvama Institutional Equities: For major—

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Management: For major port terminals. These are privatization bids.

Aachal Rohade – Nuvama Institutional Equities: Got it. Thank you, and I wish you all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of {? Shubham Baradate ?} from ICICI Securities Limited. Please go ahead.

{? Shubham Baradate ?} – ICICI Securities Limited: Thanks for taking my question. Last quarter, you had guided for 11 operational tanks at Fujairah. Given the continued disruptions, what would be the approach here? Second, are we maintaining the volume guidance for FY27?

Management: First of all, regarding the Fujairah Liquid Terminal, let me give you the context, which we also discussed in the last earnings call. Fujairah remains a very strategic location, and we are very bullish on its potential in the future, because we are seeing a lot of cargo shifts taking place into Fujairah because it is outside the Strait of Hormuz. That is number one.

A lot of pipelines from the Abu Dhabi area and other places are now being connected to Fujairah, along with a train line. The cargo potential is there. In the short term, the immediate strategy is to have the 8 terminals that are currently under testing officially commissioned and to start operations by the first week of November.

However, this will play out depending on the demand for products at that point in November and December. It is a very fluid situation. The long-term prospects are extremely bullish, but for the immediate prospects, we have to wait and watch.

Operator: Thank you. The next question is from the line of Vineet Prasad from Investec Capital Services. Please go ahead.

Vineet Prasad – Investec Capital Services: Hi. Firstly, I wanted to check on the Paradip Iron Ore Port. We have had a sharp decline in volumes in Q2. Was there any specific reason for that? If yes, have we recovered, or should we return to 2 to 2.5 million tonnes of quarterly {? run rate ?} volumes?

Management: On August 22, a ship sank off the coast of Paradip, around 240 nautical miles from the Paradip coast, carrying iron ore. This was not from our terminal, but it was carrying iron ore and sank off the coast there. After that, there is a concept called the transportation moisture limit, which is applicable to iron ore traffic.

Because of the rainy season, clearances for exporters were not being given by the regulators at that point. Stocks had built up at the Paradip terminal. By the end of September, we had close to 8 lakh tonnes of stock lying with us, and we had to refuse traffic.

Once the weather started drying up and the transportation moisture limits came within the permissible limits, shipments started. That was one of the main reasons for the sudden dip in movement at the terminal. This took place between August and the full month of September.

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Vineet Prasad – Investec Capital Services: Understood. In continuation of that, with Paradip again returning to where it used to be, Kolkata having started operations, and Paradip Coal and Ennore Bulk performing exceptionally well, should domestic cargo growth for us in the second half of the year be better than H1, considering that H1 domestic business volumes grew by close to 8% to 9%?

Management: Generally, if you look at it, H2 always has a higher proportion than H1. So you—

Vineet Prasad – Investec Capital Services: No, on a year-on-year basis.

Management: On a year-on-year basis, it would be broadly in the same range. That is what we expect: between 8% to [off-mic discussion] between 8% to 10%. That is what we would expect in this H2 period.

There will be one shutdown that we will undertake in Tuticorin for commissioning the berth there. That will be for a period of around 30 days, but we are confident that we will be able to maintain this growth guidance.

Vineet Prasad – Investec Capital Services: Understood. Fair. Thank you so much, sir.

Operator: 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.

Management: 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 roadmap 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 our nimble organization and disciplined execution, has helped us 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.

Operator: 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.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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