



“JSW Infrastructure Limited
Q3 FY '26 Earnings Conference Call”
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MANAGEMENT: **MR. RINKESH ROY – JOINT MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – JSW
INFRASTRUCTURE LIMITED**
**MR. LALIT SINGHVI – STRATEGIC ADVISER AND
BOARD MEMBER – JSW INFRASTRUCTURE LIMITED**
**MR. NAGARAJAN J – CHIEF FINANCIAL OFFICER–
JSW INFRASTRUCTURE LIMITED**
**MR. VISHESH PACHNANDA – HEAD OF INVESTOR
RELATIONS – JSW INFRASTRUCTURE LIMITED**

MODERATOR: **MR. ALOK DEORA – MOTILAL OSWAL FINANCIAL
SERVICES**

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Moderator: Ladies and gentlemen, good day, and welcome to JSW Infrastructure Limited Q3 FY '26 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Alok Deora from Motilal Oswal Financial Services. Thank you, and over to you, sir.

Alok Deora: Thank you, and good evening, everyone, and welcome to the 3Q FY '26 earnings call of JSW Infra. We have with us today, Mr. Rinkesh Roy, Joint Managing Director and CEO; Mr. Lalit Singhvi, Strategic Adviser and Board Member; Mr. Nagarajan J., Chief Financial Officer; and Mr. Vishesh Pachnanda, Head of Investor Relations. I would now hand over the call to the management to provide some opening remarks, and then we can proceed to the Q&A. Thank you, and over to you, sir.

Rinkesh Roy: Thank you, Alok. Happy New Year and happy Makar Sankranti and Pongal to you all and your families. Good evening, and thank you all for joining our earnings call for the quarter and 9 months ended 31st December. The global economy remains in a phase of gradual adjustment shaped by uneven growth across regions, stabilizing monetary conditions and ongoing geopolitical uncertainties.

Global trade continues to be a key engine of economic activity, supply chain and customer diversification, gaining importance in the global trade. India's economic environment remained resilient, supported by strong domestic consumption and sustained government spending. Exceptionally low inflation with CPI in the vicinity of 1% provided room for monetary easing, enabling the Reserve Bank of India to further cut the repo rate by 25 bps in December, while maintaining a neutral stance to balance growth and stability.

On the rail cargo side, different initiatives like the liberalized special freight train order framework are encouraging private participation and specialized wagon investments. These schemes are already showing traction with new operational flexibility introduced under LSFTO to optimize steel and bulk cargo movements.

Indian Railways' freight performance continues to strengthen India's economic backbone with cumulative loading this year crossing the 1-billion-tonne mark in November '25. At JSW Infrastructure, this quarter, we strengthened our presence across both business segments, ports and logistics.

In the ports business, we have entered into an agreement with Minerals Development Oman to develop a greenfield port with a capacity of 27 million tonnes per annum, backed by an investment of USD419 million. Additionally, I'm pleased to share that we have successfully completed construction at the JNPA liquid terminal and the final commissioning certificate is awaited from the authorities.

Regarding our ongoing projects, the 302-kilometer iron ore slurry pipeline continues to progress steadily and remains on schedule. To date, 227 kilometers of welding and 205 kilometers of pipeline lowering have been completed. One of the key long lead items, the electrical pump has also been delivered to site. The project is on track for completion by March '27. Once operational, it will significantly improve the efficiency and reliability of iron ore transportation.

Meanwhile, the construction activities at the Jatadhar port are in full swing with pile foundation work completed by 40% and 5.6 million cubic meters of dredging being completed with the work completion target of March '27. As communicated earlier, our operations and maintenance contracts in the UAE at the ports of Fujairah and Dibba have delivered strong operational performance.

Notably, the port of Fujairah has exceeded its minimum cargo volume commitments, reflecting strong throughput and efficient handling. This outperformance resulted us to benefit from a share in the profitability generated from the incremental cargo of 0.8 million tonnes, further enhancing the commercial value of our engagement at the port. In our logistics business, we have expanded into the rail rakes segment by acquiring 100% equity in 3 entities from the group at an enterprise value of INR1,212 crores.

This acquisition provides immediate access to Indian Railways GPWIS and LSFTO schemes, along with long-term licenses under these programs. The target entities hold a fleet of 22 rakes as of December '25, with 3 additional rakes to be delivered this quarter, taking our total count to 25 rakes. We expect the closure of the acquisition shortly. Additionally, our subsidiary, Navkar Corp has received a letter of acceptance for the development of a Gati Shakti Multi-Modal terminal on railway land at Somathane.

At Kudathini, which is near Ballari, first container rake was flagged off, marking the first private rail terminal in the region. At GCT Arakkonam, the setting up of railway track work is 90% completed, and we expect the rail operations to commence in Q4 of FY '26. Overall, JSW Infrastructure handled 90 million tonnes of cargo during the period April to December '25, marking a 5% year-on-year growth.

The growth was driven by strong performance at South West Port, Dharamtar Port and interim operations from JNPA and Tuticorin, while the growth was offset by subdued cargo volumes at the Paradip Iron Ore Terminal, which saw a decline of approximately 3.9 million tonnes due to challenging macroeconomic conditions in the seaborne iron ore export market. However, the recent monthly trends in Paradip Iron Ore are encouraging with monthly volumes of 0.8 million in November and 1 million in December.

Logistics segment, which is mainly Navkar, delivered a standout performance during the period April to December FY '26, marked by strong operational volumes. The total EXIM cargo volumes reached 245,000 TEUs, representing a robust 23% Y-on-Y growth and domestic cargo volumes stood at 1.07 million tonnes, up 35% compared to the same period last year. The operating EBITDA for the 9 months stood at INR78 crores.

Overall, on a consolidated basis, our operating revenue was INR3,839 crores for the 9 months of FY '26, representing a 20% Y-o-Y growth. Operating EBITDA for the period stood at INR1,834 crores, marking a 13% increase, while net profit reached INR1,123 crores, reflecting a strong growth of 11%. Following a detailed review of the progress achieved across our port expansion and capacity enhancement projects.

And in light of the strong and consistent performance delivered by the Logistics segment, we have gained improved visibility into our medium-term growth trajectory. In parallel, we have been cognizant of the feedback from many of you regarding growth outlook for FY '27 and FY '28, with FY '28 representing a landmark year in our expansion journey.

Taking this external feedback together with our internal assessments and operating momentum, we are pleased to formally articulate our operating revenue and EBITDA guidance's for FY '27 and FY '28, reflecting disciplined execution and a continued focus on value-accretive growth. We are targeting a consolidated revenue of INR5,400 crores and operating EBITDA of INR2,600 crores for FY 2026.

Building on this FY '26 base, we anticipate EBITDA growth of approximately 15% in FY '27 and expect it to double approximately by FY '28. This outlook reflects our confidence in strong operational performance, clear visibility of growth projects in the port business and the ability to transition rolling assets from capex to EBITDA contribution in the Logistics segment. With this, let me hand over to Mr. Nagarajan to take you through the financials and other details.

Nagarajan J:

Thank you, sir, and good evening, everybody. Let me first talk about our port business. In Q3 FY '26, the Company handled cargo volume of 31.7 million tonnes as compared to 29.4 million tonnes for the quarter ended December '24. The 8% volume jump was primarily driven by strong performance at Goa, Dharamtar port and also overseas operations.

Additionally, interim operations at Tuticorin Terminal and JNPA liquid terminal contributed positively. Despite the strong contributions from key ports and terminals, growth was impacted by lower volumes at our Paradip ports, which is the iron ore and the coal terminals.

Third-party cargo went up to 15.7 million tonnes from 14.3 million tonnes, representing a 10% growth and the share of third-party volumes stood at 50% versus 49% a year ago. The growth in cargo volume and the change in volume mix resulted in a 9% Y-o-Y increase in operational revenue, which stood at INR1,164 crores in Q3 FY '26.

Operational EBITDA for the port segment was at INR611 crores, up from INR570 crores and increased by 7% on the back of strong operational performance at both Dharamtar and South

West ports. Navkar Corporation delivered strong operational financial results in Q3 FY '26. Total EXIM cargo volumes reached 85,000 TEUs, representing a jump of 19% Y-o-Y basis.

Domestic cargo volumes stood at 405,000 tonnes, up 45% compared to same period last year. Revenue from operations for Navkar rose to INR186 crores, while operating EBITDA jumped to INR33 crores, showing substantial improvement, while net profit increased to INR9 crores, a significant turnaround from a loss of INR11 crores in previous year. Total consolidated operating revenue for the company stood at INR1,350 crores and total operating EBITDA stood at INR644 crores, reflecting a Y-o-Y growth of 14% and 10%, respectively.

Consolidated depreciation was at INR164 crores versus INR138 crores previous year, increase being primarily on account of consolidation of Navkar Corp and capitalization of our covered shed project at SWPL Goa. Finance cost was at INR79 crores in the current quarter as compared to INR97 crores, respectively, in the quarter ended December due to retirement of a commercial paper of INR1,000 crores.

During the quarter ended December '25, we recognized a forex loss of INR14 crores, primarily driven by the fluctuation in USD-INR exchange rate. This is a noncash accounting adjustment in accordance with Ind AS 109. In contrast to same quarter last year recorded a loss of INR159 crores.

Almost INR32 crores, we have also transferred to OCI. As a result, PBT for Q3 FY '26 stood at INR446 crores compared to INR276 crores in Q3, showing an increase of 62% Y-o-Y. The effective tax rate for Q3 stood at 17% as compared to a tax credit of INR56 crores in the same period last year. The tax credit was due to recognition of credits related to ESOPs in Q3 last year. PAT for the current quarter increased by 9% at INR365 crores as compared to INR336 crores in the same period last year, driven by higher EBITDA.

The aggregate financial commitment across all growth projects encompassing awarded work orders and procurement of materials stood at approximately INR4,000 crores and a capex spend of INR1,383 crores up to December 2025.

As of December '25, we have a net debt of INR1,888 crores with a net debt to operating EBITDA of 0.76x and one of the strongest balance sheet in the sector.

This, coupled with steadily increasing annual cash flows from the current asset base, we are well positioned to pursue a growth plan to enhance our present cargo handling capacity to 400 million tonnes and parallelly grow our logistics business. With this, I request the operator to open the line for Q&A. Thank you.

Moderator: Sir, shall we open the floor for questions?

Nagarajan J: Sure. Yes, please.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the question-and-answer session. First question is from the line of Sumit Kishore from Axis Capital.

- Sumit Kishore:** Good to see that the commissioning time lines for your major port projects are largely unchanged. Could you help us with the capex in the 9-month period split into ports and logistics? And what is your guidance for FY '26? You had mentioned about INR55 billion on the previous call. Also, I see that you are giving guidance for '26 to '28 for the Port and Logistics business on revenue, EBITDA. It will be great if you can help us spell out your capex targets for FY '27 and '28 across ports and logistics. That will be my first question.
- Nagarajan J:** Yes. So for FY '26, we expect a spend of INR3,500 crores, primarily INR2,000 crores on the port side and INR1,500 crores on the logistics space. In logistics, we expect the closure of the transaction, which we announced in December in this quarter. So that itself will be a INR1,200 crores outflow. So INR3,500 crores spend for FY '26. And FY '27 to '28, both the years put together, we are saying that port spend will be around INR13,000 crores and logistics spend will be INR3,500 crores.
- Sumit Kishore:** Okay. Your FY '26 target for capex seems to have come off by about INR20 billion versus earlier guidance. It was INR40 billion for ports and INR15 billion for logistics. Is there any specific reason for the port capex to have reduced?
- Nagarajan J:** So orders, the purchase orders have been raised, as I've already highlighted. It is just that the payout has been deferred because we have gone for some bank guarantees and LCs and all. So payouts we have deferred to the next 2 years. But the purchase orders are -- raising of purchase orders are on track.
- Vishesh Pachnanda:** And just to add on the Logistics segment, we have actually been better than the guidance because there is an acquisition into it.
- Sumit Kishore:** Yes. Second question is you had reduced your volume growth guidance to 8% to 10%. The impact on Paradip coal and iron ore is well noted. But now is the revised target lower? Because the fourth quarter ask seems to be quite high with even 8% growth.
- Rinkesh Roy:** So we'll be looking at a reasonable target of around 123 million tonnes for this year. And for the coming year, it could be in the range of 6% to 7%, and then on, we will have a massive ramp-up to 165 million to 175 million tonnes.
- Sumit Kishore:** FY '28?
- Rinkesh Roy:** That's FY '28, correct.
- Sumit Kishore:** Okay. Also, one last question. I know I've already asked 2. On the logistics side, of your revenue target for FY '27 of INR18.2 billion, now with the acquisition from the group that you have done of INR12.2 billion enterprise value and your growth from the MMLPs that you are developing in Navkar?
- What kind of number is already sort of visible from what you have in your business so far? And so what is see of the 3x jump that we are looking at from FY '26 to '27 where is it that additional visibility would be required or would come through beyond what you have told us?

Rinkesh Roy: So as you've seen, we did a remarkable turnaround in Navkar. So what was -- earlier when we took over the company, it was doing around INR3 crores per month EBITDA. We have now gone up to around INR13 crores, and that journey is still ongoing.

So for FY '27, we are looking at broadly in the range of INR450 crores to INR500 crores EBITDA for the entire logistics business and INR750 crores to INR800 crores for the entire logistics business in FY '28.

Sumit Kishore: Yes. So what I was asking is that how much of this EBITDA projection is from what you already have in terms of the rail business is acquired from the group, Navkar? Or is some other acquisition or nonlinear growth required to reach this target?

Nagarajan J: Yes. So INR160 crores is what we are expecting for FY '27 from Navkar, taking a run rate of INR40 crores per quarter. And already, we have guided the market that INR150 crores, we will be getting on the 25 rakes, which we will be buying from JSW Shipping. So that takes it to INR310 crores. And we are placing orders for additional rakes because that also is something which we have guided the market that overall, we'll be having 67 LSFTO/GPWIS rakes.

So as a part of that story, incremental orders will be placed for LSFTO rakes and container rakes. So all which will commence from February onwards, placement of orders. So all these rigs, obviously, the delivery will start by, say, August/September. So all in put together, we can expect this EBITDA is what we have guided.

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

Priyankar Biswas: Of course, I would say, quite a good turnaround in Navkar in particular. My question actually builds on, let's say, Sumit's question earlier. Since you have given us more or less a road map like INR700 crores of EBITDA in logistics, can you further elaborate like how does this INR700 crores goes to, let's say, the eventual target of INR2,000 crores by FY '30? Like what sort of conclusions will come from the GCTs, the containers? If you can share some more details, like GCT economics, how does it work? If you can slightly elaborate?

Rinkesh Roy: So broadly, if you look at the entire logistics business, there are 3 main components. One are terminals and number two is the rakes and number three are the physical containers. So these are the 3 main components which drive the logistics business. So in each of the 3 components, we have fixed a target ratio so that we end up broadly having around 25 terminals across India in the next 3 years.

Similarly, the rake fleet, we are looking at upping it over 200 plus including LSFTO and container rakes. And the container -- physical containers that we're looking at upping it to close to 8,000 to 10,000 acquisition over the next 3 years to get into that EBITDA number.

So as and when we have been applying and getting all these terminals through bids and acquiring something. So these numbers are holding true, and we are finding that we'll be able, comfortably, be able to achieve these targets.

- Priyankar Biswas:** So sir, if I may just ask with 25 terminals, let's say, when you put it in place by FY '29, what sort of EBITDA we should be able to make in the terminal space itself?
- Nagarajan J:** So Priyankar, so roughly, just to give a breakup. So 50 container rakes, we are targeting a INR200 crores EBITDA from FY '28 perspective, I'm saying, 50 container rakes and 50 LSFTO rakes, we are looking at around INR275 crores of EBITDA. Just a breakup by means that INR200 crores plus INR275 crores stands at INR475 crores.
- Navkar already will close around INR180 crores in FY '28, plus the terminals like Kudathini and a few more which we have, that will all take us to INR700 crores. And these are all terminals which are growing up and we'll be having around 6 to 7 of them, which will all be in the expansion phase. Gradual ramp-up phase is what I can say.
- Priyankar Biswas:** Okay.
- Nagarajan J:** So the drivers which for the first 2 years will be coming from these container rakes and the LSFTO rakes because the lead time is just a few months. Whereas the ICDs and the CFS, the drivers -- EBITDA driver will be coming more in FY '29 and '30 because by that time, the construction would have happened and the contributions and EBITDA ramp-up will begin.
- Priyankar Biswas:** Okay. Okay. That's very clear. So broadly, it would mean like in a steady state, maybe almost close to, let's say, INR1,000-odd crores can come from the terminals itself, like broad understanding right that...
- Nagarajan J:** Absolutely. And stopping at this 50 rakes on container and 50 rakes on LSFTO, obviously, it's a matter of as and when the routes are mapped in, we can always go and buy out more container rakes and more LSFTO rakes.
- Priyankar Biswas:** Okay, sir. And if I may just squeeze one more in. So in -- for the port segment, you are roughly highlighting INR2,485 crores in FY '26. And then this ports EBITDA is crossing INR4,000 crores levels in FY '28. So if you can elaborate which are the key ports in your opinion and -- or, let's say, contributions from slurry pipeline, if that is included. So how do we reach this INR4,300-odd crores levels? So if you can just elaborate a bit. That's my last question.
- Nagarajan J:** Yes. So slurry, you know that we have a take-or-pay contract, which can throw out INR800 crores if constructed on time. Jatadhar can give another INR300 crores to INR400 crores. And the rest of the 2 brownfield expansions, which are happening at Dharamtar and Jaigarh can give out the balance numbers with a 50% capacity utilization because we expect the steel business to commence in the second half. So that is the way we have calibrated our numbers for these 2 ports, i.e., Jaigarh and Dharamtar.
- Priyankar Biswas:** Okay. That's very clear, sir.
- Moderator:** Next question is from the line of Aditya Mongia from Kotak.

- Aditya Mongia:** I'll go ahead with my questions. The first one being on the port EBITDA margin. It seems as if there's been a Y-o-Y decline that has happened. So just wanted to get a sense as to what is driving it? Is it something linked to pricing trends that you are discovering or other factors behind the on?
- Rinkesh Roy:** So the growth, if you see has mostly come from low EBITDA terminals at JNPT or at Tuticorin and that is the main reason why you getting the EBITDA margin is lower. It's not a major lower, but marginally it has reduced.
- Nagarajan J:** Also, in Q3 of this financial year, in one of our NDCs in Jaigarh, we have taken a repair of INR8 crores. So that was a one-off item incurred in this quarter. Also in Paradip coal terminal, we have taken some maintenance -- preventative maintenance to the tune of INR8 crores. So these are 2 expenses to the tune of around INR17 crores, which have been incurred in these ports, which have been booked in Q3. So this is like a onetime spend, I would say, which should not be kind of taken that it will be recurring in nature. So to that extent, there is a distortion in the percentage.
- Aditya Mongia:** Could you also clarify what is the delta from an ESOP charge perspective on a Y-o-Y basis in third quarter?
- Nagarajan J:** So last year, it was INR15.37. Current year, it is 5.38. I'm talking about Q3.
- Aditya Mongia:** Understood. So net effect of about INR7 crores. Understood. Just a last point of clarity, maybe then we'll come back in the queue. Just focusing on the stand-alone financials, which is my sense, represents small your Goa operations, correct me if I'm wrong over there, but it seems as if the incremental gross margins were quite limited over there. Just trying to get a sense whether there is anything to read over there or not. It's a small thing, just trying to clarify stand-alone operations and incremental margins on a Y-o-Y basis.
- Rinkesh Roy:** We couldn't get you. Could you please repeat what you said?
- Aditya Mongia:** The stand-alone margins, incremental sales and, let's say, incremental EBITDA coming on a Y-o-Y basis is pretty low for the third quarter as well as for the 9-month period. Just trying to get a sense of what's driving the same?
- Nagarajan J:** So it is more to do with the mix, which is again from the subsidiaries only. Otherwise, there is nothing much to infer in that.
- Aditya Mongia:** Got it.
- Moderator:** Next question is from Achal Lohade from Nuvama.
- Achal Lohade:** Just one quick clarification. You said EBITDA to grow 15% Y-o-Y in FY '27 and double in FY '28. Do you mean doubling from FY '26 or doubling from FY '27?
- Rinkesh Roy:** FY '26, doubling from FY '26.

- Achal Lohade:** Understood. Sir, the second question I have with respect to the target capacities. Does it require now more acquisitions to achieve the same or we are broadly through? Now the focus is entirely only on executing the existing project?
- Rinkesh Roy:** So we are broadly through, we are now totally focused on completion of these projects. And like as I told you, the slurry pipeline, Jatadhar, the terminals, one of the terminals, which we have taken on PPP, it has already -- it's on the verge of commissioning. So we are broadly on track into completing and executing these projects on time.
- Nagarajan J:** Whilst the focus is on completing the projects, we will also be participating in the PPP process and any good opportunity comes up, we will definitely be bidding for those opportunities.
- Rinkesh Roy:** So if you would have seen our presentation, 400-plus is what they will be adding on this PPP projects will be adding on beyond the 400 million tonne capacity that we are targeting.
- Achal Lohade:** Right. I was to ask the second question that only, sir. So what is the -- how is the momentum? Has it like considerably slowed down compared to what we were hoping for, say, about 3 quarters back?
- Rinkesh Roy:** No. We -- if you look at it, we won the bids for berth 7 and 8 in Syama Prasad Mookerjee Port. And now we are looking at -- we have again applied for another bid in the same place. So we are on track, and we're evaluating each opportunity as and when it comes.
- Achal Lohade:** Understood. And just one more question with respect to the tariff, there were earlier some thoughts about we would be able to reprice or have the freedom to charge the tariff at the major port terminals, what we operate. So any clarity on that?
- Rinkesh Roy:** So as we had clarified earlier also, so these are in the new MCA. So the 2 terminals that we are talking of JNPA and Tuticorin as well as the one which we won in Kolkata, all the 3 terminals have this clarity on free pricing.
- Achal Lohade:** Right. What about existing? Is there any case of that getting implemented?
- Rinkesh Roy:** So that is an issue that will be taken a call will be taken by the ministry. So we can't really base our entire business on when is that going to happen. So the new ones are -- for this.
- Achal Lohade:** But is the discussion on? I wanted to check if there is any update, like any in the advanced stage or anything?
- Rinkesh Roy:** Yes. So that discussion is on. But we can't really tell you a date or something like that.
- Achal Lohade:** Yes, yes. No, that is fine, sir. All right, sir. That's all from my end.
- Moderator:** Next question is from the line of Ketan Jain from Avendus Spark.

- Ketan Jain:** Sir, just a question on the expansion capacities of slurry pipeline and Jatadhar port. I just wanted to understand how much of the cargo in these ports on these infrastructure assets is towards our group cargo from the JSW Steel in the slurry pipeline and the Jatadhar port?
- Rinkesh Roy:** So the slurry pipeline and Jatadhar as of now, in the initial period, it will be entirely group. So we should have clarity on that. The slurry pipeline is built primarily serving a captive mine to a captive port. So these quantities will be on the group cargo. So we expect -- let me also further clarify to you, we expect that in -- by '27-'28, we should be landing up into 53% to 55% group versus 47% to 45% third-party because of these 2 developments.
- Ketan Jain:** Understood. And so sir, is this dependent on existing facilities of JSW Steel or is it on an expansion project in Odisha, with which these assets will be utilized?
- Rinkesh Roy:** So these are with the existing mines, iron ore mines at Nuagaon with JSW Group. So that is connected -- the iron ore movement is connected to that particular set of mines. And the movement further will be depending on Dolvi or Vijayanagar as depending on the demand.
- Ketan Jain:** Understood. And just -- so will this cannibalize the cargo from Paradip Iron Ore Terminal that you already have?
- Rinkesh Roy:** No, this is a separate stream of cargo.
- Ketan Jain:** Understood. Just wanted to...
- Rinkesh Roy:** Because in the current period, most of the cargo that we got at Paradip were mostly third-party cargo. It was less of group cargo. So there's absolutely nothing that we're looking at cannibalizing from Paradip.
- Ketan Jain:** Understood. Understood. Just one last question, if, sir, you could help me understand the railway rakes segment, which we are entering in about the acquisition, the rationale and the opportunity size in this? If you could just explain a bit about the business model and how attractive this is?
- Rinkesh Roy:** So basically, there are 2 major components on the rakes that we have acquired. One is called to something called the GPWIS scheme. So these are called general purpose wagon investment schemes. So these are currently operating in the Eastern area that is they serve BPSL and Paradip port to Bengal, they carry clinker. So it's a broad triangulated kind of movement that is done.
- The balance is of LSFTO wagons. So LSFTO wagons have 2 components. Here, again, we have one group of wagons, which deliver iron ore to Vijayanagar and we have another set of wagons, which carry finished steel. So if you look at it, the rationale was that Vijayanagar currently in India has now ramped up production to 18 million tonnes per annum.
- So this has now become a single point where you are looking at an output of 1.5 million tonnes of steel coming out from that plant. And in that, the majority is being carried by Indian Railways rakes or by road. The margin, the movement through these specialized wagons are very less. So that is where we want to enter, and we want to further ramp it up as we had told earlier.

So these numbers, we are looking at ramping it up from 25 gradually to 50 and then further onwards moving it up. Similarly, Dolvi on the West Coast is also ramping up its production from 10 to 15. So every month, you're looking at output of 1 million tonnes plus coming out from these 2 locations. And that is where we had thought that we'll enter into this area.

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

Aritra Banerjee: Congratulations on a good quarter with a strong set of numbers. My first question is regarding the slurry pipeline. So if you could please provide a bit of color regarding the kind of margin profile or the return profile that one might expect from this asset?

Nagarajan J: So margins will be around two-third.

Aritra Banerjee: Two-third, okay. Okay. And sir, another question is basis the guidance that you have given for FY '26, sir, basis that for 4Q, there seems to be a bit of a higher growth rate of around 20%, 21%, if my calculation is correct. So could you please shed some light on what will be driving this high sort of growth rate in the fourth quarter for us to meet the guidance for FY '26?

Nagarajan J: Yes. So every year, we have been booking in the fourth quarter an income of around INR70 crores to INR75 crores, which accretes from one of our contracts with the LNG terminal, which we have at Jaigarh. So this year also, it won't be much different because we have a take-or-pay contract with one of our customer at Jaigarh. That will be a lump sum income, which will be booked in Q4 to the tune of around INR70 crores to INR75 crores. So that is what is skewing your Q4 a bit favourably.

Aritra Banerjee: Understood, sir. And if I can squeeze in one last question. Sir, regarding the logistics business, sir, 2030 road map states a target of around INR8,000 crores of revenue. And basis the guidance that we have given till FY '28, so that still translates into sort of a very steep required run rate for the remaining 2 years, that is FY '29 and FY '30. So will we be including any sort of inorganic acquisitions to reach our longer road map target? Or would it be coming through all the assets that we already have acquired or we have under us?

Nagarajan J: There will be further acquisitions or construction of CFS/ICDs, which will be ongoing. And as I said, what we have already announced, that ramp-up itself will be happening from '28 onwards gradually, point number one. Plus acquisition of further container rakes and LSFTO rakes will continue.

Aritra Banerjee: Got it, sir. Got it. Those were my 3 questions. All the best for the remaining quarters.

Nagarajan J: Thank you.

Moderator: Next question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question is what kind of numbers or volumes you are baking in from Jaigarh and Dharamtar due to steel expansion at Dolvi? And do you see any risk of delay in steel expansion by 6 months or sort of because it will start affecting our FY '28 numbers, yes?

- Nagarajan J:** So around 10 million is what we have baked for FY '28. Plus our understanding is that even if the steel business has to start, the working capital accretion should commence a quarter before. So that is the way we have done our workings. And...
- Vishesh Pachnanda:** Yes, Mohit, just to add, see, the peak cargo that can come is close to 27 million to 28 million tonnes. But in this guidance, on a very conservative side, we have assumed only 10 million tonnes in first year, which is financial year '28. So just to make a case if there is a delay of 1 or 2 months, even up to 6 months, this 10 million tonne is very, very safe and conservative. That is how we are looking at it. But if you ask me, what is the peak potential, this would be 27 million, 28 million tonnes.
- Mohit Kumar:** Okay. So baking at one-third?
- Vishesh Pachnanda:** Yes.
- Mohit Kumar:** Understood. My second question is you're acquiring JSW rail business, right? What was the -- what is gross block of the asset you are acquiring? And are there any other JSW Group which has similar rail business outside of this particular transaction?
- Nagarajan J:** So gross block is around INR830 crores, and as we speak, we have already gotten around 22 rakes and 2 rakes are expected to come this month and 1 rake is expected in February. So put together, it will be around INR830 crores inclusive of GST.
- Mohit Kumar:** My question is, are there any other businesses which also have similar logistics business, which you might be interested in? And I think there shipping also has some ships, right? Is there any plan to get into shipping and etc?
- Rinkesh Roy:** No. No, we are not getting into shipping.
- Mohit Kumar:** Understood, sir.
- Moderator:** Ladies and gentleman, next question is from the line of Alok Deora from Motilal Oswal.
- Alok Deora:** Just one question I had, most of the questions were answered. Thanks for giving this year-by-year assessment on how the ports business and logistics business will shape up. So my question is more pertaining to FY '28 where we see a really sharp jump in the ports revenue as well as in the logistics business. So just wanted to understand how that will come because we are looking at almost a 65%-plus growth in revenue across these -- across the ports side and even on the consolidated side. So how are we looking at it?
- Vishesh Pachnanda:** Yes. Look, I think in one of the answers, Nagarajan actually articulated, there are 4 projects which will contribute to this incremental or the large bump, which we are talking about from '27 to '28. So one of them is slurry pipeline project, which is on a take-or-pay contract. So your revenues and EBITDA are almost sure.

Then you have Jatadhar port, which is, again, in our guidance, we are very conservative, building only to 10 million to 12 million tonnes of cargo and then the Jaigarh and Dharamtar expansion, 2 projects put together. So this chunk of 4 projects provides you a meaningful growth in FY '28.

Nagarajan J: Yes. And point to be noted is in all these 4 projects, there is no concept of royalty.

Vishesh Pachnanda: Yes.

Nagarajan J: So per se, in all these 4 projects, the EBITDA margin will be elevated.

Vishesh Pachnanda: Yes.

Alok Deora: Sure. Just one last question. In logistics, even in FY '28, we are capturing around 20% or slightly lower than 20% margins, if I just take the revenue and the EBITDA guidance which we have given out. So in FY '30, we are almost looking at a 25% EBITDA margin. So what would really change there that we are looking at 600, 700 basis points improvement in the 2-year period from '28 to '30. Because by FY '28 itself, our logistics business will be quite stable so the margin should be ideally the stable state margins? Yes, that would be my question.

Nagarajan J: Yes. So FY '27 and '28, if you see the revenue as well as the EBITDA is primarily driven from acquisition of these container rakes and LSFTO rakes. And just to give a split between an elevated '27 EBITDA margin versus a bit lower '28 EBITDA margin because the focus will be more on LSFTO rakes.

As you are aware, for GPWIS, there is a moratorium. And from an EBITDA percentage perspective, the first 25 rakes which we have acquired, 19 are under GPWIS and 6 will be under LSFTO. And in LSFTO, the margins are slightly lower vis-a-vis under GPWIS. GPWIS, the margins are typically higher.

So in our total pack of 50 rakes, 19 rakes, which will be there in FY '27 will continue in '28 also, but the incremental 25 rakes is all for LSFTO, wherein the margins will be lower. So that is where you can see the logistics business margin is slightly dropping from '27 to '28 -- FY '27 to FY '28.

And to answer your second question on the overall margins moving up from 20% to 25%, the ICDs and CFS revenues and EBITDA will accrete in FY '29, '30, which will all be under construction and under ramp-up phase from '27, '28 onwards.

Rinkesh Roy: So generally, the clearance is to get the permission for ICDs and all, they generally take 1.5 to 2 years. So that is where you'll have the terminals and their conversion into ICDs, there being a time gap in that.

Alok Deora: Sure. Sure. Got it, sir. All the best.

Moderator: I now hand the conference over to the management for closing comments.

Rinkesh Roy: So as we have been -- and I have been repeatedly stressing there are 3 main focus areas for the management team and that we have been continuously trying to do. Number one, early completion of projects, which will result in doubling of EBITDA by FY '28. The focus on ramping up of our logistics business, which are rolling assets in nature, and will result in immediate conversion to EBITDA. And the third is on efficiency gains. So these are our 3 time focus areas, and we remain committed to it. Thank you.

Moderator: Thank you very much. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Nagarajan J: Thank you.