



“JSW Infrastructure Limited Q2 FY '26 Earnings Conference Call”

October 16, 2025



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Moderator: Ladies and gentlemen, good day, and welcome to the JSW Infrastructure Limited Q2 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. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Alok Deora from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

Moderator: Thank you, and good evening, everyone, and welcome to the 2Q FY '26 Earnings Call of JSW Infrastructure.

We have with us today Mr. Rinkesh Roy – Joint Managing Director and CEO; Mr. Lalit Singhvi – Strategic Advisor 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. Good evening and thank you all for joining our Earnings Call for the Quarter Ended 30th September 2025.

The global economy continues to navigate a complex terrain. While trade volumes have remained resilient in the first half of 2025, geopolitical tensions and evolving trade policies, especially from the US, have introduced new uncertainties.

Amidst this turbulent backdrop, India has emerged as a resilient and stable economy, underpinned by a forward-looking policy framework. The country's pro-growth stance remains intact with the RBI introducing a series of measures aimed at stimulating credit expansion. With inflation under control and fiscal consolidation progressing, the RBI has revisited India's GDP growth forecast upwards from 6.5% to 6.8% for FY '25-'26, signaling confidence in the country's economic trajectory despite prevailing global headwinds.

India's port sector remains central to its trade and infrastructure ambitions. In FY '26, the government has ramped up efforts to privatize, modernize and expand port capacity while enhancing connectivity and digitizing operations. At JSW Infrastructure, we are steadfast in our commitment to expanding our cargo handling capacity from the current 177 million tonnes per

annum to 400 million tonnes per annum by FY '30 or earlier. This vision is being actively pursued through a series of strategic investments and development initiatives, particularly in greenfield port projects that are set to redefine India's maritime landscape.

One of the key milestones achieved this quarter was at Keni port in Karnataka, where we successfully concluded the public hearing in August, an important step in the regulatory approval process. Similarly, Murbe port in Maharashtra has made notable progress with the EIA report submitted in the previous quarter and a successful public hearing held in this month. These developments mark significant regulatory advancements and pave the way for construction activities to commence in the near future. Together, the progress at Keni and Murbe ports reflect our focused execution and reinforces our commitment to building world-class port infrastructure across strategic coastal regions.

Notably, JSW Infrastructure stands out as the only port company in India currently engaged in the simultaneous development of three greenfield ports, Keni and Murbe on the West Coast and Jatadhar in Orissa on the East Coast. These strategically located projects represent a combined capacity of 93 million tonnes per annum in their initial phase. This exceptional scale of infrastructure development reflects our unwavering commitment to strengthening India's maritime capabilities and meeting the evolving demands of trade and logistics through modern future-ready port assets.

Our 302 iron ore Slurry Pipeline project continues to advance steadily. As of now, 218 kilometers of welding and 195 kilometers of pipeline lowering have been completed. The project remains on track for completion by March '27. And once operational, it will significantly enhance the efficiency of iron ore transportation. Meanwhile, the construction activities at Jatadhar port are in full swing with contractors mobilized at the site and 4.5 million cubic meters of dredging being already completed, with the total work completion target of March '27.

At the JNPA liquid terminal, construction is nearing completion and commercial operations are expected to commence soon. Growth will also be propelled by opportunities in the privatization of terminals at major ports. As part of this strategy, we had earlier announced the receipt of a letter of award from the Syama Prasad Mookerjee Port Authority for the redevelopment of Berth 8 and mechanization of Berth 7 and 8 at Netaji Subhash Dock in Kolkata. Building on this milestone, we have now signed a 30-year concession agreement to operate the container terminal, which will have a handling capacity of 6.3 million tonnes per annum upon completion.

This redevelopment is poised to significantly enhance container handling efficiency in the region, strengthening our presence on the Eastern Coast and contribute meaningfully to India's growing maritime trade. In line with the logistics business expansion plans, which is anchored in our strategy to build a robust pan-India logistics network that supports seamless multimodal connectivity and enhances operational efficiency across key ports and terminals and domestic movement of cargo.

We have acquired a brownfield rail siding in Kudathini, Ballari, Karnataka. The site spans over 86 acres, and the facility is being transformed into a state-of-the-art multimodal logistics park featuring advanced land infrastructure, container handling systems, a rail freight terminal and a fully equipped inland container depot. Commercial operations are expected to begin within the next two to three months with a phased ramp-up. The total capital expenditure for the project is estimated at Rs. 380 crores, including Rs. 57 crores for the acquisition. This investment will be deployed over the next few years to fully develop the site into a comprehensive logistics hub.

On the operational front, JSW Infrastructure handled 58.2 million tonnes of cargo during the period April to September '25, marking a 4% year-on-year growth. This growth was significantly impacted by subdued cargo volumes at the Paradip Iron Ore Terminal, which saw a shortfall of approximately 3.4 million tonnes due to challenging macroeconomic conditions in the iron ore export market. In the absence of these headwinds, the Company's overall growth would have been closer to 10%.

Navkar Corporation, part of our group, delivered a standout performance in H1 FY '26, marked by a strong recovery in operational volumes and a return to profitability. Our operations and maintenance contracts in the UAE at the ports of Fujairah and Dibba have delivered exceptional operational performance. Notably, the port of Fujairah is on track to exceed its minimum cargo volume commitments, reflecting strong throughput and efficient handling. This outperformance positions us to benefit from a share in the profitability generated from the incremental cargo, further enhancing the commercial value of our engagement at the port.

To sum up, most of our domestic and international operations are running efficiently and nearing or exceeding their optimal capacity with the exception of the Paradip Iron Ore Terminal. Overall, on a consolidated basis, our total revenue was Rs. 2,686 crores for the first half of FY '26, representing a 23% year-on-year growth. EBITDA for the period stood at Rs. 1,387 crores, marking a 14% increase, while net profit reached Rs. 758 crores, reflecting a strong growth of 13%.

With this, let me hand over to Mr. Nagarajan – our CFO, to take us through the Financials and other details.

Nagarajan J:

Thank you, Rinkesh, and good evening, everybody. Let me first talk about our port business.

In Q2 FY '26, the company handled cargo volumes of 28.9 million tonnes as compared to 28 million tonnes in the quarter ended September '24. The 3% volume increase was primarily driven by strong performance in SWPL, Jaigad port and Dharamtar port. Additionally, interim operations we started at Tuticorin and JNPA liquid terminal, which contributed positively. Despite the strong contributions from key ports, growth was moderated by a 2.1 million tonnes shortfall during the quarter at the Paradip Iron Ore Terminal, driven by weak seaborne iron ore export market conditions. Without these headwinds, overall growth would have been closer to 10% on the cargo volumes.

Group cargo increased to 15.7 million tonnes from 14.8 million tonnes, a growth by 1 million tonne, representing a 6% growth. And share of group volumes stood at 54% this quarter versus 52% a year ago. The third-party volumes had a marginal decline of 1% Y-o-Y, mainly attributable to the weak cargo volumes at Paradip Iron Ore Terminal. The growth in cargo volumes and the change in volume mix resulted in a 10% Y-o-Y increase in operational revenue, which stood at Rs. 1,103 crores in Q2 FY '26.

Operational EBITDA for the port segment was at Rs. 585 crores, which was up from Rs. 521 crores, an increase of 12%. Above that, the margin also improved to 53% from 52% a year ago on the back of strong operational performance at private ports led by Jaigad, SWPL and Dharamtar.

Talking about the logistics part:

Navkar Corporation delivered strong operational and financial results in Q2 FY '26. Exim cargo volumes reached 79,000 TEUs, representing a robust 20% Y-o-Y growth. Domestic cargo volumes stood at 394,000 metric tonnes, up 46% compared to the same last year. Last year, the number was around 270,000 tonnes. Revenue from operations for Navkar rose to Rs. 163 crores, reflecting a 20% jump Y-o-Y. EBITDA climbed to Rs. 25 crores, showing substantial improvement, while net profit increased to Rs. 4 crores, a significant turnaround from a loss of Rs. 2 crores in the previous year.

Total consol revenue for the company stood at Rs. 1,372 crores and total EBITDA inclusive of other income stood at Rs. 716 crores, reflecting a Y-o-Y growth of 26% and 18%, respectively. The EBITDA growth was largely driven by increased revenue from higher EBITDA yielding assets, SWPL, Jaigarh and Dharamtar. Consolidated depreciation was Rs. 149 crores versus Rs. 134 crores in previous year. The increase is mainly on account of consolidation of Navkar Corp and capitalization of covered shed project at SWPL Goa. Finance cost was Rs. 99 crores in the current quarter as compared to Rs. 75 crores, respectively, in the quarter ended September 2024, increase is attributable to higher net debt.

During the quarter ended September '25, we recognized an unrealized FX loss of Rs. 5 crores, primarily driven by fluctuation in the dollar-rupee rate and also changes in the yield curve. This is primarily a non-cash accounting adjustment in accordance with IndAS 109. In contrast to the same quarter last year, we recorded an unrealized gain of Rs. 155 crores. As a result, PBT for Q2 FY '26 stood at Rs. 463 crores compared to Rs. 554 crores in Q2 FY '25. However, excluding the impact of these non-cash adjustments in both periods, the underlying PBT would have reflected a Y-o-Y growth of 17%.

The ETR for the quarter stood at 20%, significantly lower than 33% in the same period last year. This reduction is primarily attributable to recognition of tax credit related to ESOPs and also adoption of tonnage tax for our four MDCs at Jaigad port. The tonnage tax concept came in this year, so it will start from FY '26. PAT for the current year declined by 1% at Rs. 369 crores as compared to Rs. 374 crores in the same period last year.

I am also pleased to share that our company has achieved a significant financial milestone as we have been assigned an investment-grade rating of BBB-minus from BB-plus with a stable outlook by both S&P Global Ratings and Fitch Ratings. This recognition reflects the strength of our financial fundamentals, disciplined capital management and resilience of our business models.

Coming to the CAPEX part now, the aggregate financial commitments across all growth projects encompassing the awarded work orders and procurement of materials stood at Rs. 3,300 crores. So, that means almost Rs. 3,300 crores of capital commitments we have done. And the spend in the first half of this financial year stands at Rs. 902 crores for CAPEX.

Coming to the ratios now:

As of September 2025, we have a net debt of Rs. 1,810 crores with a net debt to operating EBITDA on a trailing 12-month basis of 0.75 and one of the strong balance sheets 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 per annum and parallelly grow our logistics business with a top line of Rs. 8,000 crores by 2030.

With this, I request the operator to open the line for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Good evening, sir. Thanks for the opportunity. My first question is in relation to the port business volumes, which have been up about 4% in the first half. Would you like to revisit your guidance for the full fiscal in terms of growth? And also, if you could comment on the port realization per tonne, which seems to have gone up almost 7% year-on-year during this quarter, is it because of the mix of JSW Group being higher? That's my first question.

Rinkesh Roy: So, as you were hearing that the main losses we suffered was on account of Paradip Iron Ore Terminal. And what we are observing is that generally, as a rule, we do far better in H2 than in H1. So, that will be a good driver for growth.

Second part would be that iron ore prices are now roughly firming up in the market and the trends that we are observing in October is far better than what we saw in September. And at the same time, we are seeing a robust growth at the group level. So, these three factors what we are seeing, should help us to have a far better growth than what we saw in H1. However, the exact numbers we are looking at, keeping these factors in mind, we are looking at something between 8% to 10%. But again, a lot of it depends on how the iron ore market will pan out in the coming days.

And on the realization part, as we had explained, so these are coming at our three major private terminals, especially at Jaigad and Dharamtar and also at Goa, where we are giving more additional cargo-related services. So, even with the same volumes, we are getting a better margin on giving additional cargo-related services.

Nagarajan J:

So, just to add to Rinkesh's point on the second question. So, almost we can say Rs. 265 crores uptick is there in the revenue from operations on a Y-o-Y basis, if you look at, of which Rs. 162 crores is Navkar. So, we take that out, leftover is around Rs. 100 crores. Out of this Rs. 100 crores, Rs. 27 crores, it was primarily on account of a rate increase we have taken in SWPL as well as in Ennore Coal Terminal. So, this is a permanent rate increase, which will continue for the forthcoming quarters.

So, on account of rate increase, primarily in coal as well as on some rail kind of assets, we have taken this rate increase, which is at Rs. 27 crores. Balance, Rs. 68 crores is coming primarily because of the volume increase, which has happened in SWPL, Jaigarh and Dharamtar port, if you look at it on a Y-o-Y basis. So, these three port assets, on a per tonne basis the revenue is higher as well as the EBITDA is also higher. So, that's where we see that the revenue has gone up on account of these three ports giving higher volumes. Also, corresponding impact has also been there on the EBITDA.

Sumit Kishore:

Sure. This is very clear. My second question is in relation to CAPEX. You mentioned that first half CAPEX has been about Rs. 9.02 billion, what is the CAPEX target for FY '26? And if you could split it across the port and logistics business separately?

Nagarajan J:

Yes. So, we have given a guidance of Rs. 4,000 crores spend in the port business and Rs. 1,500 crores spend in the logistics business, so we continue with that guidance.

Sumit Kishore:

Okay. So, there's going to be a pickup in second half?

Nagarajan J:

Yes. So, if you look at our capital commitments, it's around Rs. 3,300 crores.

Rinkesh Roy:

Already in the first half.

Nagarajan J:

Yes. So, payouts can be a few quarters here and there, but commitments have already been there. And obviously, this is a group CPC cell which negotiates the credit terms, so it's always a bit stringent.

Sumit Kishore:

Sure. And I would just like to squeeze in one quick clarification. You had mentioned on the previous call that your logistics revenue target for the fiscal is Rs. 7 billion to Rs. 8 billion and EBITDA target of Rs. 1 billion. I mean, what is your take on this guidance after 1H?

Nagarajan J:

Yes, we will continue with that guidance. And also from a logistics CAPEX spend perspective, it is always a mix of acquisition, organic as well as inorganic growth. From an inorganic side, we have already announced acquisition of Kudathini multimodal, the Kudathini Railway Siding,

and there are more on the anvil, acquisitions coming on the anvil. Coming to Navkar EBITDA, we are at Rs. 45 crores in H1, and we continue with our guidance of Rs. 100 crores for FY '26.

Sumit Kishore: Thank you. That's all from my side.

Moderator: Thank you. Our next question comes from the line of Bharani from Avendus Spark. Please go ahead.

Bharanidhar Vijayakumar: Yes. So, my first question is on our upcoming asset additions in the next two years like Jatadhar port or the Slurry Pipeline, etc. So, what is the status of these projects in terms of, say, approvals or environmental clearance or land acquisition or giving contract to the EPC contractor, etc.? If you can update on the status of these projects?

Rinkesh Roy: Okay. So, I will be limiting myself to two specific projects that you asked about, one is Jatadhar port and one is Slurry Pipeline. So, these are all ongoing projects. So, there are now no regulatory approvals that have to be taken. So, all the regulatory approvals are in place. And in Jatadhar, work has started. Dredging works have been completed to the tune of 4.5 million cubic meters and work on the berths and other conveyors and all, these have also started. So, we are on course to completion of this project by March '27. Parallely, the Slurry Pipeline, this is a 302-kilometer project, out of which 218.3 kilometers of welding of pipes has been done. And out of that 218.3, 194.4 kilometers have been lowered into the ground. So, broadly, you can say 60% to 70% of the work on this project has already been completed and we expect its completion also on schedule by March '27.

Bharanidhar Vijayakumar: Okay. That is very helpful. Can you throw some light on the nature of the disruption in the iron ore market, which impacted Paradip's volumes? And what could reverse or change in the coming quarters, which can result in the volumes growing there? Thank you.

Rinkesh Roy: So, if you look at the statistics across all the four iron ore terminals at Dhamra, Paradip Iron Ore, Paradip port terminal as well as Gopalpur. Last year, H1, there was around 16 million tonnes of iron ore dispatched from these four terminals, this year it has dropped down to around 9 million tonnes. So, there has been a loss of 7 million tonnes of iron ore movement across these four port terminals. Because the iron ore prices had come down below a normal economic level for movement. And these prices have gone up in the last month, and we are now seeing a firming up of these prices in the international market. And a lot of players have started movement, especially some of the large miners operating in that area. So, they have started their movements, and we are foreseeing a better performance from October onwards.

Bharanidhar Vijayakumar: Sure. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Mohit Kumar from ICICI Securities. Please go ahead.

- Mohit Kumar:** Thanks for the opportunity. Sir, I have two questions. First is on the Kolkata container terminal, which you won in the Q2. If I look at the volumes for the Kolkata for a very long period of six to eight years, the container volume has not grown, right? So, I am trying to understand the strategy, how do you see the cargo volumes here and the capacity ramp-up as you commission this particular asset?
- Rinkesh Roy:** You are right, there has been a static movement at Kolkata. But one thing you will appreciate is that Kolkata is one of those few terminals which serve a very captive market. And the market they had missed out on in the last few years was the Nepal traffic, which had shifted to Visakhapatnam. And there is a trend now that with better efficiencies that we will get in, along with the port taking the right measures to improve efficiencies in and around the port logistics, we are expecting this traffic to also make a comeback back into Kolkata, and that will drive the growth further.
- Mohit Kumar:** So, do we have some kind of estimate for the Nepal traffic?
- Rinkesh Roy:** The Nepal traffic, the current estimations are that we will be getting around 30% to 40% the moment we set up the right infrastructure, because these are currently without topside equipment. So, within 18 months or so we expect a gradual shift back into Kolkata. And this terminal, we are expecting a full occupancy, at least 90% occupancy at these two berths that we are taking.
- Mohit Kumar:** Understood, sir. My second question on the bid pipeline for privatization. If I look at the government's initial announcement, FY '26 was looking to be very strong. I think we had around four to five terminals, which were supposed to bid out in Paradip. Can you please help us with the update on the bid pipeline? And how are you looking for H2, do you think --
- Rinkesh Roy:** So, currently, the one RFQ that's in the market is the Paradip south key terminal. And subsequently, many other terminals in Paradip will be coming up for mechanization bids, including CQ1 and CQ2 and IOHP. So, these all will be coming up, and we will be evaluating and proceeding and participating there.
- Mohit Kumar:** And are there any container terminal bid which is in the market as of now?
- Rinkesh Roy:** As of now, the Kolkata balance of NSD will be coming up, for which the RFQ has already come up. That is for the balance part of the Netaji Subhas Dock. And the outer harbor in Tuticorin, that's a mega project, but that will be also coming up soon where they will be tweaking with the terms of the concession. So, these two things will be coming up very shortly, that's our expectation.
- Mohit Kumar:** Understood, sir. Thank you and all the best.
- Moderator:** Thank you. Our next question is from the line of Veenit from Investec. Please go ahead.

- Veenit Pasad:** Thank you for taking my questions. Sir, a couple of questions. One is what we understand is JSW Steel at Vijayanagar is taking some minor shutdowns, maintenance shutdowns for part of the capacity. Does that impact our volume, let's say, at Southwest or other terminals in any manner? And how much could be the impact of it?
- Rinkesh Roy:** So, we do not expect any impact on our volumes at either SWPL or any other location.
- Veenit Pasad:** Okay. And sir, secondly, if you look at Kolkata, do you expect interim operations to commence there or volumes will only come in post 18 months once the complete mechanization is done?
- Rinkesh Roy:** No, we will get interim operations in, and that also we will be doing it soon as quickly, as the conditions precedent are met we will be starting interim operations soon.
- Veenit Pasad:** Should we expect that in the next few months, two, three months or so?
- Rinkesh Roy:** We are keeping our fingers crossed. We are trying this next quarter. But hopefully, by end of this financial year, we should be starting our interim operation.
- Veenit Pasad:** Understood. And sir, one bookkeeping question. We have seen a sharp increase in the other income this quarter again despite cash balance or liquid investments coming off given our investments in the newer ports and you had acquired also Slurry pipeline end of last year. So, what is driving such increase in other income? And how should we think it going forward as well?
- Nagarajan J:** So, this is a one-off thing. So, there were some insurance claim which we have received on account of some claims done in Jaigarh port in Q1. So, we received a claim to the tune of Rs. 18 crores in Q2. That is what we have recognized in our books. Also, there was an arbitration which was going in SWPL and that arbitration concluded in our favor. We have taken a provision of Rs. 16 crores. The liability came to Rs. 6 crores. So, there is a reversal of Rs. 10 crores provision.
- Veenit Pasad:** Understood. And anything other than that to be aware about? Or other than that, it's all more regular.
- Nagarajan J:** No regular stuff. These are like one-off items, two major one-off items.
- Moderator:** Thank you. The next question comes from the line of Mr. Achal from Nuvama Institutional Equities. Please go ahead.
- Achal Lohade:** Just two questions, sir. First, with respect to the tariff regime, given for our major port terminals, is there a case for the revision in tariff or any timeline you could talk about by when you can expect market pricing?
- Rinkesh Roy:** I could not get exactly what is it.

- Vishesh Pachnanda:** Achal, would you mind repeating your question? Or is the tariff increase related to terminals or --
- Achal Lohade:** Yes. For our major port terminals, say, for iron ore, for example, or Goa terminals, right? These are under these are at major ports, which are under different tariff regimes. If we look at the new regulations, the government allows free market pricing for the major port terminals as well. I wanted to check if our terminals have also moved to free market pricing? If not, is there any expectation? Yes.
- Lalit Singhvi:** Achal, this new policy is still in a draft stage. So, it is not yet finalized. So, once it is finalized, they will all get benefit. So, right now, it is at the same tariff regime.
- Achal Lohade:** Understood. And the second, if you could give some more understanding on the Rs. 8,000 crores logistics revenue, what you mentioned by FY '30, what kind of mix are you expecting from EXIM to domestic road versus rail? If you could give some color in terms of organic as well as inorganic, if possible?
- Rinkesh Roy:** Just a minute. Broadly, what we are looking at, we are looking at going to a level of around 284 rakes by 2030, 2031. And in that, it would be close to 107 rakes of specialized rakes and 177 of container rakes. Plus, we are looking at setting up of around 24 rail terminals as well as five port terminals, broadly around in the range of 30 terminals by 2030 and purchase of containers along with the container train. So, these would be the three main areas apart from the expenditure on terminals. So, here, we are looking at from the domestic kind of CTO business, broad numbers would come to by five years down the line, it would be around rakes, containers and terminals put together. It would be around 25% margin that we are looking at out of that top line.
- Achal Lohade:** You are saying essentially out of Rs. 8,000 crores, Rs. 2,000 crores from domestic business. Have I understood right, sir, FY '30, '31?
- Rinkesh Roy:** No. The mix in domestic will be slightly higher than what you are looking at in EXIM. So, the breakup would be broadly, that is it would be somewhere around 60% would be domestic and around 40% will be EXIM.
- Achal Lohade:** And how much of that total Rs. 8,000 crores revenue would be from group cargo -- group customers?
- Rinkesh Roy:** So, group customers, we are expecting somewhere in the range of 35% to 40%. That would be the range.
- Achal Lohade:** Understood. And the investment is around Rs. 5,000 crores, if I remember the number right. If you could elaborate a little bit on that? How much there would be the capital...
- Rinkesh Roy:** Total CAPEX will be Rs. 9,000 crores. The top line would be Rs. 8,000 crores. EBITDA would be around?

- Nagarajan J:** 25%.
- Rinkesh Roy:** 25%.
- Nagarajan J:** So, of the Rs. 9,000 crores already Rs. 1,000 crores spend has happened on acquiring Navkar. Also, we have acquired Kudathini, of which we are expecting a spend of around Rs. 350 crores. So, these two spends have been locked in now.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from CCIPL. Please go ahead.
- Madhur Rathi:** Sir, I wanted to understand regarding current capacity utilization at Navkar and with the 100 acres of land that we have, sir, how much can our capacity be increased over the next three, four in our FY '30 outlook that we have?
- Rinkesh Roy:** So, broadly, I would put it as surplus land at Navkar would be to the tune of 100 acres split equally between Panvel and Morbi. So, it's broadly 59, 60 acres in Panvel and around 40 acres in Morbi. In the 60 acres that we look at Panvel, we are looking at utilizing around 10 to 12 acres of that. So, 50 acres will be still going surplus in Panvel area, which we will be monetizing or putting it to use at a later date, seeing the opportunities of growth there. And at Morbi, we are looking at more of long-term partnership with different customers. So, we have already approached some players there. And as and when these fructify, that will be offered on long-term lease.
- Madhur Rathi:** And sir, what is our current capacity at both these locations?
- Rinkesh Roy:** So, the current capacity utilization at, let us say, the Mumbai sector would be around 60% to 65%. And in Morbi, it will be in the range of 55% to 60%.
- Madhur Rathi:** Got it. Sir, just a final question from mine. Sir, if I consider Morbi as a ceramic hub of India, sir, how much of the logistics requirement there would be either catered by us or our private cruise terminal? And sir, how big can this opportunity become over the next three to five years?
- Rinkesh Roy:** So, you see we have already started a service. To answer your question, we have already started a service transporting tiles from Morbi to Kolkata. And then on the return leg, we are picking up a lot of other cargo back into Mumbai region and then onwards into Morbi. So, we have been able to do three services of this Morbi, Kolkata last month, and this will be gradually increasing. And again, the potential for different sectors is being reviewed, and we are putting up strategies in place for that.
- Moderator:** Thank you. We have our next question from the line of Ankita Shah from Elara Capital. Please go ahead.
- Ankita Shah:** Sir, I just had one question. What is happening in the Fujairah terminal? There has been a continuous gradual decline in the volumes there. So, I just wanted to understand.

- Rinkesh Roy:** So, Ankita, there was a kind of in the first half of this year, there was an issue with black oil demand in that area totally. So, there was more demand for white tanks than for black tanks and the prices there, black product prices also came down. Now we are gradually seeing that it's come back to some sort of normalcy. And we are hopeful that we should be slightly less than last year, not greatly down, but slightly less than last year. At the same time, EBITDA numbers will be maintained at last year's level despite this disruption in black oil.
- Ankita Shah:** Okay. And this concession is also expiring next year, right, 2027. So, is there any scope for renewal there or this will be handed over back?
- Lalit Singhvi:** So, this you are talking about the O&M contract what we have in Fujairah, right?
- Ankita Shah:** Yes.
- Lalit Singhvi:** Because the oil terminal is our own. There is no period as such. So, this O&M contracts will be renewed because they have a practice of giving on a five-year basis. So, this is a second in run. And then once it comes to nearer term because they are very happy with that performance. So, it's one-on-one what we have got from the government of Fujairah, this is likely to be continued okay.
- Nagarajan J:** So, rollover of that contract will happen.
- Ankita Shah:** And as Rinkesh sir mentioned that there has now been an uptick at this terminal. Can you see this scaling up maybe one or two years down the line to a higher number in terms of volume contribution?
- Rinkesh Roy:** So, Fujairah port and Dibba port, they will be going on the higher scale. Dibba is the first year of operations and is doing very well. So, their numbers will also increase. And Fujairah is also increasing now because there is one more mines, which has increased the production, which is opposite to this port. So, we can see the quantum going up in the years to come.
- Moderator:** Thank you. Our next question comes from the line of Alok Deora from Motilal Oswal Financial Services Limited.
- Alok Deora:** Just had a couple of questions. So, first is on logistics. So, we are looking at these kind of investments over the next four, five years. So, is it fair to assume that a large part would be through the acquisition mode, I mean, through the inorganic route or we would be kind of doing it a little on the organic side as well?
- Rinkesh Roy:** So, it will be a mix of both. And as I told you, a great part of it will be on creation of low-cost terminals. So, we are looking at the GCTs in a very, very serious way. So, GCTs will be a very big driver for our growth, along with wherever we get good acquisition opportunities, we will be taking that.

- Alok Deora:** Sure. And you have highlighted this just to get some more clarity, the iron ore volumes, which declined, which kind of impacted the second quarter. So, in October, they have kind of normalized or we are just hoping that it will kind of normalize during the quarter?
- Rinkesh Roy:** No, no. If you see the entire quarter of Q2 was around even less than one million. So, it's around three lakhs. And here now, we are gradually seeing that this month, it would be upwards of around five lakhs. So, we are seeing a gradual uptick in that.
- Alok Deora:** Okay. But Q3 also could be a Y-o-Y kind of a decline?
- Rinkesh Roy:** It might be unless there's a good movement price increase. Otherwise, we will be still seeing a Y-on-Y decrease. But we have to kind of reduce the losses. So, there, we are seeing that the losses might get reduced.
- Alok Deora:** Sure. Got it. Just one last question. So, the overall margins, which have come down in the quarter as compared to the last quarter, it's kind of below 50%. So, that's primarily driven by the volume only. I mean, had the volumes been normalized, the margin would have been on the upper side?
- Nagarajan J:** No, this is a consol P&L, which we have shared, which includes Navkar also. Last year, Navkar was not there. Navkar came in October second week. So, Navkar typically a 15% EBITDA business, whereas you see the port business has given a 53% EBITDA margin, which is one% up from what we have had last year. So, on a weighted average basis, it's at 46% or 47%.
- Alok Deora:** Right. So, going forward, it would be like a weighted average would be like a 47%, 49% kind of range.
- Nagarajan J:** Yes, somewhere between oscillating between 45% and 50%.
- Alok Deora:** Sure. And this Navkar margins can it inch higher ahead as the volumes also scale up?
- Nagarajan J:** Yes, a bit higher, not much, but.
- Moderator:** Thank you. Our next question is from the line of Nidhi Shah from ICICI Securities. Please go ahead.
- Nidhi Shah:** So, my first question is on the contribution of Dharamtar and Jaigarh in our H1 EBITDA on % terms?
- Lalit Singhvi:** So, Dharamtar and Jaigarh EBITDA margin range is around 65% to 70%.
- Nidhi Shah:** Not the margin. I was wondering in the consol, what is the contribution of Dharamtar and Jaigad?
- Vishesh Pachnanda:** Maybe I can get back to you on this. It's a very number specific question. So, maybe after the call, I will get back to you.

- Nidhi Shah:** All right. My second question also could you also let me know about Tuticorin? And my second question would be on the tonnage tax. So, you mentioned that some tonnage tax impact was there this quarter. Where is this tonnage tax exactly coming from?
- Nagarajan J:** So, this is coming in Jaigarh port, wherein we have four mini bulk carriers in operation. So, overall, this year, we are expecting an EBITDA of around Rs. 50 crores from those operations. So, tonnage tax savings or the tax savings will be around Rs. 17 crores, which we are projecting for FY '26.
- Nidhi Shah:** And my last question would be the progress of the Slurry pipeline of laying down was only about five kilometers this quarter. Is that because of the rains?
- Rinkesh Roy:** Yes, yes. So, generally, this monsoon period, it totally gets waterlog because these are very low-lying areas, they get totally waterlogged and actual real work starts happening somewhere November type. But even there also, we try to do the places where there is no water logging. So, that is the main reason.
- Nidhi Shah:** So, we could see that the progress on this could significantly...
- Rinkesh Roy:** That is correct. You are absolutely correct.
- Moderator:** Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.
- Rinkesh Roy:** So, ladies and gentlemen, to conclude, I would like to highlight that JSW Infrastructure has had a remarkable journey over the past two decades. Looking ahead, the future holds even greater promise as we develop three new greenfield ports, advance value-accretive brownfield expansion projects and scale up our logistics platform to support long-term growth. The investments and efforts we are making today are poised to deliver significant gains in EBITDA and profitability starting FY '27, '28.
- Thank you once again for your time. Wishing you and your families a joyful, prosperous and safe Diwali.
- Vishesh Pachnanda:** Thanks, operator.
- Moderator:** Thank you. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.