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बहुविध संभारतंत्र कंपनी
(भारत सरकार का नवरत्न उपक्रम)
कॉनकॉर एनेक्सी, एन एस आई सी एम डी बी पी बिल्डिंग, तृतीय तल
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(A Navratna CPSE of Govt. of India)
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CON/F&CS/IRC/STOCK EX/2021-22/

Date : 12.11.2021

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Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Pursuant to applicable provisions of SEBI (LODR) Regulations, 2015, please find enclosed transcript of Post result Conference Call held on 22.10.2021.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Container Corporation of India Ltd.,

(Harish Chandra)
ED (F) & CS

CC :. ED (P & S) for placing on website of CONCOR.

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कंटेनर की बात, कॉनकॉर के साथ

Think Container, Think CONCOR

"Container Corporation of India Limited Q2 FY2022 Earnings Conference Call"

October 22, 2021

ANALYST: **MS. BHOOMIKA NAIR – DAM CAPITAL ADVISORS**

MANAGEMENT: **MR. V. KALYANA RAMA - CHAIRMAN & MANAGING DIRECTOR - CONTAINER CORPORATION OF INDIA LIMITED**

MR. MANOJ KUMAR DUBEY – DIRECTOR FINANCE & CHIEF FINANCIAL OFFICER - CONTAINER CORPORATION OF INDIA LIMITED

MR. SANJAY SWARUP - DIRECTOR (INTERNATIONAL MARKETING & OPERATIONS) - CONTAINER CORPORATION OF INDIA LIMITED

Moderator Ladies and gentlemen, good day and welcome to Container Corporation of India Limited Q2FY22 Earnings Conference Call hosted by DAM Capital Advisors. 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Bhoomika Nair from DAM Capital Advisors. Thank you and over to you Madam!

Bhoomika Nair: Thank you Neerav. Good Morning everyone. On behalf of DAM Capital I welcome you to the Container Corporation of India Q2 FY2022 earnings call. We have the management team represented by Mr. V. Kalyana Rama, Chairman and Managing Director. Without any further delay I would like to hand over the call to him for his initial remarks post which we can open up the floor for Q&A. Over to you Sir!

V. Kalyana Rama: Thank you Bhoomika. Thank you for all of you. I am sorry we got delayed a little bit because of some prior engagement and I am happy to share with all of you that we had very good Q2. In Q2 alone if I look at Q2 this is the best ever Q2 for the company in the history of company highest operating income and highest PAT, both we got in this quarter. The operating income in Q2 is Rs.1834 Crores and the PAT is Rs.264 Crores, so these two numbers are the highest ever in the history of the company and we combined Q1 with Q2 and look at H1, again H1 is the best ever H1 for the company and the history again, so this is a very encouraging thing for all of us, for your company the things are really falling in place, all the measures what we are taking over the years to pickup the market share or increased our efficiency in operations, service to the customers, all are giving results. So We look at the volumes what we handled in the H1 compared to the last year's growth definitely the trend is very encouraging and overall handling we got growth of around 21% in the handling figures and EXIM it is 18% and in domestic it is relished growth with 48% that is a very encouraging trend and if you remember as I was mentioning about in domestic segment, how we want to take it forward that the new things we are trying to bring in by bulk transportation particularly the movement of goods in bulk in container using flexi bags such as cements, food grains, grains we already did around 4 lakh tonnes last financial year so in cement we are almost there, finding a solution because solutions are available, but making it cost effective economical solution is the challenge here.

With these things, our idea which I shared with you in earlier conference call that the domestic EXIM segment share used to be 80%:20% in this company, 80% of the revenue given by the EXIM and 20% by domestic and we want to make this ratio to 60:40, that is the five years target we have kept and I think we are definitely going towards that because in H1 if I look at domestic and EXIM share for the revenue it is 70%:30%, 29% is domestic that is what my DF is giving me the figure so it is almost 70%:30%, so as we said that 60%:40%, so the dependence on only the EXIM because in EXIM dependence as we see now in the first six months the shortage of containers because of the global operation by the liners is affecting us, no containers for export even though we picked up good numbers, these have been much better if the container availability is good then there was no shortage. Even after giving excellent scheme to liners, encouraging them to bring in more and more containers to the hinterland such as 50% rebate on the empty movement of containers from port to hinterland and from September onwards we have added that if any one entity can offer 10000 TEUs in the month we will give 75% rebate, if they make it 15000 TEUs we will give 100% rebate full transferred even then there is shortage because overall shortage of containers, so our strategy of making domestic also a robust engine of growth and they contribute to the revenues will help in the future of this company, so the target of 60% of EXIM revenues, 40% of domestic revenues in the next five years, we are there in the midway with 30%:70% now.

Going forward for the next six months if I look at the encouraging trend what we got in the H1 and Q1, Q2. At the beginning of the year I have given a guidance of 12% growth in the volume and as well as revenue and 100% growth impact. I think now we can definitely look forward to getting around 15% growth in the handling and revenue and PAT it will be better than 100% that is what I feel today, so there is a slight upward revision of our guidance now for the year with 15% volume figures and 15% in revenue and with 100% plus in PAT. Regarding the capex thing, we are progressing well, but not as encouraging because we have just started because of COVID, now I hope the COVID has almost gone and definitely the India will be out of any third wave forecast because 100 Crores vaccination mark also we crossed yesterday, this is encouraging trend I think in the next six months we will be able to definitely meet our capex target. Mostly the things were not moving because of this COVID and the restrictions of COVID, now things started looking back. Land license fee I have made it very clear in the last conference call as well that it is now fixed, there is no ambiguity in that, the total land license fee for the year is Rs.450 Crores and in Q1 and Q2 we have taken proportionate liability on that and we have also paid the same amount to railways, so in H1 we paid Rs.225 Crores of land license fee. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Atul Tiwari from Citigroup. Please go ahead.

Atul Tiwari: Thanks a lot. A few days ago we saw the statement of I think Finance Secretary saying that there is still some issue pending with LLF because of which the divestment has been postponed to the next year.

V. Kalyana Rama: Atul let me clarify. His statement is there is still something to be decided about the land policy not land license fee.

Atul Tiwari: Okay, so nothing is pending from our side?

V. Kalyana Rama: As I said very clearly there is no ambiguity in payment of LLF. It is about land policy for long lease, for that there is some discussion still going on in government and as I said that is work in progress not yet settled so that is what Finance Secretary was mentioning.

Atul Tiwari: Thanks Sir, very clear. The originating volumes if you could share?

Sanjay Swarup: Originating Volumes for Q2 were EXIM 518986 TEU, domestic 90280 TEU, total is 609266 TEU.

Atul Tiwari: Thanks a lot.

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

Ajinkya Bhatt: Thanks for giving me the opportunity. Sir two questions from my side. Number one if you can give us comment a little bit on any market share movement in handling volumes in this particular quarter especially because one of the competitors in North India has reported stronger volume growth and even scope of market share in the Delhi NCR market that is question one and secondly if you could just provide an update on the launch of assured transit time services on DFC because I know you have launched one with North with assured 60 hours kind of transit time whereas another company that has launched a train service which assures **(inaudible) 10:59above 27**?

V. Kalyana Rama: Let us limit our call to the CONCOR issues. The CONCOR share in the market is around 65%, so there is no point in comparing with small, small players what they are doing and all, these are all marketing gimmics come to the core questions.

Ajinkya Bhatt: There is not any big change in market share that I get. Secondly the assured transit time services how they plan to launch more services and…

V. Kalyana Rama: We launched lot of services, assuring services from North India to Mundra and Pipavav is doing very well and we have seen good volumes coming into that, the Dadri exports have picked up, hub from where the goods normally move to Europe and US. Moradabad also picked up well because the handicrafts are moving from Moradabad there is good growth in that, so I will give you the number of double stack trains what we did from Khatuwas is 1597 trains, this is the highest ever, what we did the total Khatuwas double stack handling with earlier last year is 1000.

Ajinkya Bhatt: 1597 in this quarter or one year?

V. Kalyana Rama: H1, per quarter it is 790.

Ajinkya Bhatt: Thank you.

Moderator: Thank you. The next question is from the line of Abhishek Gosh from DSP Mutual Fund. Please go ahead.

Abhishek Gosh: Thank you so much for the opportunity. Sir this overall target which you have given for domestic to EXIM of 40% to 60% if you look at the profitability or EBIT it is a lot different because of the lower profitability in the domestic part of the business, so will that also see a marked improvement with operating leverage in volumes coming back, how should one look at that mix?

V. Kalyana Rama: If I tell you PBT margin based on originating in EXIM it is Rs.5400 in H1 and in domestic it is Rs.5800.

Abhishek Gosh: Profitability will be maintained even with domestic improving, okay and in terms of effective October have you all taken any price hikes or rationalized prices, any sense around that?

V. Kalyana Rama: We have given that there is a hike of 1000 on every container handling in the terminal for both import and export from October 1, 2021 onwards.

Abhishek Gosh: Okay, so this is on account of some cost inflation that you are seeing or export-import balance or this will improve the overall margins?

V. Kalyana Rama: I think we are in the conference call what we do is we have our own calculation.

Abhishek Gosh: Thank you so much. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Pratik Kumar from Antique Stock Broking. Please go ahead.

Pratik Kumar: Good morning Sir. My first question is how is the transit time on export line and import line?

V. Kalyana Rama/Sanjay Swarup: Transit time from Dadri to Mundra if it goes direct, it is almost 40 hours and if it goes to Khatuwas it is around 60 hours. The assured transit time what we have given to the market is 60 hours from Dadri to Mundra and mostly 99% containers are reaching within 60 hours.

Pratik Kumar: Can it come down further efficiency in DFC or this is the best we should be looking at?

V. Kalyana Rama: 60 hours is a very good figure, I do not know what is the basis of your question.

Pratik Kumar: It used to be 72 hours earlier?

V. Kalyana Rama: It used to be 72 hours, it used to be 80 hours, 90 hours, now it is 60 hours and exporters are very happy to do it in 60 hours.

Pratik Kumar: Okay and just highlight on CONCOR's share at all the ports now.

Sanjay Swarup: Now at JNPT it is 61.44% for half year, Mundra it is 44.2% and Pipavav it is 53%.

Pratik Kumar: Thanks Sir. I will get back to queue.

Moderator: Thank you. The next question is from the line of Achal Lohade from JM Financial Services. Please go ahead.

Achal Lohade: Thank you for the opportunity. My first question is the concession given by the Indian Railway with respect to rebate, is it possible to quantify what is the total impact on per TEU broadly at the company level?

V. Kalyana Rama: The result is something in from last year that is now almost we have calculated in the balance sheet, it is 25% rebate on the empty movement.

Achal Lohade: 5% on the loaded containers right Sir?

V. Kalyana Rama: 5% on loaded containers it is continuing from last year.

Achal Lohade: Yes, what I am trying to also understand is that of the total benefit is there anything passed on to the customer or the company is able to retain the same?

V. Kalyana Rama: You are not following the CONCOR and asking questions I am sorry man, we announced the rebate scheme at the start of the financial year on April 1, 2021 to move the containers from port to hinterland normally empty movement happens from port to hinterland because of container shortage this is what this year is going on. We announced 50% rebate, we have had only 25% of value, so we are giving 25% extra, hereafter that the growth in the numbers show the robustness of the scheme and the marketing effort of that particular scheme on your terminal and this has been extended from September 1, 2021 onwards that if somebody offers 10000 TEUs in a month we will give 75% rebate and if they offer 15000 TEUs in a month it is 100% free, but there are riders with us, those empty containers which come to our place must be exported back from our depot only and on our train zone. We take away empty containers how to use that some other place then the entire concession what we have given on that container we would collect it that in addition to that there are some additional charges of almost Rs.3000 with recharge. So this scheme is well covered scheme with good dividend, so we are passing on more than what we are receiving from railways, but that is giving good dividend to the company.

Achal Lohade: Okay, got it and can you help us with the rebate for Q2 FY2022 and for the same quarter last year?

V. Kalyana Rama: You want rebate number?

Achal Lohade: Yes the empty handling cost?

Manoj K Dubey: Q2 was Rs.20.67 Crores, Q1 was Rs.26.59 Crores.

Achal Lohade: Right and the empty handling cost?

Manoj K Dubey: Empty running for this quarter total is Rs.69.42 Crores and breakup EXIM is Rs.23.59 Crores and for domestic Rs. 45.83 Crores.

Achal Lohade: Thank you so much.

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

Bhoomika Nair: Just wanted to understand we have really seen a very sharp improvement in the double stack movement in the last couple of quarters and in the first half we have done quite well, now that the DFC is fully commissioned in September is there possibility to further increase how much more can we see an increase in terms of double stack?

Sanjay Swarup: DFC actually has been very helpful for running of trains between Khatuwas and Palanpur, now that 600 km we are able to cover in 10 to 11 hours only and definitely we will see a good growth and with assured transit scheme in fully streamlined now on this circle, so we expect that there will be a good growth in H2 also.

Bhoomika Nair: Okay and in terms of as you said transit time itself has reduced from 70 odd hours to now 60 hours and lower, now how much more improvement can there be and are we seeing the shift from road to rail?

Sanjay Swarup: Of course this 60 hours is a very good figure, because by road it takes around 70 hours, so we are 10 hours less than road and we are very competitive because of double stack, so already there is a lot of cargo shifted from road to rail and even **(inaudible) 22:56Mail Express train** is running a retail express train, every Wednesday from Dadri which is all light cargo for target stores and Walmart based in US and it is running full capacity in fact we have demand for more such trains from Dadri, so definitely the cargo had shifted from road to rail and this trend is likely to continue also.

Bhoomika Nair: If you can just talk about how the rail coefficient at all the three ports have moved and where can this possibly improve from say JNPT, Pipavav and Mundra?

Sanjay Swarup: JNPT is still not on DFC, so when JNPT comes on DFC definitely it will see a very good jump in rail coefficient, otherwise in Mundra and Pipavav there is a good growth in rail coefficient at Mundra from 25% it has gone to 27% in the first half and Pipavav from 61% it has gone to 68% in first half, so already these two ports have seen a good growth in rail coefficient.

Bhoomika Nair: Mundra rail coefficient would be what right now?

Sanjay Swarup: 27%.

V. Kalyana Rama: Everybody listen I was telling somebody when asking me some operator announced dedicated services, now somebody is talking about doing something, these are all marketing gimmics that is why I said that, so these figures now which everybody look at that port share it actually increased for CONCOR, so there are certain gimmics happened and the counting of numbers done, somebody tries to show more market share because they do some 100 km transit, 50 km transit, which gives no revenue neither revenue and nor profit and mostly it is do some cash profit, but overall it is a net loss, so those things we do not adapt to, that is why somebody show something because the statistics is a numbers game, but in original the revenue earnings and the margin earning figures we are picking up the share where it matters.

Bhoomika Nair: Fair point. Just one thing on domestic we have clearly seen a very sharp improvement in revenue volume handled and also in terms of the margin profile. Now obviously there is still some gap between EXIM and domestic, how much hope do we have to kind of scale up the domestic margins?

V. Kalyana Rama: Domestic margin for H1 is 5965 and EXIM margin for H1 is 5322.

Bhoomika Nair: Yes Sir.

V. Kalyana Rama: We have taken certain measures in domestic which already is in fact getting good margins this year in domestic, particularly what we did is we converted all our rates into BLCM in the technical term basically it is 68 tonnes carrying capacity, so all domestic rates are now 68 tonne carrying capacity rates and all containers we procured 24000 new containers in the last two years which can carry 31 tonne, so these things in domestic picking up good margins and we pushed our margins. Further what can be increased so that as of now I think we almost scaled up our margins to a very nice figure of per container Rs.5965, so now the aim of the company is to maintain this margin in domestic.

Bhoomika Nair: Got it Sir.

V. Kalyana Rama: Competition is road not with the other rail operators.

Bhoomika Nair: Average lead distance for EXIM and domestic?

Sanjay Swarup: Average lead for EXIM for first half is 704 km, domestic it is 1400 km, total 793 km.

Bhoomika Nair: Thank you very much Sir.

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

Aditya Makharia: Just wanted to ask the price hike which you have taken Rs.1000, is this over and above the congestion surcharge which we had implemented at TKD?

Sanjay Swarup: It is Rs.1000 from October 1, 2021, congestion was only at TKD, but this is on pan India.

Aditya Makharia: Okay, so from TKD we have taken a surcharge of Rs.5000 on import containers if I remember, is that correct?

Sanjay Swarup: Yes, that was long time back.

Aditya Makharia: So that continues?

Sanjay Swarup: Yes.

Aditya Makharia: When do you expect the electric loco to start running on the Palanpur route from Rewari to Palanpur because I believe we are running on diesel loco now because of the substation not being fully functional?

V. Kalyana Rama: Do you see any advantage of running electric?

Aditya Makharia: To my limited understanding Sir you can carry more wagons because the weight carrying capacity goes up and also the speed increases.

V. Kalyana Rama: Let me tell you there is no difference as far as we are concerned if we are not railway technical man there is no difference between diesel running and electric loco.

Aditya Makharia: Thank you Sir.

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

Ajinkya Bhatt: Thanks for the opportunity again. Just one question Sir, in the last Q1 conference call you had mentioned that with the surrender of terminals, etc., maybe the LLF can also reduce to Rs.375 Crores, but right now you mentioned Rs.450 Crores and 1H provision has also peaked?

V. Kalyana Rama: I never said Rs.375 Crores. We are maintaining right from our first call after the last financial year during the financial results we said this year it will be Rs.450 Crores. Rs.375 Crores you might have seen in ET Now, today where there is Rs.375 Crores I do not know where from they got that figure it is wrong figure. It is Rs.450 Crores LLF which is we calculated right in the beginning of this financial year and accordingly we are making the payment.

Ajinkya Bhat: Got it Sir. Thank you.

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

Vikram Suryavanshi: Good morning Sir. Sir how significant is our India Nepal volumes, there was an article so thought to get clarification from you and how is the competitive situation there?

V. Kalyana Rama: The volume and the revenue from Nepal movement used to be read in percentage terms used to be around I think less than 1% and even in profit also it is less than 1%. Yes there is competition now the sector opened up so we have announced the competitive rates there so we got our long term strategy of doing something with Nepal movement. It is insignificant materialistically on the balance sheet.

Vikram Suryavanshi: Got it and can we get what was the empty running cost for this quarter in terms of rupees in Cr. for EXIM and domestic?

Manoj K Dubey: For this quarter Rs.23.59 Crores is for EXIM and Rs.45.83 Crores is for domestic and total is Rs.69.42 Crores and this is lesser than Q1 of this current financial year.

Vikram Suryavanshi: Sir last question sorry for repeating but I missed the originating volumes so can you just say?

Sanjay Swarup: For Q2 it is EXIM 518986, domestic it is 90280, total 609266.

Vikram Suryavanshi: Got it. Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Bhalchandra Shinde from Kotak Mahindra Life Insurance. Please go ahead.

Bhalchandra Shinde: Sir based on DFC how much more growth prospects we see and how much we are yet to see the growth prospects when the DFC becomes fully operational and in the next two to three years what kind of a growth traction you see in the DFC?

V. Kalyana Rama: DFC gives the transit assurance as well as less transit time so things started slowly picking up. As we have given the guidance if the DFC becomes operational now it is operational for two ports Mundra and Pipavav and with this the growth what we are expecting will be around 10% on overall volumes. We are becoming fully operational is connecting Dadri as well as JNPT so that may be anytime so what the official targets given is I think the next year July, but I do not want to comment on that, but whenever that happens there will be further growth of 10% to 15% on overall volumes. Now I am talking about overall volumes.

That is different than what work we get in this sectoral volumes of North West sector and an overall volume scenario for CONCOR it will be 10% more now, when the entire DFC is completed there will be further growth of 10% to 15%.

Bhalchandra Shinde: Sure thanks. Starting with these new services of truck on trains service do we see an incremental growth because of that or it will address whatever the markets that we might have lost to the roadways?

V. Kalyana Rama: I could not get your question you are talking about RO-RO?

Bhalchandra Shinde: Yes train services.

V. Kalyana Rama: That is called RO-RO. RO-RO is a different market. RO-RO has nothing to do with the container transport market so there is no correlation between that and this.

Bhalchandra Shinde: Okay got it. Thanks,

Moderator: Thank you. The next question is from the line of Ankita Shah from Elara Capital Plc. Please go ahead.

Ankita Shah: Sir just one thing. I remember in the last call you had mentioned that there could be a possibility of taking a short term loan of Rs.3500 Crores for making onetime payment of LLF to railways for the 24 terminals that we have is there any update on that?

V. Kalyana Rama: That is what somebody asked me the Finance Secretary made some comment about the land. The land policy is still under finalization with the cabinet. Unless the land policy is finalized so this issue will be work in progress only. Once that is completed then the long leasing of these 24 terminals for 35 years with upfront payment will be discussed. The estimates what I have given you if that happens this would have been the figure, so let first the cabinet decision come.

Ankita Shah: Okay sure, thank you.

Moderator: Thank you. The next question is from the line of Shrinidhi Karlekar and HSBC. Please go ahead.

Shrinidhi Karlekar: Thank you for the opportunity. Sir can you share us the rail freight margins for this quarter?

Sanjay swarup: Rail freight margin for this quarter is 28.33%.

Shrinidhi Karlekar: 28.33% is it?

Sanjay Swarup: Yes.

Shrinidhi Karlekar: Sir a bit of hypothetical question apologies in advance for that. Sir you alluded that unavailability of containers did impact your volumes you could have done much better volumes Sir is it possible to quantify a bit like how much higher volumes would have been possible if the situation would not have been bad and Sir at the margin is the situation improving for you?

V. Kalyana Rama: Is the situation improving now or what margins?

Shrinidhi Karlekar: In Q2 compared to what you faced during Q3 compared to Q2?

V. Kalyana Rama: See now imports started coming to India so we expect that India before pre-COVID it was import heavy country, we used to get more containers in imports than what we used to export so there used to be empty repositioning out of India, we are getting less imports and we are doing more exports so we are having shortage of containers. Now if you ask me **(inaudible) 38:05** off the cup remark what would have been additional numbers maybe 10% we will have in export volumes. Now it will be 10% in export then 10% of the handling also because as there are empty containers are more imports are more. The situation is not having any containers shortage we would have got another 10% extra volumes in EXIM. So instead of a growth of 18% we would be at 28%. Q3 and Q4 let me not make any guess. I hope things should be better because now the economy is picking up.

Shrinidhi Karlekar: Fair enough Sir. Thank you for answering my questions Sir and all the very best.

Moderator: Thank you. The next question is from the line of Lokesh Garg from Credit Suisse. Please go ahead.

Lokesh Garg: Basically referring to earlier question wherein you shared pickup that could happen on back of DFCC what you shared is that basically there is 10% extra growth, extra to sector that has happened on back of DFCC portion, which is already operational and perhaps there is additional 10% to 15% that could happen once the remaining portion of the DFCC gets connected, which I sort of just rephrase say that is basically Mundra?

V. Kalyana Rama: Listen to my answer. Do not try to put my answer in your own words. I said that growth expected because of the DFC connectivity in Mundra and Pipavav is 10% on the overall volumes that is a work in progress I never said that already growth has come; now the growth started picking up. The effect of this will be 10% growth in the volumes so that we will see. We are seeing a growth in volumes and once the complete DFC is made there will be impact of another 10% to 15% growth will come. Today we have not achieved it; it is coming and picking up.

Lokesh Garg: Earlier data shared in the call wherein you said that Mundra rail quotation has moved from 25 to 27 and Pipavav from 61 to 68 so I was linking the two together saying that some part of it has been achieved already.

V. Kalyana Rama: I agree with you that is what I am telling it is work in progress. If you say that 10% is achieved it is not achieved it will be achieved. That is the potential of the DFC connectivity to Mundra and Pipavav.

Lokesh Garg: Sure. Thanks a lot Sir.

Moderator: Thank you. The next question is from the line of Rohit Ohri from Progressive Share Brokers Limited. Please go ahead.

Rohit Ohri: One question which is related to the speech which was in the AGM? You touched upon saying that you are moving towards implementing artificial intelligence so can you take us through what are these emerging technologies and how will it benefit us?

V. Kalyana Rama: Artificial intelligence is giving the customer data completely online and real time about their operations in our terminals. There when we do this we use artificial intelligence in understanding customer preferences and needs. There are two steps in this program, one is providing the customer in real time visual data to look at the operations being carried out on their cargo so there will be no leakage of cargo anywhere, the company will never be blamed about wrong handling or anything because the customer can visualize whatever operations we are doing with their cargo and when we process the cargo which is lot of operations happens in the terminal, we will put them in to one warehouse, take it out, stuff it or we unload and some space is occupied, so our operations we now optimize based on the analysis of all these things through AI. So AI is used to optimize the operations within the terminal.

Rohit Ohri: Okay Sir so we are looking at reducing the human errors is what you are saying?

V. Kalyana Rama: Human error, increase in efficiency, increase in transparency, increase in customer satisfaction and these are all not directly you will not quantify them but they are all the factors for increasing the share and attracting more customers.

Rohit Ohri: Okay Sir. Thank you Sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Prateek Kumar from Antique Stock Broking Limited. Please go ahead.

Prateek Kumar: Sir thanks for the opportunity again. Just one what would be the volume mix at ports during the quarter for CONCOR?

Sanjay Swarup: It is JNPT 32%, Mundra Port 39%, Pipavav Port 10%, Vizag 7%, Chennai 6% and others are very small.

Prateek Kumar: Sir on capex we maintained Rs.500 Crores capex guidance for the year?

Sanjay Swarup: Yes please.

Prateek Kumar: Thanks, these are my questions.

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

Aditya: Thanks for the opportunity. I had one question on the transit time from Dadri to JNPT once the JNPT is fully on DFC what will be the kind of improvement in transit times that you are envisaging?

Sanjay Swarup: Right now it is around 35 to 40 hours but after the JNPT comes on DFC it will be in the range of 24 hours.

Aditya: Okay and is that the reason why the market start growing for you and the 10% to 15% growth comment is it more on the basis of better transit time?

Sanjay Swarup: This is one of the major reasons.

Aditya: Understood and again want to kind of clarify when you say that 10% growth will happen because of DFC because of Mundra and Pipavav becoming online and then 15% add on are you suggesting that there will be a 25% growth impact came all from DFC?

V. Kalyana Rama: That growth will be DFC giving the better transit, cargo shifting from road to rail and the natural growth which will come in India because of various government programs announced and we expect them to give good results like Make in India and some manufacturing hub shifting from other countries into India and all these things will put together we expect this growth, so if you look at the model shared in India today it is 20% by rail and 80% by road and the government always wants the model share to shift at least 40% to rail. That is a huge shift which the government is also working on, so all these things will give the growth.

Aditya: Thank you Sir. Those are my questions.

Moderator: Thank you. Sir we have one last question. The next question is from the line of Achal Lohade from JM Financial. Please go ahead.

Achal Lohade: Thank you for the opportunity. Just wanted to ask in terms of the MMLP A how much of the work is still pending and B how do we see the contribution, when can we see the contribution starting from MMLP, Khatuwas is already kind of reflected from what I understand?

V. Kalyana Rama: Your question is about MMLPs?

Achal Lohade: In terms of the MMLPs where are we in terms of the construction and commissioning and B the revenue contribution or profit contribution if any?

V. Kalyana Rama: I think it is answered many times in my conference call. What we do is whatever we developed we do a phase wise commercial use of those developments, we do not wait for the MMLP to be completed and our work in progress is very less. Normally we do not keep it. We are doing Rs.500 Crores capex every year. Our work in progress will not be more than Rs.200 Crores, so that means we do capitalize and we do commercial exploitation of the partially financed projects also. I cannot give you the figure what will be the growth in that figure and all so that is natural growth whatever is coming and all there are many factors helping into it. So as of now we are trying to develop around six to eight new facilities. There were some issues because of the COVID, stoppage in work because of the COVID restrictions and now they are picking up. So very soon we will be coming up one or two in Odisha and one in Gujarat they are going to start, so they will give again further growth to the company.

Achal Lohade: Okay Sir thank you.

Moderator: Thank you very much you. I now hand the conference over to Ms. Bhoomika Nair for closing comments.

Bhoomika Nair: I would like to thank the management for giving us an opportunity to host the call. Thank you very much Sir for answering all the questions quite patiently and to all the participants for being there on the call. Thank you very much.

Moderator: Thank you very much. On behalf of DAM Capital Advisors that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.