

Bijal Thakkar: So, we will be recording. We will go ahead and start. I think we should start now. Mr. Santosh can we start now?

Santosh Breed: Yes we can.

Bijal Thakkar: Dhruv, you will introduce yourself, right?

Dhruv Jain: Yeah. (No conversation between 00:27 to 01:03)

Bijal Thakkar: Dhruv let's go ahead.

Dhruv Jain: Hello everyone. Welcome to Gujarat Pipavav Port's FY2022 Earnings call. From the management side today we have with us Mr. Sorensen, Managing Director and Mr. Breed, Chief Financial officer. Thank you and over to you Sir for your opening remarks.

Jakob Friis Sorensen: Thank you very much and Good morning everybody. We are dialing in from Copenhagen in Denmark. So we have just finalized our board meeting and as you have seen we have uploaded the results for the financial year 21-22. And my comments would start by saying that we had just now one year anniversary of the Cyclone Tauktae, which hit us on the 17th of May 2021, we had met landfall somewhere around Pipavav and Diu and it cost a significant material damages but I am very happy that we actually had no fatalities, nor any serious injuries in the port. Nevertheless we spent quite a lot of efforts in the later parts of 2021 recovering from the cyclone. Immediately efforts were made to get communication and electricity reinstalled and I am also have you to say that on the 1st of June 2021 we already, 2 weeks after the cyclone hit, we manage to take the first vessel into the port and I also probably don't need to remind anyone that this was all still during the Covid restrictions that we were facing. We believe that during the Cyclone cost us a loss of around 60000 TU (@02:53 TEU) in container business. However we also have to say that on the bulk business volumes have been very risk and even after the cyclone we have seen bulk volumes...post...dry bulk, minerals and fertilizers as well as LPG rising and having a continuous, strong performance. One thing that we are very proud of is this, well in 2021 we started evacuation of LPG by a rail and we have just had the celebration of Rake no. 300 on LPG evacuation. The DFC is also life to Pipavav and we are the first port in Gujarat that's connected with Electric rail connectivity and we continue to work on the value propositions for that communicate to customers what the benefits are in that respect. As you will see, I will not go into the numbers here but we have year-on-year comparison and EBIT that's down about 3% and as you have probably noticed the profit is down by 11%. There is of course deeper explanations which we are going to (inaudible @04:17) but I think the 11% corresponds basically to the drop also about 10% being container volumes that directly attributed to cyclone. Otherwise performances actually (Inaudible @04:30). I will pause here and be ready for questions.

Santosh Breed: Maybe a just quick comment from me on the financial results. I think Jakob has given you good overview but let me run through the financial results quickly with you. So in comparison to the same quarter last year, the container of volumes were low by 16% and the drop was mainly due to the coastal volumes. So if you remember last year due to lockdown, there were...multiple states actually went into lockdown and there was a impact on the domestic cargo movement by road. And that is why the diversion of cargo from road to sea...with the situation getting back to normal, we are seeing that movement getting back

today. And this is also because of diverging tonnage from coastal trade to EXIM trade because the shipping line wanted to take advantage of the increased freight rates. So that is the reason why we have seen impact on the coastal volume. The EXIM volumes were lower by 5% as compared to the same quarter last year. The dry bulk volume continues to be strong, we were 43% up with a total volume of 1.46 Million Tons, which came mainly from the minerals and fertilizer inputs. Liquid volume was also higher by 44%, this was based on the strong performance from LPG. And this was driven by the efficient rail evacuation of LPG cargo. So, you know, we believe that this volume would continue to maintain its run rate in the coming quarter as well. Ro-Ro also continues to maintain its quarter run rate of 6000 to 7500 cars but we expect...but we don't really expect a significant jump in the coming quarters and it would remain in a similar range. The revenue was at 2207 Million and was higher by 14% mainly because of the higher dry bulk and liquid volumes and also better realization coming from the continued business due to the tariff increase which was taken in February and also because of the favourable cargo mix. As I mentioned earlier it is more EXIM volumes as compared to coastal. EBITDA was higher by 11% due to higher revenue and EBIT was higher by 19% mainly due to a lower depreciation charge. Margin was at 58% lower by 200 basis point, this was mainly together cargo mix. As we were discussing in the earlier calls, when we have a higher bulk volume, there is some impact to the margin because as compared to containers, then bulk comes at a lower margin. Exceptional items, basically it is for the cyclone restoration cost, these are recovery of the insurance claim during the quarter, so there is a net or positive of 53 Million. The net profit was 724 Million and was higher by 11%. We now have fully utilized our mad credit and we will be moving to the lower tax of 25.168% from the financial year 22-23.

On the full year performance, the revenue for the financial year 21-22 has increased by 1% based on the higher bulk volume and better realization from container business as I mentioned earlier. EBITDA has dropped by 2% and a margin was lower by 300 basis point. This was mainly on account of the cargo mix and also some one off cost which were incurred during the year. The net profit was lower by 11% due to the lower interest earnings, exceptional item of cyclone of INR 46 Million, excluding the one off cost and cyclone restoration cost, the EBITDA would have been lower by 1% and the net profit would have been lower by 3%.

Financial performance of the company we believe was satisfactory considering the challenges faced during the year from the global supply chain disruption and cyclone Tauktae, which Jakob also touched in his opening remarks. We also like to inform all our investors that our Board of Directors have approved a final dividend of Rs.2.4 per share for financial year 21-22. This is of course subject to approval of share holders in the AGM. With this the total dividend paid for financial year 21-22 is Rs.4 per share. With this update we complete our financial overview and we are happy to take questions now. Thank you.

Dhruv Jain: Thank you Sir. Mohit you may go ahead with your question, thanks.

Mohit: Yeah, Hi, good afternoon Sir. Congratulations on good set of numbers given the very, very challenging environment. My first question is on the Cargo for FY23. If we look at the last 3-4 years your container congestion has declined, (Inaudible @09:53) has been doing well. We added two lines I think, if I remember correctly, in Q1FY22 for the containers. How do you see FY23 panning out, can we see material growth given that DFC is also now operational?

Jakob Friis Sorensen: What I am very happy about is that we have not lost a single customer on the shipping line front and as you say we have added in fact 2 services including a large stream line operator. The problem that the entire market is facing is still assured it is of tonnage. Even with the regular services we have seen redeployment of some of the vessels from our services to other areas and other market but we are seeing a gradual return of container volumes and we in fact had a year...sorry month-on-month growth of 2-3% for the entire calendar year of 2022 and even May here also looks like it is continuing that trend and I would like to interpret that to be showing that we have barred on that and the market is slowly recovering. You still see high freight rates and I don't think that you will see a crash in freight rates but you will see global market stabilize at more reasonable level and you will also see that more capacity is coming back to the market as congestion is easing up and new things are coming in and in fact ironically but we also see that the war in Ukraine is giving some medium size containers vessels from the Baltic Sea and the Black sea, which probably will be deployed in India to Middle-East and India Far East trades among others, so in short I think we can say that we are optimistic with the container outlook for this year. And you are right to point out that on the landside, the DFC is now up in running and we have had tremendous success in bonding trains at less than 24hrs from... people were after the North-West market and so the intermodal and the DFC is definitely helping us to have a very strong value proposition and it is kind of compensating for the little bit more unstable ocean market, that we have very reliable rail service as well as very fast transit timings. I hope that answers your question.

Mohit: Yes, broadly. Sir my second question is on the bulk continuation, the bulk continuation has raised very sharply in FY22 and I think the number is close to now 5 to 6 million ton. How do you see this panning out in FY23, is there something one off or do you think it will decline or it may sustain at this level and can you give us a breakup of the bulk?

Jakob Friis Sorensen: So, I think it is still performing strong but as you also know we will soon enter the Monsoon season and that has a natural taper on some of the commodities. Santosh has to breakdown in between the Fertilizer and so on but as I said in my opening remark, we have been strong on LPG and we are in the midst now of the upgradation of the liquid berth so that we can handle very large gas carriers in the LPG that...I am pushing the engineers so that we can finish that by August and that means that you will see the liquid cargo continue to be strong and that is less sensitive to the weather. Cargo like fertilizer is more seasonal, we have very strong volumes at the moment, all our warehouses are full with fertilizer and we anticipate a dip in that volume in the coming months. And then you have some of the minerals and coal, which is outdoor, it maybe affected also by prices in the market but certainly also by weather distortion and so on. While we think bulk will continue to be strong, we do see that they will come at dip in the coming months on the bulk but as you are rightfully pointing out we are doing overall very strongly 5 million tons of bulk cargo which is more or less our nominated capacity in the port and we are looking at that as an opportunity so that we can find ways to increase our capability in bulk areas.

Santosh Breed: And just to add we also continue our efforts to add new commodities. So we are looking at Agri commodity as well on bulk and we also added wood pulp. So we handle wood pulp in this quarter and that effort is continuous. So we will really focus on maintaining this run rate for bulk.

Mohit: Second, give us the break up of the bulk for the quarter.

Santosh Breed: Sure, so overall coal was 156000 Metric ton, fertilizer was 431000 metric ton and minerals were around 872000 Metric ton.

Mohit: Understood Sir, thank you and best of luck. Thank you.

Santosh Breed: Thank you.

Dhruv Jain: Thanks and Deepak you may go ahead with your question.

Deepak K Maurya: Hi, Thank you for the opportunity. First and foremost if you could address the update on the concession renewal, I mean we have been nearing the end of the concession given and what is the status over there and in the previous calls you did mention that talks were progressing but is there any new information which you would like to share at this stage? Secondly if you could help us understand the Export-Import container volume trajectory, how has it been in the previous quarter and at the same time what are you seeing in the current quarter to date and finally if you could help us understand the unit economics of liquid bulk versus dry bulk versus container, I understand that dry bulk has lower margins and container has the highest margins but where does the new commodity which you are handling in and induced stress about it that it is a good driver going forward, so just if you could provide some colour over there? Thank you.

Jakob Friis Sorensen: Yeah, under concession we continue to have a good dialogue with GMB on that. As you may also have seen in the press GMB has appointed AT Kearney to make a legal review and to clarify the legal landscape, rules, regulations and laws as well as suggest a team for which GMB can proceed with a roll over after concession. I know also AT Kearney has looked at how does it handle internationally and where we are in that process is that as far as AT Kearney has delivered the recommendations to GMB and the Gujarat Government is looking at those recommendations and they are having internal process in terms of finalizing what they are going to do. The million dollar question is probably whether we will see any significant movement in this process on this side of the elections or whether we have to wait until the local elections in Gujarat are done in December and that means it will go into beginning of 2023. So we are trying to find more information on that but as I said it could and continuous constructive dialogue with the parties involved under concession extension. And to just remind you it runs until 2028.

Second question you had was about the extreme volumes of container and as I said before we have had month-on-month 2-3% strengthening of the volumes and I believe we continue to see a recovery in the market for containers. On top of that we have little bit of windfall, thanks to the unfortunate situation in Colombo and Srilanka, we have seen more tonship in cargo coming into, people are from various shipping lines and then we have also had a number of ad hoc extra calls in the spring here, which we are quite hopeful could continue as well, so I think the container volumes will continue to be strong and recover and as I said we have already seen 2-3% month-on-month improvements there.

Then you asked about the spreads on the margins in the bulk statement, let me start by saying it is clear to us that we are primarily liquid containers and containers also having the best yield to us. The dry bulk is of less yield and there is a lot more variable cost in terms of labour, so that is a little bit parallel revenue and cost lines there when it comes to fertilizer and minerals and so on because it is quite labour intensive and the yields are lower but a very attractive segment in the bulk is the liquid, LPG, which we are now making an effort to grow

in with the upgrade to VLGC and we have further expansion plans in LPG going forward and as I mentioned earlier we have the capability to evacuate LPG by rail, is quite unique and it's extremely efficient and the NOCs like it. We can also evacuate by road tankers and now we have a confirmation that there is a pipeline that will be started it is called the Kandla...

Santosh Breed: Gorakhpur

Jakob Friis Sorensen: Kandla-Gorakhpur pipeline and that is also confirmed will be linked with people up. So we are having some good outlook for the LPG volumes.

Deepak K Maurya: Great, thanks on that. I will stay back in the queue if I have any further questions. Thank you.

Santosh Breed: Super, thank you.

Dhruv Jain: Vaibhav, you may go ahead with your question.

Ashish (Centrum) (on Screen name – Vaibhav Shah): Hi Sir, good afternoon, this is Ashish from Centrum. Just one question, you mentioned about the containers being the highest profit margin business but what we have actually seen during this quarter is the higher volume of minerals and generally bulk, we have actually done better margins on per metric ton basis. So was anything extra ordinary in terms of the bulk mix or any revenue item which we should be noting, which has led to this higher margin, despite the bulk volumes being higher?

Santosh Breed: Ashish just to answer that question, one there is nothing one of which we can see in the margins. The mix of the cargo because when we look at a mix between the bulk cargo itself, between Coal, fertilizer and minerals, then minerals of course gives a bit better margin than fertilizer. So those kind of mix has some impact on EBITDA. Second, as I mentioned in my opening remarks as well, when we look at container realization, when container realizations have also gone up only because of the tariff increase what we have taken and also because of the favourable cargo mix because when we look at the quarter and quarter comparison then the overall, the mix of cargo between EXIM and Coastal has changed. And this also helps on overall basis to improve our margins. So these are the few reasons why you see a change in the margins.

Jakob Friis Sorensen: Well I think also the raise between 20ft containers and 40ft containers, which we see gravitating towards more affordable containers means that we have a slightly better yield in the container business as well but as Santosh said it is primarily also because we have a majority of exchange business there.

Ashish: Santosh, since you mentioned on the container tariff increase, could you mention what is the amount of increase that we would have seen in the Q4 because of the container tariff increase?

Santosh Breed: So it is in the range of around 4% Ashish.

Ashish: okay.

Santosh Breed: So that is the tariff increase what we have seen.

Jakob Friis Sorensen: We continue to implement that increase across the port and we have here for example from 1st of May an automotive customer that has accepted 6% increase on their agreement, so while we can announce a general tariff increase, there is always a negotiation in terms of implementation practically and applying that to long term contracts. But obviously we received also...some strong arguments to compensate for rises, inflation and cost and so on. And while I wouldn't say that it is not something that just happens Monday morning but it is certainly something that our customers have certain understanding for and we are getting this implemented slowly but surely across the customer portfolio.

Ashish: Just one last one from my side. On the mineral side obviously there are lot of volume could be driven by the nearby Ultratech plant and the fact that jetty has been under major repairs, so in that context if we can just get some idea on how much of this can be continuing with the Pipavav port and how much could possibly go back once that jetty is available to Ultratech? That is all from my side.

Jakob Friis Sorensen: That is a good question because we do not like to comment on specific customers but I would say that we have had a tremendous cooperation with Ultratech and to mutual benefits, obviously there were really entire strikes after the cyclone with significant damage to the infrastructure but we recovered faster and we have been able to help them out in maintaining their business, so what we did at some point in time, we were both importing coal and limestone and materials for their manufacturing and we were exporting their finished products of cement from jetty. As you rightfully said, they have now completed some of the civil works and repairs and they have gained back the export of finished cement from their own jetty , while during this crisis, we have actually found some mutual efficiencies as well, so I think we will continue to take coal and minerals via GPPL to extend possible...which is also actually having a benefit for them. So, maybe I can wrap this up by saying that we expect only a minor impact for us during 2022 and then perhaps next year they will be in a better condition to take over on what they originally had. But as I also said we have actually been able to identify mutual benefits in this process and some of these I think will actually be retained, so you maybe have a different pattern going forward in our business relationship with Ultratech.

Ashish: Thank you very much, I will come back in the queue.

Dhruv Jain: Thanks, Nikhil, you can go ahead with your question.

Nikhil Abhyankar: Thank you. Sir you mentioned about the tariff hike for the container segment. Can you also give us any flavor as to how much tariff hike you have taken for the bulk segment and that will be my first question?

Santosh Breed: For bulk most of our contracts with bulk are all actually special contracts. We don't have a specific tariff or handling charges, we do have only for marine, I mean of course marine tariff is across for containers, so that increases their....rather bulk handling is purely on a contract to contract basis.

Jakob Friis Sorensen: I would like to add that of course the bulk commodity value is lower and it is very much sensitive to the overall cost of doing the business. But we have been quite successful in efficiency in terms of handling ships within a couple of days and that means that there has been mutual savings on the cost of the vessel, the detention and the merge charges both for the cargo owners as well as for the port, which is then

a mutual benefit that's shared. I think that is also part of our success that we attract customers with the bulk business because we have a very good track record on the efficiency of the cargo handling.

Nikhil Abhyankar: Thanks. Again, I have got one more question, I just wanted to ask you we have got about 40% stake in PRCL and what is the exact reason for the low profitability of the business and where do you see it go in the next 2-3 yrs?

Jakob Friis Sorensen: PRCL is of course a joint venture that we have with the railways and if we are looking at the last quarter there has been a couple of items on the P&L which has been little bit unusual but we do see that going forward not least with the DFC and so forth, there is are good opportunities in PRCL. I think the cost of the electrification of the railway line has of course been there and there is also an additional cost of man power for maintaining the same but at the same time there will be some efficiencies in terms of the electricity versus diesel and that I think that it is not enough to just look at in one quarter P&L. Santosh I don't know if you want to add something?

Santosh Breed: You are absolutely right Jakob. So this arrangement between railways and PRCL on sharing of this benefit from the electrification is still work in progress, so we have not seen the benefit, the entire benefit coming in yet whereas the cost has started picking in. That is one of the key reasons why we see disparity on the profit number. However when we look forward we are quite hopeful of some improved results, one of course we get the recoveries also the past quarters and PRCL also has started container train operations, so this is a new business field which they have introduced and that will be eventually scaled up which will help them to increase the top line as well as profits.

Nikhil Abhyankar: Sir, just one follow-up question, PRCL had made around 80 crores in profit in FY20, so what exactly can be the reason for fall in the profits?

Santosh Breed: This is mainly because of the electrification project which was implemented and the cost of maintaining that infrastructure has started kicking in, so there is a cost allocation coming from railways for that maintenance. So that has started kicking in but the savings from the electric movement of trains is yet to be agreed and calculated, so we are not seeing full impact of that recovery, so that benefit will come in subsequent quarters and we should see those, of course that will help to push the profits up.

Nikhil Abhyankar: Sure sir, a final question if you may allow. Can you give us a realization breakup for container bulk and liquid cargos?

Santosh Breed: Sure. For Containers per TU (TEU) realization in the range of 6900 to 7200, as I mentioned there is an improvement as compared to the earlier quarters, mainly coming from tariff increase, we are offering the range of around 4% and then there is additional benefit what we have got in this quarter for around 1% because of the exchange rate. For bulk we continue to maintain our realization of around 450 to 550 depending on the cargo mix. And for liquid it is in the range of 675 to 700, again it varies based on the cargo mix of the various liquid that we handle.

Nikhil Abhyankar: Sure Sir, thanks a lot. That's all from my side.

Dhruv Jain: Thank you. Achal, you may go ahead with your question.

Achal Lohade: Good afternoon. Thank you very much for the opportunity. My first question was, sorry I joined the call little late. If you could clarify what has been the EXIM growth for the quarter and for the full year for our container business?

Santosh Breed: Overall as we mention....overall of course there is a drop in the container volume but drop is mainly because of the coastal volumes and as far as EXIM is concerned then, there is a lower drop, so on the current quarter, as compared to same quarter last year, then the EXIM volumes had dropped by around 5%. Hello....

Achal Lohade: For FY22 how much would the decline be?

Santosh Breed: That will be in the range of around 7% year-on-year for EXIM volumes.

Achal Lohade: For EXIM.

Jakob Friis Sorensen: If you have joined late you might not have heard that I said that the direct impact on the cyclone Tauktae, we estimate to be around 60000 TU (TEU). And that corresponds to some 9-10% of our container volumes and that is direct impact which we faced on the 17th May 2021, where that has had a no impact on other parts of Gujarat. Since it was a landfall of that cyclone just very close to Pipavav. That's one that has an impact on the year, on the full volume.

Achal Lohade: Thank you. That's very helpful, thanks for that clarification Sir. Is it possible to get some colour in terms of what is the operating cost, which is part of your operating expenses for dry bulk and the liquid?

Santosh Breed: Of course we don't really split it by each business segment but in the current quarter if you see the increase, that is mainly driven by the higher bulk handling expenses.

Jakob Friis Sorensen: Yeah, so the bulk handling is more manual and therefore you have a linear parallel between revenues and cost on the bulk and the dry bulk, where as by nature the liquid bulk is through pipelines and there is less direct operating expenses linked to handling that sort of cargo.

Achal Lohade: Right. Is it fair to say like dry bulk, I am just throwing some numbers would be about 140-145 per ton kind for minerals or for coal?

Santosh Breed: Sorry we will not be really able to comment on that because we don't do any segment reporting but....

Jakob Friis Sorensen: But I would still say, as I also said as a general comment that we have been operating quite efficiently. If you imagine a vessel coming in and have allocated 3 days for discharge and we manage to do that in 2 days, there is a benefit there mutually between the cargo owner, the port and the vessel and that time saving is also worthwhile something for customers.

Achal Lohade: Understood. And just one more comment, I don't know if it is already clarified, in terms of the outlook you did mention that you have seen some benefit in this quarter pertaining to the issues at Colombo, so is that the issue of the skipped calls behind us now, are we on the steady state, what kind of growth can we look at for next say couple of years, say in terms of the EXIM growth?

Jakob Friis Sorensen: So what we can say year-to-date, January, it's now April and including May is that there is a nice steady growth months on months under overall container volumes, the skipped calls still taking place but to a lesser degree and as we see more tonnage coming to the market, we are hopeful now that we are talking outlook, we are hopeful that skipped calls are eventually going to be down to zero and contrarily to that we are seeing now additional ad hoc calls and plus we have added now for the rest of the year one submerged line, which is directly as a consequence of the transshipments in Colombo, we are seeing that coming to Pipavav. So I think we should be cautiously optimistic that container volumes continue to improve months by months over this calendar year, that we eventually reach back to pre-covid levels.

Santosh Breed: Just to add Jakob, if you refer to the presentation which is there already on the website, you will notice that the overall container volumes are gradually recovering, of course these are not a steep recovery but if you see the quarter-on-quarter movement, then there is a gradual recovery of volumes. And the good development we have seen is our ICD volumes are good and strong. So that is a very good indication for us because that is a key market and that also sees a good recovery. If you look at our liquid volumes then there has been consistent volume of 200000 Metric ton which has been delivered and that is the run rate which we have always been targeting, to deliver 1 million metric ton on annual basis. And we also look forward now with a (Inaudible @37:59) to handle (Inaudible @38:00). This will help us to further increase this volume as well. Bulk as we have mentioned also earlier has been strong, we are focusing on adding new commodities, to maintain this run rate but this is certainly seasonal and there can be some variation in the coming quarters but the aim is also to new commodities and see how we can maintain this run rate. So that is the overall outlook on all the three main business streams that we are operating in. Ro-Ro as I mentioned earlier again will continue the existing run rate, we are still working with our customers we can participate more on exporting cars from our port.

Achal Lohade: Great, this is very helpful. Just a clarification on the tariff hike, when was the last tariff hike, the 6% tariff hike has already been implemented from 1st of May?

Jakob Friis Sorensen: I think I mentioned that earlier that we are discussing the specific implementation that on a contract to contract basis but we do have a some full understanding from our customers in terms of our need also to compensate for higher inflation, etc. So the tariff increase on containers is being discussed with various shipping lines. We have another big main line operator who has accepted as on 1st of May. So I think we will basically expect a 100% across the board implementation in a month or two. So it will probably have a full effect for half a year or nine months of your calendar year.

Santosh Breed: As I mentioned earlier we have already taken a hike in February and we have some impact of that already in the quarterly result, let's say around 4%.

Achal Lohade: This 6% is in addition to that, right? Sorry, I am interrupting. This 6%

Santosh Breed: But yeah..... so basic tariff hike has been implemented now we are working with our customers to start taking that tariff hike, there are certain customers which are already on board and few are coming on board as we move along in April and May.

Jakob Friis Sorensen: It's individual from a contract to contract when the tariff hike takes practical effect. That's a little bit of....

Achal Lohade: No, I got it. Where the confusion was is this 6% is in addition to Feb or it includes the Feb part of it, which is being discussed and being effected?

Santosh Breed: This will be additional for those customers who have not taken the tariff hike in February. So as per tariff hike was concerned, we have published the revised tariff in February. It was implemented for most of the customers and there are some contracts which are coming now and taking now this hike in the subsequent months. So there is no revised tariff hike which has been introduced in the month of May, it is the same tariff hike but it goes by customer to customer. It will start from customer to customer.

Achal Lohade: Understood. This is very, very helpful Sir. Thank you so much and wish you all the best.

Santosh Breed: Thank you.

Jakob Friis Sorensen: Thank you.

Dhruv Jain: Bharanidhar, you can go ahead with the question, thanks.

Bharanidhar Vijayakumar: Good afternoon gentlemen. What is the impact of the China lockdown on our port and what proportion of the container movement, say both imports and exports put together comes from China?

Jakob Friis Sorensen: I don't think that we can say that there is a direct impact on a specific service but the China lockdown has knock on effect to the market. Despite of that it does seem that we do see a slow but steady recovery in the container volumes. But we have also seen that we are diversifying to other markets such as the Middle-East. We had a new service to the Middle-East, NMG that has started to take effect and it is quite successful now. So I am not saying that China lockdown does not have a overall market effect for the container shipping but as people at port we are maybe less exposed specifically to that lockdown.

Bharanidhar Vijayakumar: To put in other way, what would be the geographical mix of say country of origin or destination, say from China or South East Asia and Middle-East for the people of port?

Jakob Friis Sorensen: I think we have a very healthy spread in that post, import and export, not only Asia as you say, China and Asia...not only China but we also have South East Asia, we see a strong expansion in the Middle-East market and of course let's not forget those Pacific and Europe. So I think we are very much hitched overall on the geographic spread. Therefore as I said also a lesser impact on the China lockdown. China is difficult topic, I think we could have a long conference call on China because we also have geopolitical influences and other things that are happening with China but I think India is actually less exposed than others for the China lockdowns.

Bharanidhar Vijayakumar: Sure. What proportion of our top line is in USD terms?

Santosh Breed: So container business is entire USD, which we are on 70%.

Bharanidhar Vijayakumar: So the remaining would be bulk and liquid which is not USD.

Santosh Breed: Yeah, that's right.

Bharanidhar Vijayakumar: And one final question, can you split the container volumes by say EXIM and coastal for FY22?

Santosh Breed: No, no we don't really split that by each type like EXIM, coastal but yes we have given a guidance that overall on the percentage basis on the variation on the quarter-on-quarter basis. But we will not be able to given any further split on this.

Bharanidhar Vijayakumar: And one final question...

Jakob Friis Sorensen: I think....I think....

Bharanidhar Vijayakumar: Go ahead Sir.

Jakob Friis Sorensen: We just have made one remark on the coal, we have seen that some of the costal operators are gravitating towards EXIM business as well. Shipping corporation of India has been supporting India shippers by going extreme as well. So that might give you an indication of answer to your question.

Bharanidhar Vijayakumar: Understood, understood. Yeah, one final, what would be the incremental container volumes from the recently added services?

Jakob Friis Sorensen: I think as I said we are seeing a 2-3% growth on the months to months basis, that is nice and steady. As well as good decline in the skipped calls, which has been a pain point in the past. I think we will see the same trend as Santosh also said, not a hockey stick but a strong steady growth of the container volumes on a month to month basis.

Bharanidhar Vijayakumar: Actually the question was different but I will take it offline. Thank you so much and all the best.

Jakob Friis Sorensen: The question was different?

Bharanidhar Vijayakumar: No, I was trying to understand what is the contribution that would come in from the recent service additions?

Jakob Friis Sorensen: Ah....okay, okay.

Bharanidhar Vijayakumar: Yeah.

Jakob Friis Sorensen: Okay, I think it's difficult to make a specific split up on that because yes, we have added some services and they are compensating for some of these skipped calls and so on. So how that interaction is...is very difficult. Do you want to add something Santosh?

Santosh Breed: I think what you said right, of course the new service which was added after the Middle-East is doing extremely well, we have seen lot of support coming from (Inaudible @46:30) and in customers. But

at this point of time, we still have to wait maybe for another quarter to really give a guidance on what volumes this will add. So we will like to wait for another one quarter for giving you number on this. Apart from this, as we mentioned earlier, there are ton shipment volumes that we are expecting now because of the disruption in Colombo, that will certainly add more volumes to Pipavav. This is also in early stage because we have started seeing this movement in this quarter but this will get ramp up slowly and we will also have some better visibility of this in the coming quarter, give us one quarter and we will give some guidance on that in the coming quarter.

Jakob Friis Sorensen: And on top of that we had so far three ad hoc calls, so again we cannot say that they are regular, new business game but more like ad hoc, so you can say that they have the opposite effect of a skipped call but I think my point here is that to predict ability is a little hard to do on both skipped called and ad hoc calls on contrary to a regular situation but of course it is an upside draws that we take in but it is hard to predict.

Santosh Breed: And just to clarify, I think to add more clarity on this, one thing we mentioned us we have added services, so NMG is there in the Middle East, we have the transshipments coming in now and what Jakob was mentioning that we also continue to wake the market if we can take some additional calls, which are not regular calls but we can still handle some additional calls and who has got some traction on that because we are seeing some ad hoc calls coming at Pipavav. So, these volume will be over and above our regular services and that actually help us on two, one of incremental revenue but it also covers the fixed costs for us and helps the margins.

Bharanidhar Vijayakumar: I totally understand. All the best Gentlemen. Thank you.

Santosh Breed: Thank you.

Dhruv Jain: Nemish, you can go ahead with your question, thanks.

Nemish Shah: Yeah, thanks for this opportunity. I just wanted to know what would be the EXIM growth for the industry for Q4 and the FY22 if you could just share that?

Santosh Breed: For Q4 I think more or less it is flat, so if I had to compare with the same quarter last year, I think there is a marginal increase, it is not a significant increase on the west coast of India. As we are seeing that this increase also is coming from certain terminals which are dedicated to the shipping lines and possibly there are lot of transshipments that is happening at those terminals. Our take on this is from EXIM when we look at, then we are not really seeing a major up take on the West coast on a year-on-year basis.

Nemish Shah: Okay. And for the full year?

Santosh Breed: I think full year is also the similar trend what we are seeing, so no major variation between the quarter performance and full year performance.

Jakob Friis Sorensen: I think just to repeat what I said earlier, we are not seeing a hockey stick in recovery but we are seeing a 2-3% month on month recovery in container volumes but I think it will take time. You mentioned also the China lockdown but we have the political situation in the Ukraine war, we have a number

of impacts that still will effect in the market, but what is the important part here is the availability of tonnage and that seems to be recovering slowly but steadily.

Nemish Shah: Got that, yes, Thank you.

Dhruv Jain: Mohit you can go ahead with your question.

Mohit: No, my question has been answered, thank you.

Dhruv Jain: Thank you. It seems that I have no further questions, I will ask the management to give their concluding remarks.

Jakob Friis Sorensen: Of course we are quite satisfied with the result of this financial year not least because in fact the entire team has performed tremendous effort in the recovery and not least in the later parts of the year in rebuilding of the port following the cyclone. And I know that most of our listeners and analyst perhaps are much more interested in our crystal ball and looking forward. Well I have to again conclude that I am quite proud of the performance for GPPL for this year and as I again said on top of Covid we had that exceptional case of the Cyclone which cost a significant damage and where we have spent a lot of efforts and time that we could have done chasing more business we have done and spent the time on recovery and rebuilding the port. But I also want to say that everybody is welcome to come and visit us and you will see that the port is actually standing and looking brand new following our upgrades and we have tried to secure ourselves for any future storms that are coming in and this is a good timing we have full traction on the benefits of the DFC, where we continue to be the lead port in that new development of intermodal of Indian logistics. Then I think we do see that the international container market are slowly but gradually recovering and here I think the terms that we have used is that it is not a hockey stick but it's a steady months-on-months recovery of the container volumes. And then you have all noticed that we had fantastic year in terms of bulk. I think we should just all be happy about that. So thank you for all your interest....

Dhruv Jain: I think Achal had one small question, can we?

Jakob Friis Sorensen: Yeah, of course, please go ahead.

Achal Lohade: That got answered Sir, thank you.

Jakob Friis Sorensen: Right, then we wish you all a good day and thank you very much for your interest. Thank you.

Santosh Breed: Thank you.

Dhruv Jain: Thanks everyone. (Audio ends)