



February 10, 2025

**The General Manager,
Department of Corporate Services
National Stock Exchange of India Limited**
Exchange Plaza
Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra, Mumbai – 400 051
Scrip Code: [SNOWMAN]

**The Manager,
Department of Corporate Services
BSE Limited**
Floor 25, PhirozeJeejeebhoy Towers, Dalal
Street, Mumbai
Mumbai – 400 001
Scrip Code: 538635
Equity ISIN: INE734N01019

Dear Sir/Madam,

Sub: Transcript of Q3 FY 2024-25 – Conference Call held on Monday, February 03, 2025 from 04:00 P.M. (IST) onwards

Pursuant to Regulation 30 read with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our communication dated February 03, 2025, wherein we had informed about the uploading of audio recording of Q3 FY 2024-25 Conference Call on the website of the Company, in this regard, please find enclosed herewith the transcript of the aforesaid Conference Call held on Monday, February 03, 2025 from 04:00 P.M. (IST) onwards.

The transcript of the Q3 FY 2024-25 Conference Call has also been uploaded on the website at:
<https://snowman.in/investor-relations/>

Kindly take the aforesaid information on record.

Thanking You,
Yours Faithfully,

For Snowman Logistics Limited

**Sohan Singh Dhakad
Company Secretary & Compliance Officer**

Snowman Logistics Ltd.

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“Gateway Distriparks Limited & Snowman Logistics Limited Q3 FY25 Earnings Conference Call”

February 03, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 03rd February 2025 will prevail.



MANAGEMENT: MR. PREM KISHAN DASS GUPTA – CHAIRMAN & MANAGING DIRECTOR, GATEWAY DISTRI PARKS LIMITED AND CHAIRMAN & DIRECTOR, SNOWMAN LOGISTICS LIMITED
MR. ISHAAN GUPTA - JOINT MANAGING DIRECTOR, GATEWAY DISTRI PARKS LIMITED AND DIRECTOR, SNOWMAN LOGISTICS LIMITED
MR. SAMVID GUPTA - JOINT MANAGING DIRECTOR, GATEWAY DISTRI PARKS LIMITED AND DIRECTOR, SNOWMAN LOGISTICS LIMITED
MR. KARTIK SUNDARAM AIYER - CFO, GATEWAY DISTRI PARKS LIMITED
MR. RAJGURU BEHGAL - PRESIDENT (RAIL), GATEWAY DISTRI PARKS LIMITED
MR. MANOJ SINGH - PRESIDENT (CFS), GATEWAY DISTRI PARKS LIMITED
MR. PADAMDEEP SINGH HANDA - CEO & DIRECTOR, SNOWMAN LOGISTICS LIMITED
MR. N. BALAKRISHNA - CFO, SNOWMAN LOGISTICS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call of Gateway Distriparks Limited and Snowman Logistics Limited.

This conference call may contain forward-looking statements about the company which are based on belief, opinion and expectation of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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.

Today on the call we have Mr. Prem Kishan Dass Gupta – Chairman and Managing Director; Mr. Ishaan Gupta – Joint Managing Director; Mr. Samvid Gupta – Joint Managing Director; Mr. Kartik Sundaram Aiyer – CFO, GDL; Mr. Rajguru Behgal – President - Rail, GDL; Mr. Manoj Singh, President – CFS, GDL; Mr. Padamdeep Singh Handa – CEO & Director, Snowman, Mr. N. Balakrishna – CFO, Snowman.

We will now directly begin the question-and-answer session. Anyone who wishes to ask a question may press “*” then “1” on the touchtone telephone. If you wish to remove yourself from the question queue, you may press “*” then “2” . Participants are requested to use handset while asking a question. Participants should avoid bluetooth earphones or speakerphone. Ladies and gentlemen, please limit your questions to three per participant.

First question is from the line of Kaustav Bubna from BMSPL Capital. Please go ahead.

Kaustav Bubna: Thank you for taking my question. Can you hear me?

Moderator: Yes, please go ahead.

Kaustav Bubna: Excellent. So, the company has been talking about the benefit from DFC for many years now, but obviously the financial benefit is yet to be seen for the company from the DFC. So, has the Western DFC become operational in parts and is the Western DFC already contributing to the financials of Gateway Distriparks? When will the Western DFC become fully operational and what type of TEUs can the company expect in the next three years due to the DFC opportunity?

Samvid Gupta: Hi, so the DFC started in different sections starting from 2020. So, we have seen the benefits of it over the years with faster turnaround time, increased double stacking, lesser imbalance. So, we have consistently improved our EBITDA per TEU and running through the DFC coming in. It's there till Mundra, Pipavav for us, but JNPT, the finalizing will only come by possibly end of this year, December 2025 is what Railway is saying, but it could probably take another few months after that also.

Kaustav Bubna: Could you speak a little bit about when the full Western line is operational, exactly how overtime how this will improve our volumes in the container railway business?

- Samvid Gupta:** So, we have a pan India license. With JNPT getting connected will help us significantly compared to all the other players. There are others with Pan India license also. And then JNPT getting double-stacks will allow us to convert some cargo that's currently going by road to rail and at better margins compared to right now from single-stacks to double-stacks if we do that. So, those are primarily the benefits of the DFC, even faster turnaround times. Right now, to JNPT it'll take 72 hours, but post DFC it should take about 30 hours and that will also help us.
- Kaustav Bubna:** Understood. And just one last question, if you may. So, how did our capacity in the rail division increase for Gateway Distriparks post the merger with Gateway Rail Freight Private Limited and the other company, the East India Company? Did it increase our capacities in the railway division for the listed entity, which was compared to what it was pre-merger?
- Samvid Gupta:** Pre-merger, basically the CFS business was separate and the rail business was separate. It just became one entity; it gave a stronger balance sheet and common management. But in terms of specifically increasing rail capacities, the merger did not have any impact.
- Kaustav Bubna:** Okay, great. Thank you so much.
- Moderator:** Thank you. Before we move to the next question, a reminder to the participants to ask a question, you may press "*" then "1". Next question is from the line of Prashant Khale from Star Capital. Please go ahead.
- Prashant Khale:** Hello sir, congratulations on your good results. I have one question. The Eastern Dedicated Freight Corridor has been commissioned already, but we don't have any operations on that freight corridor. Is there any reason why we are not interested in that corridor? And another question is, do we have any plan to establish any facility on that corridor?
- Samvid Gupta:** So, no immediate plan right now for the EDFC. One big advantage of WDFC is that it's double-stacked and more of - the locations that we service, all the cargo comes to the Western ports. But that being said, over time, when we keep on expanding and looking at new locations, we are not against expanding on that side. So, you might see one or two terminals come within that region as well. But we are more focused on the EXIM trade rather than domestic and use a lot more for domestic and bulk as well.
- Prashant Khale:** Okay, so the Eastern Dedicated Freight Corridor don't have much opportunities for EXIM, right?
- Samvid Gupta:** It does for certain locations, but not the ones that we operate out of.
- Prashant Khale:** Okay, and sir, the Snowman acquisition and making it a subsidiary has resulted into extra exceptional item, which has impacted our EPS. But it's a subsidiary. How did we account it on the income statement as an exceptional item? Because that has skewed the consolidated result too much. But in practice, there is no income?
- Samvid Gupta:** So, this was basically we were an associate company. And now after crossing 50%, it comes under subsidy. So, we are just following the accounting standard guidelines that are there. It's a

notional gain. It's not a cash item. It's not a passable item. But according to accounting standards, there is a gain of Rs. 390 crores basis the fair value of the equity that's come in. But we have given a separate line item to it specifying the amounts. If you remove that, then you can see what our operational EBITDA and operational profit is.

Prashant Khale: We don't have to pay any tax on that income, right?

Samvid Gupta: No, it's just like a balance sheet item, like a one line entry.

Prashant Khale: Okay, so it's appearing in the balance sheet and to balance it, we need to cover it as an income to balance the asset side.

Samvid Gupta: We are just following the accounting standard guidelines.

Prashant Khale: I understood now. Because you didn't publish the balance sheet, that's why, I had a question that where is this adjustment coming from? So, it's just for adjusting on the balance sheet. Okay. Thank you very much, sir.

Samvid Gupta: Yes, thank you.

Moderator: Thank you. Next question is from the line of Anirudh A. Damani from Artha India Ventures. Please go ahead.

Anirudh A. Damani: I had a question about how are you planning to address the challenges that led to this net loss in the Snowman Logistics results compared to a profit in the same quarter last year? There's also been a sequential degrowth in revenues.

Padamdeep Singh Handa: So, we are working closely towards creating that bottom-line - working towards cutting down on our costs rapidly. And a lot of work has been done in the last couple of months on the same aspect. Also, as this is the time when the contracts are under renewal, we are trying to correct the revenues also, so that our subsequent quarters look much better.

Anirudh A. Damani: I had a follow on question to that. You also mentioned that the Amazon contract has moved from dedicated warehousing. Is it a complete termination of the contract or what has changed with the Amazon relationship?

Ishaan Gupta: Hi, I am Ishaan. How are you doing?

Anirudh A. Damani: I am good, how are you?

Ishaan Gupta: I am good. So, with Amazon, after Quick Commerce came in, there was the arm of Amazon, which was Amazon Fresh and Amazon Pantry Business. So, they have changed their model to compete with Quick Commerce. And they are going directly from the suppliers to the dark stores. So, they don't require these dedicated full-serving centers anymore. But we foresaw that this might not be a long-term thing, so it was a back-to-back lease when we started. We ended

our leases and we have recuperated any CAPEX that we had done as part of the deal with Amazon.

So, now on the growth part, we are focusing on small distributes, apart from the three customers which we had publicly announced. We do have a couple more now, but unfortunately we can't reveal their names due to confidentiality clauses. We are getting good traction. And there are a couple of large clients who we are working with Snow Distribute. And as Padam mentioned, the focus is always on the bottom-line. And we have had some costs in this quarter. That's why I think you see a dip compared to last year's same quarter. And those increases in labor and increases in electricity, which we don't foresee that every quarter such a large impact would be there.

Anirudh A. Damani: I am happy to ask another question if there's anybody else in line after that.

Ishaan Gupta: Sure. Thank you.

Moderator: Thank you. Next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Yes, good afternoon sir. Thank you so much for the opportunity. So, first question if you could highlight in terms of the market share movement for our market?

Rajguru Behgal: Hi, Rajguru, this side. So, I will start with Delhi NCR market share. So, we have been able to maintain our market share to 17%, compared to last quarter also we were 17%. And at Sahnewal, we have been able to ramp up our market share from 24%, which was last quarter, to 26.5%, closer to 27%. And in the Uttarakhand, there's a continuous sharp increase in market share. So, from 23% last quarter, now it is 30%.

Achal Lohade: And when you say last quarter, you mean 2QFY25 or 3QFY24, sir?

Rajguru Behgal: Q2 24-25.

Achal Lohade: Okay. So, it's a quarter-over-quarter, there is an improvement.

Rajguru Behgal: Yes.

Achal Lohade: Understood. And if you could guide us in terms of the market share in 3Q24 same quarter last year?

Rajguru Behgal: In Q3 last year, the market share Delhi NCR was 16%. And at Ludhiana it was 21%. And in Uttarakhand it was 27%.

Achal Lohade: So, essentially we have improved market share on YOY as well as QOQ basis?

Rajguru Behgal: Yes, correct.

- Achal Lohade:** And what has driven this because if you could also help us with the EBITDA margins as well for the CFS and Rail?
- Samvid Gupta:** Yes, so Rail is Rs. 9,600 and CFS is about below Rs. 1,300. So, there has been some increase in discount, but at the same time, our double stacking has improved. So, it's kind of offsetting each other. That's why our EBITDA per TEU is consistent with H1. And also, there's been a shift in the throughput. We have done lesser empties also. So, it might not show in the overall volume growth. It's only about 2%. But our laden percentage has gone up more than a laden plus empty percentage.
- Achal Lohade:** Would you be able to share what is the cargo growth in laden containers?
- Samvid Gupta:** We don't give the exact split on that, but I mean there is a few thousand...
- Achal Lohade:** Is it in double digit?
- Samvid Gupta:** Double digit compared to?
- Achal Lohade:** YoY? The growth is in double digit for the laden cargo? So, is it the **empties** mix which is changing the realization and the margin profile? That's the question I had.
- Samvid Gupta:** Yes, no, not in double digits. It is single digits.
- Achal Lohade:** Okay, understood. If you could also highlight, how much of the JNPT cargo currently is moved by road? What volume it would be annually
- Samvid Gupta:** It's hard for us to say because we are not there with all the markets where JNPT caters to. But for us, our overall volume is only about 5% from JNPT.
- Achal Lohade:** But I mean, given these three markets put together, how much volume you think is going by road to JNPT?
- Samvid Gupta:** For the ICD, the locations that we have, especially in the north, we'd say about 70%-80% is on rail, balance is on road, but it's improving by a few percentage every year.
- Achal Lohade:** And can you help us understand in terms of the market scenario, what is the outlook in terms of the market? And by the way, if you could also talk about these three markets, what has been the volume growth in these markets at the aggregate level?
- Samvid Gupta:** I'll just take the first one and Rajguru you can give the specifics. Broadly, I mean, we want this consistent trend to go. We have got the Rs. 100 crore EBITDA also again. So, we are happy with that, considering the global scenarios. But there could be some changes, like especially in the Red Sea situation, if shipping lines start using this route again, then we could see a boost in volume compared to what we factored in. So, we are still not giving out a number for what we expect next quarter or the following year. We will probably wait another quarter and then see

and give our guidance for the future. And then that's when we will just tell you about the specific market growth - de-growth.

Rajguru Behgal:

So, yes, so if we talk about NCR, so there has been a growth of around 6% to 7%. But if we talk about other markets like Uttarakhand, Kashipur, there is a slight degrowth overall because of the waste paper volumes. At Sahnewal, we have been able to retain our market share and over the period of time we increased. So, what we can look at is because of the geopolitical scenario like Samvid mentioned, so there was a shortage of empty container inventory also, which also led to a lower moment of empty containers. Going forward, we are just waiting and watching and how the situation will pan out, but we can see that from January numbers are slightly better than if we look at November, December numbers. But it is very soon to give you complete clarity that how the things will pan out.

Samvid Gupta:

Just to clarify, the numbers Rajguru gave are terminal wise increase. But if you look at overall market, NCR Q3 versus Q3 is 2% growth. Ludhiana is down 20% and Uttarakhand is down 30%.

Achal Lohade:

Ludhiana is down 20% YoY and Uttarakhand 30%. Have I understood right?

Samvid Gupta:

32% overall market has gone down, but still for us, I mean, we have managed to increase our market share in that falling market also.

Achal Lohade:

Right. Just a quick question on this. If we look at the port volume year-to-date, nine months they are up about 9%, 10% YoY. But if we just sum up the leading terminals, we see that there is hardly any change. Can you explain, is there a reversal of the market share for real? Is it there an element of calculation changes? Like the transshipment has gone up a lot and which is influencing the port numbers, etc.

Samvid Gupta:

Yes, so transshipment and empties get counted there along with coastal shipping also. So, it's not really a comparable thing. So, we only look at where our ICD are present and what the market there is. We are also not servicing a good chunk of the country by rail.

Achal Lohade:

I have more questions, but I'll come back in a few. Thank you.

Moderator:

Thank you. Next question is from the line of Amit Dixit from ICICI Securities. Please proceed.

Amit Dixit:

Yes, hi. Good evening, everyone, and thanks for the opportunity. A couple of questions from my side. The first one is on the growth plans that we have, particularly with respect to new ICDs. Now, as I understand, Jaipur is still not crystallized. So, over the next, at least say two years, what are the kind of options we are considering at this point in time?

Samvid Gupta:

We are actively looking at 2-3 options. So, hopefully we can announce something by next quarter. Jaipur is still going to take time as we have reported in the past. We will wait for the land issue to clear up. But there's definitely plans to expand on the rail linked ICD side with 2 or 3 is coming in the next couple of years.



- Amit Dixit:** Is it possible to just highlight the regions or you will do it at a later date as and when things come?
- Samvid Gupta:** No, we will only announce that after we have bought our land.
- Amit Dixit:** And what exactly is ailing Jaipur? I mean, has it moved ahead compared to last time or the situation is just stuck there?
- Samvid Gupta:** We have reported in our accounts, it's a legal process. There's a date of hearing that keeps happening, so nothing significant to report in the process.
- Amit Dixit:** Okay, the second one is on double stacking. Is it possible to quantify the double stacking in this quarter? And how does it compare with the last quarter?
- Samvid Gupta:** It's 40% versus 38% last quarter.
- Amit Dixit:** Okay, that's great. Thank you so much and all the best. Thank you.
- Prem Kishan Dass Gupta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Krupashankar NJ from Avendus Spark. Please go ahead.
- Krupashankar NJ:** Yes, good evening and thank you for the opportunity. A couple of questions. So, first upon specific end markets, you did say that NCR has grown at about 2% while the other two markets are quite weak. But on the other hand, you are seeing that exports as a whole is picking up in the fourth quarter. So, can you throw some light around what are the key areas which is working out and what are the key commodities where there has been substantial weakness?
- Rajguru Behgal:** So, like I said, the NCR market growth was 2% wherein our terminals in NCR grew by 6% to 7%. So, here we have seen some stability, but there's a degrowth which has happened in Ludhiana and Uttarakhand is primarily due to two factors. Ludhiana, the complete market is heavily dependent on scrap. So, that is one of the major reasons and the overall market went down because of the low volumes of scrap and the volumes have not firmed up as of now. And the other market, which is Uttarakhand, it is heavily dependent on waste paper. So, there also the overall market is down because of the low volumes of waste paper. So, these two commodities led to degrowth in the overall market in both Ludhiana and Uttarakhand.
- Krupashankar NJ:** Okay, I got it. In the NCR market specifically, just wanted to get a sense. You have seen some growth of rice exports picking up again and any trends you have seen in the month of January, which you can highlight in the call, please.
- Samvid Gupta:** It's a similar trend going on December to January, so nothing significant to report as such..

- Krupashankar NJ:** Understood. On the CFS business again, just trying to figure out, we are still in process of executing the sale of the CFS businesses. Is this understanding correct? Any update over there?
- Samvid Gupta:** We are creating our options, so like we said in the last call, that we will probably take, if we won't have any news to give in this financial year, to possibly after the close of financial year and the next investor call, we can get some better update on it?
- Krupashankar NJ:** Got it. Alright. Thank you. That's it from my side.
- Moderator:** Thank you. Next question is from the line of Vishal Darji from RoboCapital. Please go ahead.
- Vishal Darji:** Hello, sir. Thank you for the opportunity. My question is on the Snowman Logistics part. On the EBITDA margin front, our margins have dipped as compared to last year. So, they are around 16% currently. Going forward, what type of margins are we expecting? Like you said that we are moving to an asset-like model and the increase share of distribution business might affect the margin. So, what type of trend are we expecting?
- N. Balakrishna:** See as our overall business dynamics and the mix has changed in the last few quarters, the EBITDA margins though will remain close to what we were around 18% to 20% is what we expected to stay. But overall absolute number EBITDA is going to grow with our expansion in Snow Distribute.
- Vishal Darji:** So, on sustainable, we can take it as 18% to 20%, right?
- N. Balakrishna:** Yes
- Ishaan Gupta:** The reason for that is we are increasing distribution business, which is low margin but high revenue. And absolute EBITDA will grow. And it supports the warehousing and transportation business by increasing stickiness. And those same customers end up using our warehouses and transportation. We don't do distribution business which doesn't touch our warehouses or our transportation.
- Vishal Darji:** Okay, got it. And as you are expanding your pilot capacity, what kind of revenue growth are you expecting? Any guidance you would like to give?
- Ishaan Gupta:** We are targeting say by end of FY27, anywhere between Rs. 800 crores to Rs. 900 crores of revenue.
- Moderator:** Thank you. Next question is from the line of Gaurav Gandhi from Glorytail Capital Management. Please go ahead.
- Gaurav Gandhi:** Yes, thanks for the opportunity. Sir, what are the updates on the Red Sea issue? Has it resolved or any update regarding that? Any signs of traffic shifting back there?

- Ishaan Gupta:** No, as of now, the Red Sea issue remains the same because even though there's a cease fire announced, but it will take time before everything settles down. All the shipping lines are still using the route which is through the Cape of Good Hope rather than the Suez Canal. At the same time, freight rates have gone up significantly, both because of Red sea and generally the container flows and trade routes which are being used by the shipping lines right now and the capacity is well utilized. So, the situation remains the same, the transit times remain the same, and for our end customers, the freight rates are going up even now.
- Gaurav Gandhi:** And so, again, then it will resolve how much volume growth you're expecting?
- Ishaan Gupta:** There is no direct relationship which we can identify between when the situation gets resolved and linking it directly to the volume, it will be very difficult to say. But generally speaking, whenever the freight rates go down, container availability goes up, then we expect the export out of India to become more competitive.
- Gaurav Gandhi:** Alright. Thank you.
- Moderator:** Thank you. The next question is from the line of Aniket Kulkarni from BMSPL Capital. Please go ahead.
- Aniket Kulkarni:** Thank you for taking my question. So, I wanted to ask why are we more EXIM focused versus domestic focused in the Rail business? And how will the completion of the DFC on the western side help us if we are more EXIM focused, given that the Eastern DFC catered more on the domestic side? So, what are your thoughts on that?
- Samvid Gupta:** We have tried domestic in the past, but for domestic you need a more wider network of terminals. We only have five rail-linked terminals. Domestic mode suits us, single stack and there's imbalance as well and it's slower turnaround time. So, we have chosen to focus on EXIM as a strategy. At least for the last 10 years it's been pretty much 95% plus on EXIM side. We are not against running mixed trains. Once we have a more wider network, say if we have 10 locations, it's easier to triangulate trains and have a better domestic presence. So, for that, we need to, like we said, we have plans for three more terminals and even more after that. So, we will wait for that and eventually the plan is to get into domestic as well.
- Aniket Kulkarni:** And on the Western DFC completion, so how will it help us more in the EXIM operations as compared to the domestic ones? Because you said earlier that the Eastern DFC was more domestic focused, right? So, what is the difference between the Eastern and the Western DFC and how will it help us more on the EXIM side?.
- Samvid Gupta:** So, Western DFC connects to Mundra, Pipavav, JNPT, which is where we carry all our cargo. Kandla also we recently announced that service. Eastern DFC we are not connecting to any ports. So, if we have to use that, that might be on the domestic end, but we don't have any specific plans for it right now. The Western DFC basically all the imports and exports going to these 3-4 ports will help us increase our volume. Thank you so much.

- Moderator:** Thank you. The next question is from the line of Jainam Shah from Equirus Securities. Please go ahead.
- Jainam Shah:** Thanks for the opportunity. My first question is related to the acquisition of Snowman. So, are you going to have any more increases in the stake in the company, or are you okay with this 50% stake? So, you would like any more cash flow to be deployed in this Snowman from the Gateway.
- Samvid Gupta:** So, our plan was to do 50%, and we could acquire 5% under sweeping acquisition this year, which we have pretty much exhausted. So, no immediate plans to increase our stakes further, but we will have a look whenever we have free cash flows and we have to decide our overall strategy. This was the first target.
- Jainam Shah:** Got it. And on the Gateway Distriparks only, so as we are following the company in the last 2-3 years we have been hearing that we will be adding up new ICDs in Northern and Central region which will cater to the DFC. But no significant movement is done on that part, and no significant investment has been done. And even Jaipur is kind of on hold as of now. And if you see from a cash flow perspective, you are not doing any major CAPEX in terms of investment in ICD. And if you see like the existing one in Ludhiana or Uttarakhand, it is degrowing and of course DFC has been operational for majority of our cargo, which is like 95% towards Pipavav and this Mundra, then what kind of things stopping us to go aggressive in terms of addition of any terminal, in any of the region to have better volumes going forward or to eventually use the capital better?
- Samvid Gupta:** So, ever since we have announced it, we have evaluated dozens of opportunities, some of them brownfield but mostly greenfield. And the challenge that we are facing is that we are not able to do land acquisitions in the correct shape and in the correct location, which meets all our criterias as we want it. We would rather wait and do the terminal in a good location, such as our Gurgaon facility. And for that, it's taking time. Even as we speak right now, there are 3 or 4 proposals where we are at the finalization stage. So, as we find any problems in the land, it's a big challenge in India, then we drop that proposal. And if the due diligence and everything goes well, then we will be going ahead.
- Jainam Shah:** Sir to follow on this, are we like, of course there has been a Gati Shakti Master Plan has been there - so any of your terminal which has come into it and if it is coming, are we participating in that?
- Samvid Gupta:** Sorry, your voice is not clear. Are you asking if any terminals coming up for acquisition?
- Jainam Shah:** No, so I am asking that there has been a Gati Shakti Master Plan in which there would be a few terminals which would be led by, let's say, government of India or something. So, are we planning to be part of that, because we are wanted to have a private participation increase in this particular segment of ICD and railways?

- Samvid Gupta:** Right. Whenever these proposals come, we definitely take a look. But it doesn't fit with our business model usually, because all of them are built on government land. And after a certain number of years, usually in this model, the facility, you have to hand over back to the public sector. And also, it's a common user facility if you build on whether it's Gati Shakti or it's DFC land. And in our business model, we believe that we want to run our train exclusively to our terminals. And we are not in it only for the terminal business. We want to do the rail piece as well. We don't want to do a terminal where others are running on the rail.
- Jainam Shah:** Got it. Okay, and just one last thing. By any chance, are we seeing that the competitive intensity which might be increasing, which might be leading to a lower return ratios from the newer terminals as against what we would have anticipated and which is eventually leading to a delay in the acquisition of the terminal or is only just the land issues and all, or any other thing that you want to highlight?
- Samvid Gupta:** Sorry, the voice is very muffled. We are not able to make out that last question.
- Moderator:** Mr. Shah, may I please request you to use your handset if you are on speakerphone?
- Jainam Shah:** Yes, I am using handset only. So, I am saying that by any chance if any of the let's say there will be some already kind of ICD in a particular region and we would be acquiring some land nearby and then eventually because of the competitive intensity our financials might not be working in terms of the return ratios. Eventually because of that are we foregoing any of the opportunity to add any terminal or it is just the land aggregation or any land acquisition problem that we are facing for the newer terminals?
- Samvid Gupta:** No, it is primarily the land aggregation. We have enough funds available both in our treasury and the ability to raise. But that has not been the bottleneck. The land aggregation has been the bottleneck for us.
- Jainam Shah:** Well, that is it from my side and thank you so much for all the answers.
- Prem Kishan Dass Gupta:** Thank you.
- Moderator:** Thank you. Next question is from the line of Anirudh A. Damani from Artha India Ventures. Please go ahead.
- Anirudh A. Damani:** Thank you so much. So, I had a couple of questions about the capital outlay. So, it looks like Kolkata we are going to start with 5,900 odd pallets in this quarter. The total outlay for this project was for 9,000 pallets. Any indication of when that would be completed and also what is the total size of capacity building at Krishnapatnam?
- Padamdeep Singh Handa:** So, in Calcutta, we are completing the first phase of the warehousing. After that, we have another year and a half when we will reinvest into phase two in Calcutta. And that will cover up the entire outlay as we have projected. The land and everything else is already there. It is just that we are creating phase one and then we will go to phase two. In terms of Krishnapatnam, we are

adding additional, I mean, additionally we are adding 5.500 pallets which will be also getting up and ready by this year end, financial year end.

Anirudh A. Damani: So, just to clarify the total capacity at Krishnapatnam will be about 11,200 pallets and Calcutta will be 9,000.

Padamdeep Singh Handa: Yes, approximately and Calcutta will be 9,000 plus we already have another warehouse which will add up and create a total of 15,000.

Anirudh A. Damani: And then Calcutta, is that under the model where we acquire the land, and we own everything or is this the BTS model that we are doing?

Padamdeep Singh Handa: It is we have acquired the land and we own everything there. Same, in Krishnapatnam also.

Anirudh A. Damani: And just one last question, how are we financing this total capital investment of around 150 crores over the next 12 months?

Ishaan Gupta: It's primarily debt funded but also some equity portion of about 20 billion to 25 billion.

Anirudh A. Damani: You said equity, you would be raising equity?

Ishaan Gupta: No, like internal accruals.

Anirudh A. Damani: Okay, got it. Thank you so much.

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

Koundinya Nimmagadda: Yes. Hi sir. Thanks for the opportunity. So, my first question is, how has Jan been, I mean this quarter, how is the trend like with respect to your volume growth or the momentum on ground, either on the ICD side or on the port side? If you can throw some color on that please if you are seeing any pickup?

Samvid Gupta: Very similar trend going on. More of the same as Q3.

Koundinya Nimmagadda: Okay, do you think the volumes may have bottomed out at this current level? Do you think this is a trough or do you still see their potential decline from here as well?

Samvid Gupta: It's hard to say on the overall macro volumes, but we have a healthy pipeline in place for our terminals where we see our market share going up going forward.

Koundinya Nimmagadda: Understood. My second question is on the margin front. So, how do you see that trend from here on because I think on a QoQ basis, in your Rail business there is a marginal decline on per TEU basis. So, I mean what has driven this in the sense you can throw some color please?

- Samvid Gupta:** It's more or less the same if you look at the H1 we were at Rs. 9,600 we are still at Rs. 9,600. So, every quarter can't be the same it depends on the volume mix little bit up and down. Number of 20s, 40s, overall empty running, under frame running. So, there are many factors, but we have always given this guidance that will be roughly in this range. And we expect that to continue going forward as well.
- Koundinya Nimmagadda:** My last question is on the CFS divestment part. Any color, any thoughts on where are we on that?
- Samvid Gupta:** As you mentioned earlier on the call also, we will probably be able to give a better update maybe next quarter. So, that 3-4 months down, maybe we can report something.
- Koundinya Nimmagadda:** Thank you very much.
- Moderator:** Thank you. Next question is from the line of Riya Mehta from Acquittance. Please go ahead.
- Riya Mehta:** Thank you so much for giving me the opportunity. My first question is in regards to that you said that the markets of Ludhiana and Uttarakhand have been seeing a decline, mainly for scrap and waste paper. So, apart from these commodities, what other market revival do we see for these markets to grow?
- Rajguru Behgal:** So, basically if we look at both these markets, so I'll just give you a percentage, like 20% of the scrap volumes are there in the market of Ludhiana. So, no matter other commodities, whatever percentage they do well, but they won't be able to match up, unless and until there is improvement in scrap volumes. And similarly, it has a huge percentage if we look at the waste paper market in Uttarakhand. So, they don't have those kinds of volume. Voluminous commodities aren't there, which can substitute those volumes. So, we have to wait for their growth to happen till the volumes are stabilized and again there is market growth.
- Riya Mehta:** And what would be the possible reason for NCR growing just at 2%?
- Rajguru Behgal:** So, if we look at NCR, it could have been growing further, but because of the empty inventory shortage, , because of the Red Sea crisis, there has been erratic arrivals at the port side. And overall, the shipping lines have to supply empties to other locations also, and they were not able to supply to that extent for the hinterland. So, that has also let down not only the moment of empties but also the export laden boxes.
- Samvid Gupta:** NCR also has scrap and trading goods which overall right now is very suppressed.
- Riya Mehta:** This is scrap steel, right?
- Samvid Gupta:** Yes.
- Riya Mehta:** Got it. And when you say that FY27 we are seeing growth of around Rs. 800 crores to Rs. 900 crores. Where do we see this growth coming from?

- Ishaan Gupta:** So, this was an impact for the Snowman, that was not for Gateway. That's the revenue that we will foresee Snowman reaching by end of FY27.
- Riya Mehta:** Yes, for that only I am asking.
- Ishaan Gupta:** That's mainly from Snow Distribute, which is an 5PL business. And taking into account the couple of facilities at least that we will be adding every year, if not more.
- Riya Mehta:** Alright. And where do you see growth coming for Gateway Distriparks, considering these markets continue to have a sluggish outlook for a couple of quarters at least?
- Samvid Gupta:** So, we are consistently growing our market share. Faridabad becoming double stack will give us a boost in that region. We have already seen some improvement in volumes there and we will continue to geographically expand also into new locations which will add further into this.
- Riya Mehta:** When we say our double stacking has increased by 2% from 38% to 40%, our margins have not seen that kind of improvement. So, could you quantify how much a percentage of double stacking increase would lead to how much savings in cost?
- Samvid Gupta:** It's kind of hard to do that, because again double stacking, it depends on the weight, the routes, the imbalance. So, it's not a clear-cut formula that for every percent of double stacking, we get this much crore saving. Also, we don't share exact double stacking saving in rupee terms publicly.
- Riya Mehta:** Right, but directionally if we have increased the double stacking, our margin should have improved. So, what possible reason that it has not improved directionally?
- Samvid Gupta:** Yes, as I just mentioned, the port split, the volume split, rate slab split, so those factors make a difference. Also some discounting has increased in certain markets which we were mentioning. But overall our plan is to keep the entire volume growing, our market share growing, which will help to distribute our fixed costs over a larger base of volume and run the asset as fast as we can.
- Riya Mehta:** Got it, and you were talking about various cost initiatives and Gateway. So, what all cost initiatives are we planning to take?
- Samvid Gupta:** So, I think again, that was a Snowman commentary that was given, Padam can elaborate on this.
- Padamdeep Singh Handa:** That was on Snowman wherein we are trying to work out on warehouse level, unit level, labour cost and overall efficiency of chambers. Those are what we have taken internally.
- Riya Mehta:** Got it. And for Gateway, are we seeing any improvement or going back to Rs. 10,000 level of EBITDA per ton for rail?
- Samvid Gupta:** Yes, hopefully when JNPT is connected to DFC then we should be seeing Rs. 10,000 plus. Also, we would also say three factors. One is Faridabad being double stacked, one is Jaipur coming

in, one is JNPT being double stacked. So, one out of those three is done. Jaipur's been delayed. Maybe when one more terminal comes in, that'll help us push in this direction.

Riya Mehta: So, how much is Jaipur delayed by?

Samvid Gupta: We don't know when it'll come in. We are basically waiting for the legal proceedings to get over.

Riya Mehta: And this is added since how long?

Samvid Gupta: This about a little over a year now.

Riya Mehta: So, once you get the regulatory approval, you would be able to get it, right?

Samvid Gupta: Yes.

Riya Mehta: And this is stuck with which board?

Samvid Gupta: It's Delhi Adjudicating Authority.

Riya Mehta: Okay, thank you so much.

Moderator: Thank you. Next question is from the line of Vikram Vilas Suryavanshi from PhillipCapital India Private Limited. Please go ahead.

Vikram Vilas Suryavanshi: Good evening sir. Sorry, in case the question is repeated because there was some disturbance in my line. What was the imbalance here in this quarter?

Samvid Gupta: 55-45 in favor of imports.

Vikram Vilas Suryavanshi: And can you repeat what was EBITDA per TEU in rail and CFS?

Samvid Gupta: Rs. 9,600 and say Rs. 1,250 or 1,270.

Vikram Vilas Suryavanshi: Rs. 9,600 and CFS was?

Samvid Gupta: Rs. 1,270.

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

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

Aditya Mongia: Thank you for the opportunity. And the first question that I had was linked up to the issue of discounts and maybe cuts in pricing. Could you give us a color of where have these discounts

been more focused on within the markets that you operate? Maybe a general color across the markets is that pricing kind of moved on a YoY basis?

Samvid Gupta: Sorry, I didn't get the second part, but basically this is Ludhiana, which has seen the highest level of discounts. And what we are doing is trying to focus on 40 feet volume, so that we can at least double start the cargo and still make a good margin on it.

Aditya Mongia: Are the other markets static in terms of pricing or have there been some pain over there also in let us say Delhi market?

Samvid Gupta: There has been, but not as much as Ludhiana.

Aditya Mongia: Understood. The second question that I had was what to do with the competitors move of setting up a terminal in JNPT. Now I understand that the volumes coming from that perspective for you are limited, but does this lead to kind of limiting your gains from DFC once JNPT gets connected because someone already is setting up a terminal? Does that alter the way you think for JNPT over time?

Samvid Gupta: No, it depends on where your origin and destination is. So, for example, in NCR, like if we have a Gati terminal, like we will cater to the Gurgaon, Neemrana, Rewari, this kind of market. So, ultimately, it's the catchment area we have to focus on. Being near the port doesn't have any significant advantage from the ICD side.

Aditya Mongia: Okay, the next question that I had was that, I think both of your peers are talking about total logistics solutions, both Adani Ports or logistics, the way you want to think through it, or Concord. Now, do we see through this becoming a trend and do we need to be investing in this line of work, or do you think that just doing the end-to-end rail transportation would work fine as a business model over time?

Samvid Gupta: So, we have been doing say, inland end-to-end. We have been providing rail, road and ICD under one entity since the beginning of our operations. There were some people who only were rail operators, some were only terminal operators. So, we have had this philosophy, but we are not venturing into the port side or into the forwarding side, anything like that. But the domestic side is there and then with Snowman also domestic distribution even on the dry side is happening and so we are more into that aspect of end-to-end.

Aditya Mongia: Understood. Maybe just a final question over here. I think you kind of talked about it, but is there any reversal of trend happening in favor of road because of maybe the connectivity that is starting to hurt rail operators? Are there any instances of customers shifting away from rail?

Samvid Gupta: We haven't seen anything much on.

Aditya Mongia: Those are my questions. All the very best to you. Thank you.

Moderator: Thank you. Next question is from the line of Prashant Kale from Star Capital. Please go ahead.

- Prashant Kale:** Sir, my question is about further increasing stake in Snowman Logistics. Do we have any plan to acquire the Snowman Logistics and delist it in the future?
- Samvid Gupta:** I didn't understand the question.
- Prashant Kale:** So, now we are holding 51% or more than 50% of Snowman Logistics. So, do we have any plan to further increase the stake in Snowman Logistics and delist the company in future?
- Samvid Gupta:** No, we aren't thinking along those lines. So, no immediate plan to increase our stake. Our first target was to cross 50% by March, which we have done now. So, we will evaluate after some time.
- Prashant Kale:** Okay, so there is no plan to increase it further?
- Samvid Gupta:** Yes.
- Prashant Kale:** Okay, thanks. That answers my question. Thank you very much.
- Moderator:** Thank you. Next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.
- Achal Lohade:** Thank you for the follow-up opportunity, sir. If you could help us understand what has been the OCF for nine months, cash flow from operations, and what is the CAPEX number?
- Kartik Sundaram Aiyer:** Nine months, the CAPEX has been Rs. 20 crores. What was your other questions again?
- Achal Lohade:** Sorry, I am not able to hear you, sir, clearly. Are you talking about Snowman, or are you talking about Gateway Distriparks?
- Samvid Gupta:** Gateway Distriparks. The CAPEX figure is Rs. 20 crores for nine months. The OCF, we don't have it handy right now. We will just check and get back to you within the next few minutes.
- Achal Lohade:** Understood. And what is the CAPEX we should work with for current year and next year in the Rail business, and in CFS too, Any which way, I don't think we will talk about CAPEX, but for the Rail piece.
- Prem Kishan Dass Gupta:** This one, can you repeat it please? Hello. we lost the voice for a second. Can you just repeat your last question?
- Achal Lohade:** Rail business, what is the CAPEX we should build in for FY25 and 26?
- Samvid Gupta:** So, the two new terminals that we are talking about, it's the same figures we are saying, maybe about Rs. 250 crores to Rs. 300 crores, the total when these are developed. Jaipur also, when it comes in, that'll be another Rs. 50 crores-Rs. 60 crores. Other than that, there'll be probably

CAPEX of about Rs. 30 crores to Rs. 40 crores for the next two years. This is on warehouse capacity and equipment replacement.

Achal Lohade: So, you mean basically Rs. 30 crores kind of maintenance CAPEX, plus greenfield Rs. 250 crores to Rs. 300 crores for three terminals, plus Rs. 50 crores to Rs. 60 crores if and when Jaipur resolves. Have I understood right?

Samvid Gupta: Yeah

Achal Lohade: Got it. And if you could just give us the mix in terms of NCR, Ludhiana and Uttarakhand. NCR, Punjab and Uttarakhand mix for us.

Samvid Gupta: So, we aren't sharing terminal-wise. Terminal-wise numbers we aren't getting into.

Achal Lohade: Understood. And just one more question in terms of the pricing scenario. Are you seeing any element of change in terms of pricing scenario in all three markets, NCR, Punjab and Uttarakhand?

Samvid Gupta: Like we mentioned, Ludhiana is going through discounting, even the other places there is discounting, but not to that extent. So, no pricing improvement anywhere, but most of us, say 80% or more of our business is stable pricing. And the operating cash flow, we discussed the figure, it's Rs. 250 crores for nine months.

Achal Lohade: Rs. 250 crore OCF for nine months, right?

Samvid Gupta: Yes.

Achal Lohade: Wonderful. Sorry, if you could just point out what has been the extent of discounting in the Ludhiana market?

Samvid Gupta: It's commodity specific, weight specific, volume specific, so it's hard to get into.

Achal Lohade: Would that be like 10%-12%, would that be like 4-5%? Any range?

Samvid Gupta: Ranging from 5% to 15%.

Achal Lohade: Understood. Alright, sir, thank you. Wish you all the best.

Samvid Gupta: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. Participants that have missed out due to time constraint can reach out to the management and SGA for Gateway Distriparks and Snowman Logistics for any further information. With that, we conclude this conference. Thank you all for joining us and you may now disconnect your lines.