



S J LOGISTICS (INDIA) LIMITED

June 10, 2025

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

Symbol: SJLOGISTIC

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

Subject: Outcome of Q4 FY25 Earnings Conference Call – Transcript

Dear Sir/Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's Q4 FY25 Earnings Call.

The same is being made available on the website of the Company at www.sjlogistics.co.in

Kindly take the aforesaid information on record.

Thank you.

For **S J LOGISTICS (INDIA) LTD**

RAJEN

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SHAH

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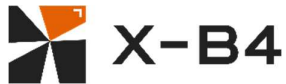
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**“S J Logistics (India) Limited
Q4 FY '25 Earnings Conference Call”**

June 4th, 2025



**MANAGEMENT: MR. RAJEN SHAH – CHAIRMAN AND MANAGING
DIRECTOR – S J LOGISTICS (INDIA) LIMITED
MR. RANJAN GUPTA – FINANCE CONTROLLER – S J
LOGISTICS (INDIA) LIMITED**

MODERATOR: MR. GAUTAM KOTHARI – X-B4 ADVISORY LLP



Moderator:

Ladies and gentlemen, good day and welcome to the S J Logistics (India) Limited Q4 FY25 Earnings Conference Call hosted by X-B4 Advisory LLP. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I would now like to hand the call over to Mr. Gautam Kothari from X-B4 Advisory for opening remarks. Thank you and over to you.

Gautam Kothari:

Thank you. Good afternoon, everyone and welcome to the Q4FY25 earnings conference call of S J Logistics (India) Limited. Today on this call we have with us Mr. Rajen Shah, Chairman and Managing Director and Mr. Ranjan Gupta, Finance Controller.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given on the second page of the investor presentation of the company which has been uploaded on the stock exchange and company's website as well.

With this, I now hand over the call to Mr. Rajen Shah for his opening remarks. Over to you, sir.

Rajen Shah:

Thank you, Gautam. Good afternoon, everyone and thank you for joining us today on our earnings call following our successful listing on the NSE Emerge platform from December 2023. We hope that all of you had a chance to review our investor presentation which is available on the stock exchange as well as on our website.

Let me first introduce myself. I am Rajen Shah, the Chairman and Managing Director, Qualified Chartered Accountant since 1990 and I bring over 25 years of experience in shipping and international logistics and transportation. I lead the business development, legal, compliance and strategic decisions and have been closely involved in driving the company's growth and direction.

I will first talk about the S J Logistics. Basically, S J Logistics is the multi-modal logistics as well as the supply chain powerhouse. We have our headquarter based in Thane, that is in Mumbai, Maharashtra. Plus, we have offices in Singapore as well as in Dubai. And our technological and other alignment with the overseas agency network is more than 100 countries, which enables us to diversify industries vertical from textiles, heavy engineering, as well as the power transmission, pharmaceuticals, as well as agro products and the chemicals.

And basically, our major activities are ocean freight. Under the ocean freight, we do the international freight forwarding. And basically, we are more into the project cargo. If you see our performance two years back and now, our major participation has switched from the textile industry to the transmission power projects. That is the project cargo, transmission power as well as the earth-moving equipment.



So, the participation exactly, we have shown how it has increased and what percentage is the increase in financial year 2024-25. It is already there and Mr. Ranjan Gupta will definitely give the facts and figures on that. Basically, what we do? Freight forwarding activity is basically a flagship vertical. And since we have started this operation 25 years back, our major activity was freight forwarding in first one, one and a half decade.

Then slowly, gradually, we started adding on the other activities also. But freight forwarding, initially, when we started, we were doing a lot of steel commodities. Then we switched to the textile commodity and textile commodity is our major participation as well as the business is concerned from last one decade.

Now, last five years, six years, gradually, we have started handling the projects cargo and mainly to the power transmission power, which are mainly going to the Latin America as well as to the African sectors. And our participation has gone up as far as this particular vertical is concerned. So, we do a freight forwarding that includes the ocean freight. Ocean freight includes means port to port delivery. We start from one port to delivery to another port.

We have also specialized our activity as far as DAP shipments are concerned in delivery shipments. We do a lot of DAP shipments activity, that is delivery at the destination and all the duty paid delivery also we do. The transmission tower project, which goes to the African and Latin American continent, basically, we have to do a lot of compliance at the destination. And what happens, being a landlocked country, mainly to the African as well as Latin American countries, the cargo always gets discharged at the other country's port.

I will just give you an example. Presently, we are handling a cargo which is going to Ecuador as well as to the Bolivia. But the cargo will get discharged either at Chile or at the Peru. And we have to do the documentation clearance at Chile or at Peru, wherever the cargo is going respectively. And from there, we have to do the trucking, take the container to the site, offload the material and bring it back to the respective port again.

So, this requires a specialization job. Specialization compliance has to be required. So, we have our partners sitting there who are doing all this. And this is what we have developed in the last five years. And that's the reason. Yes, definitely, there is a competition. But as far as our service is concerned, as far as this transmission tower project is concerned, dependency from all these transmission tower major manufacturers in India, they know our services very well. And they are quite comfortable with us. And that kind of comfort we have developed with them in the last few years.

So, that is our major activity, what we are doing as of now. Along with that, we are also handling the yarn and the textile commodity cargo, which is originated from India as well as internationally also. So, we are not only handling the cargo, which is originated from India, but also from the South East Asia section like Vietnam, China, Indonesia, then many other countries. And the cargo which goes to the Latin American sector as well as to the African sectors, the North American sectors.



Coming to the continent to the continent, what happens? We have a lot of shippers based in Singapore. They are into the textile industry. They source their material either from India or from South East Asian section. They are their nominated agents basically. And we issue our house B/L to them for the first leg B/L as well as for the second leg B/L.

And what happens in that case? The cargo control, when we issue the bills of lading, cargo control always remains with us. So, that is the comfort which additionally we give to our client in Singapore. And cargo which is originated from India as well as from other countries, we handle that. We do their ocean freight for port to port and whenever they require delivery at the door, we provide their services also.

The transmission tower project is basically originated from India. We have a few clients from India, direct manufacturers. We handle their volume business basically which is from the East part of India as well as from the Western and Northern part of India. And this cargo goes to the Latin American as well as to the African sectors.

And coming back to the other forwarding activities, we handle agro product also, pharmaceutical product also, chemical product also. But our major contributor is textile as well as the project cargo. Project cargo we handle because it's a consistent business which we get throughout the year.

The consistency of the business is very high because this kind of project remains for 3 years to 2 years with our customers. And in turn, they also give the commitment for 1 year, 2 years, 3 years. So, that kind of commitment we have, the consistency of business is always there. And that's why we are slowly and gradually we are increasing our participation as well for this project cargo is concerned.

We also do earth-moving equipment's because there are lot of earth-moving equipment's like caterpillar, cat, ham which goes from India to the Middle East as well as to the Upper Gulf and Gulf sectors. So, we also specialize in that. We have lot of ODC cargo which are going to these sectors. ODC cargo means it's Over-Dimensional Cargo which doesn't fit into the container, which fits into the 40 feet flat rack or 20 feet flat rack or the open top containers.

So, there are different types of containers, box containers, you have open top containers, you have flat rack containers. So, this commodity we handle. We do the latching, chocking at the port. We give them the specialized services. These are the services which everyone doesn't provide. Yes, there are competition. It is a competition but this is what we have developed in last many years now.

So, we are specializing in this and we do a lot of cargo earth-moving equipment as well as the power transmission, power project is concerned and textile is concerned. But by no means we restrict ourselves only to these three commodities. But our major business comes from these major three activities.

Now, coming back to the NVOCC division. NVOCC division is basically a non-vessel operator common carrier where we have our own containers. When I say our own containers, container can be our own which belongs to us. The ownership of the container is with the company or we



take the container on the lease from the market which is on the monthly lease and we also take the container on hire to purchase that is a lease to purchase.

So, we have a contract of 5 years, 3 years. It can be of 10 years also. So, slowly and gradually once we pay this leasing and after the expiry of the period, the ownership of the container gets transferred. This NVOCC business is basically within the continents. But in past few years, it has started within the Mediterranean Sea. Some of the operators are now going to Italy also and also to the East African sectors like Mombasa, that is Nairobi as well as to Dar es Salaam, Tanzania because we have a lot of cargo moving to these sectors.

70% of the African countries are still landlocked countries. So, many of the countries. I will just give you an example like Addis Ababa, Kampala, Kigali. The gateway is Mombasa or Dar es Salaam (city in Tanzania) The cargo always goes to this port and from there by trucking it goes to these particular countries.

So, there are a lot of compliance licensing which is required and also you require timely transportation. Because you know that suppose if the cargo is cleared and if you don't get the trucks on time, you have a lot of detention and damage which incurs on the cargo and which is definitely very high. So, we have to have our services in place where once the cargo is reached, once the clearance is done, we have to make sure that they get the trucking and the cargo is taken to the destination.

So, this is a specialized job which is required by all the shippers or the consignees at the destination. So, this kind of specialization job which we have developed either by our own team or by our associate partner sitting there at the destination. So, this kind of jobs we take and it's a specialized job and we are doing this from last many years now. So, we know what are the complications, what are the advantages or disadvantages we have over and above our competitors.

So, coming back to NVOCC division, NVOCC division basically always operates within the continents where we have our own containers and we take the slots from the vessel operators. The difference between freight forwarding and the NVOCC operations is that where here freight forwarding where the container ownership as well as the vessel, it is always with the mainliner like you must have seen MHC, Maersk, CMS, TGM, Hapag.

They are the mainliner operators and they go across the continent and within the continent. Whereas NVOCC operation is majorly done within the continent where we have our own containers and we take the slots from the vessel operator. Here the vessel operator, they don't have their own containers. They give the slots to the NVOCC operator like us. There are many places in the market.

So, we are also one of them and slowly gradually we are increasing our participation in NVOCC. And last year, only few months where we have started NVOCC operation but the full operation and the effect of the NVOCC operation will be seen in this financial year that is 2025-2026. So, NVOCC operation is one area where we can see a major growth in coming year. And I am sure



that the growth what we had in the last one and a half year after we got listed, we will be having a better growth as far as NVOCC is concerned and even the freight forwarding is concerned.

We also had IATA, our own IATA where we started our air traffic and air freight. Air freight also last year as I was talking in my past investors meet also that the major impact of air traffic as well as the NVOCC operations will see the impact in this coming financial year. And I am sure that we will have a very good number as far as these two verticals are concerned.

So, definitely we will be growing and we are growing in a very right way. We are going in a very right direction. Our strategies are very clear and freight forwarding also we are doing very nicely. And not only that we are increasing our local participation. As of now the major cargo what we have generated in last financial year is from northern, western and eastern part of India.

The current year we are also planning to have our own presence as far as South India is concerned. So, definitely that is the area. As far as S J Logistics is concerned, it is untouched. So, we have a lot of scope going that side and getting our cargo from that particular area also. This is as far as India is concerned.

And we are also increasing our participation globally. As of now also my team is in Germany. We have got American Alliance Network Conference there. So, our three team members are already there in Germany. So, two of our directors, Jeet Shah, my son and our other director Kulshekhar Kumar, they are also there in Germany.

So, we attend this kind of conference and we exchange the business with each other and we have lot of opportunities. So, I can see that there will be ample opportunity and there will be definitely a growth. But considering the geopolitical conditions, we have to have good strategy where we can make money, where we can increase our participation in business.

So, you know often there are lot of tariffs which were being laid by the US government. And there was no cargo movement from China. And again, he has given 90 days relief to China. So, again the rates have gone up. So, these are all geopolitical conditions which keeps on changing. At the same time, there are lot of ample opportunity where you have this kind of restriction.

You get less number of space, less number of containers where the rates have gone up, the margins are going up. So, we have ample opportunity where we have a strategy where we can grow and we are definitely growing.

So, from here I will just hand over to Ranjan Gupta for giving the results and explaining about the quarter 4 and as well as the financial year 2024-25. Thank you very much.

Ranjan Gupta:

Thank you sir and good afternoon everyone. Let me now present the financial performance highlights of S J Logistics for the quarter 4 and full year ended financial year '25. In quarter 4 financial year '25, the company reported consolidated revenue of INR141.72 crores marking a robust year-on-year growth of 60.1%. EBITDA came in at INR23.26 crores reflecting a significant increase of 205% year-on-year with the EBITDA margin expanding by 780 basis points to 16.4%.



Profit after tax stood at INR14.83 crores up 108.3% year-on-year while the PAT margin improved by 250 basis points to 10.5%. For the full year financial year 24-25, consolidated revenue rose to INR602.5 crores, a strong 85.5% growth over the previous year. EBITDA increased by 156% year-on-year to INR75.39 crores with margins improving by 410 basis points to 15%.

PAT for this year was INR52.49 crores which was up 132% year-on-year with PAT margins rising to 10.4% and expansion of 210 basis points. This impressive result reflects the company's sustained momentum, operational excellence and improved margin realization across all business segments, particularly in high-value cargo and newly launched services.

Looking at the revenue break-up for financial year 2024-25, Ocean Freight remained the largest contributor delivering INR267 crores revenue from ODC title project cargo within a total Ocean cargo revenue of INR472 crores and 87% year-on-year growth over financial year 2023-24. Breaking it down further, yarn and yarn commodities grew from INR137 crores in financial year 2023-24 to INR187 crores in financial year 2024-25, marking a growth of 35%.

ODC tyre and project cargo surged from INR105 crores to INR267 crores, registering an impressive 153% growth. And our newly launched air cargo vertical, despite being introduced mid-year, contributed INR14 crores, approximately 2.8% of the top line, demonstrating encouraging early traction. The NVOCC segment generated INR16.22 crores, accounting for around 3.2% of total revenue, with strong support from our operations in the Gulf and North Africa.

Project cargo continued to be a key driver of profitability, supported by structured, high-margin assignments. Additionally, we witnessed strong momentum in the shipment of yarn, ferro metals, ferro commodities and heavy equipment's, further diversifying and strengthening our revenue streams.

Financial year 24-25 has been a transformative year for S J Logistics. From listing to expanding into newer territories and launching high potential, we have laid a strong foundation for long-term value creation. Our early investments in assets like scalability, compliance and partner networks are beginning to pay off not just in financial terms, but in the trust we are building with our global clientele.

We remain committed to expanding thoughtfully, executing responsibly and communicating transparently. We are grateful for the trust of our shareholders, partners and employees who are part of this exciting journey. With this, we now open the floor for questions.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Rohit Singh from NVest Analytics Advisory.

Rohit Singh:

Sir, could you please share the company's top line and bottom-line guidance for FY26, including any key assumptions or drivers behind this projection?

Rajen Shah:

For 2025-26, you have definitely seen the growth in the last one and a half years after our listing. We definitely have a strategy and we are also adding on the locations, not only within India but



outside India also. Our participation is going to go up. The result that you are seeing is that we have a major INR472 crores of our top line is coming only from one activity. And where we mentioned that we are expecting a very good growth as far as NVOCC operations and air cargo shipments are concerned.

Definitely, we have a tentative idea that we will grow. But to predict the exact numbers and to give the exact numbers is very difficult because we have just had two months gone. Practically, it will be very difficult. But yes, seeing the past growth, I can only assure you that the growth will be there and it will be much better.

Rohit Singh:

My second question is...

Rajen Shah:

If you can please allow us a few more months, then definitely when we talk again or when we have a meet or whatever, then we can definitely come up with some concrete tentative ideas. It is too early because 10 months are still remaining.

Rohit Singh:

Sir, my second question is... Over the past 2-3 months, there have been reports of phantom demand emerging in the US region. How is the company assessing this trend?

Rajen Shah:

Sir, again your voice is... Hello?

Rohit Singh:

Sir, my second question is... Over the past 2-3 months, there have been reports of phantom demand emerging in the US region. How is the company assessing this trend in terms of sustainability and what impact do you anticipate on realization in the coming months? Additionally, could you comment on how ongoing US tariffs are expected to affect the company's performance going forward?

Rajen Shah:

Sir, I will tell you. If you see the major traffic or the major ocean freight or the delivery destination or the DAP shipment or the DDP shipment, our major participation is with Latin American continent as well as with the African continent. Our major share of the business from US is not even in double digit.

So, it is not going to impact so much. But yes, definitely there will be a hike as far as the freights is concerned. And we don't know what will be the tariff after 90 days and what will be the policies they will be coming out after 90 days. They may extend by another few more months or they may go with the tariff. But as far as S J Logistics business is concerned, our business to North America is not very remarkable.

Our major thrust is to Latin America as well as to the African sectors not to North America.

Rohit Singh:

Thank you, sir.

Moderator:

Thank you. The next question comes from the line of Pranav Shrimal from PINC Wealth. Please go ahead.

Pranav Shrimal:

Yes, congrats on the great of numbers, sir. My first question is a bookkeeping question, essentially. Sir, what would be our standalone tax rate?



Rajen Shah: 25%.

Pranav Shrimal: Sorry, 25%.

Rajen Shah: 25% it is, yes.

Pranav Shrimal: I was just going through the cash flow and I think the tax that we have paid is a little different. That is why I was just asking one question. So our tax rate will be around 25%.

Ranjan Gupta: Yes, it will be around 25%.

Pranav Shrimal: And, sir, also our fixed assets have increased a lot. So if you could just throw some light on the capex that we have done this year and going forward also, what is the capex that we are expecting in FY26?

Ranjan Gupta: So basically, we have bought some containers. As sir mentioned, we have started this NVOCC operation. So NVOCC operations require containers which are owned by us. So, we have a mix of containers that are being owned or leased or highly purchased. So, there are a few number of containers that we have taken on lease purchase basis.

So those containers are capitalized as per accounting standard and corresponding finance liability has been booked. So that is the reason that you can see an increase in fixed assets.

Rajen Shah: Increase in fixed asset that is because of the accounting standard. Corresponding liability also we have shown in the balance sheet. So, it is not entirely we have done a capex. Slowly and gradually, once we pay the lease rental and as per our agreement with the container supplier, once we pay and once, we are over with the leasing period, the higher purchases leasing period, then the assets will automatically get transferred in the company's name. Not now. But it is as per the accounting standard. It is not that we have spent INR40 crores to the capex. This is as per the accounting standard because we have to be...

Pranav Shrimal: Okay. And how long is the lease for?

Rajen Shah: Five years. I will tell you. I will tell you. How it happens? See, legally we cannot have a contract more than five years. So it can go up to 15 years also. It can go up to 10 years also. Depends on the supplier as well as our requirement also. Suppose if we have a cash flow and when we can see that, okay, we can repay 100 or 200 containers or 500 containers residual value of the container, then definitely we will repay that at that time and we will capitalize and the container ownership will start belonging to us.

So, it all depends on the futuristic. So next another three to five years. So as of now, the contracts are five years and normally it remains up to between five to 10 years. Not less than five and not more than 10.

Pranav Shrimal: Okay. Got it. And any future capex plan for FY26?

Ranjan Gupta: We don't foresee any future capex plan. We invest in the containers and we have already been investing in the containers. So, containers are basically our capex and we are on it. Okay.



Rajen Shah:

Capex also will be on our generation out of the NVOCC operations. It is not that we will be doing any capex out of our other activities, generation. So, whatever we will generate out of NVOCC operations, the portion of it will be going to the capex. And that also some percentage. So, we have a very clear strategy. It will be leased. But at the same time, when you do an NVOCC operation, today or tomorrow, you have to have your own containers. But you have to go gradually, slowly.

You cannot spend capex in the first year or two years. So, it takes some time. But yes, definitely gradually and over the period, out of the number of containers, some percentage every year we will start buying. But first two, three years, we have no clue.

Pranav Shrimal:

Understood, sir. And lastly, one last question, sir. If I could get a debtor ageing, how many of our debtors are more than six months?

Rajen Shah:

See, I will tell you what happened. See, basically when I was talking about the transmission tower project, transmission tower projects normally, it goes to the Latin American as well as to the African sectors. And as of now, we have a few projects which are going to Ecuador, Bolivia in Latin America, and Kampala and Kigali to the African sectors.

So how it happens? Normally, our credit period, how it starts, I will tell you. See, once we take the bills of lading, we raise the invoice, which includes the ocean freight, as well as the local charges which are incurred in India, as well as the documentation charges. And also the destination charges are also included in our invoices because we raise the invoice.

So what happens, Normally, the transit period from India going to Latin America, normally, voyage takes around 75 to 90 days. It depends on the availability of the vessel at the transshipment point. So normally, it is around 75 to 90 days. And once the delivery is reached to the destination, in this case, it is Chile.

Suppose Arica, Chile. So, the container gets discharged as Arica, Chile. And when I am talking about the power transmission, normally, each consignment is around 40 to 50 containers, a single shipment. So, these containers go to this destination, get discharged at the destination, after the compliance of all the documentation.

Normally, what happens? I am telling you, the transmission DWAR project for any country, the electrification cargo is always a duty-free cargo. So, what happens? Suppose the Bulawayo and Chile, if the treaty says that, for Bulawayo, it has to be 100% duty-free. So, what happens? The electricity board of the Bulawayo will send the certification to the revenue department that the containers which are coming to electrification have to be 100% duty-free.

But the revenue department will then approach the revenue department of Chile and depends on that treaty, whether it will be 100% concessional rate or 25% or 15%. Because Chile will say, when the containers are landing in my country, why should I lose my revenue? So it depends on the treaty between both these countries. There are a lot of specialized jobs or the compliance or the documentation which are required before the cargo arrives.



So that is what I was mentioning, that is our USP. So this kind of all jobs is handled by us, our team, as well as our counterpart team. So once the cargo reaches there, all the documentation normally takes around 7 to 15 days, the maximum 15 days. So adding on to the ocean transit period, 15 days. And from there, the loaded container goes to the site and empty container from the site comes back to the discharge port.

We have to drop the empty boxes only. So normally, the entire process takes around 135 to 160 days. And our credit period starts 30 days after the discharge. And normally, our credit policy is very clear. We don't provide anyone, any big customer, any clean credit. By saying clean credit means we have to have the cargo in our hand where the consistency of the business is there then only we provide them the credit period.

And why do we give this kind of credit period to them? Because the project cargo, that is the transmission tower and the earth-moving equipment cargo, our margins are quite fantastic. It can range between 18% to 30% sometimes. So, this kind of margin we get. So normally, we always try to balance between the other commodities and the transmission tower project commodities.

And what happens traditionally, you know very well, you are in the market. So March month is always you have a lot of shipments going. So, when you are seeing this product, that is because we had a lot of shipments which has gone in the last fortnight of March. So that has given the effect, nothing else.

So normally, for project cargo, we have to give around 130 to 160 days credit. Depends, suppose if the cargo is 130 days, then 150 days, 160 days. But for other commodities, it is not more than 90 days.

Pranav Shrimal:

So for project financing, it is around 135 to 160 days and normally it is 90 days.

Ranjan Gupta:

90 days, normally 90 days.

Pranav Shrimal:

Normally 90 days. And one last question. The receivables that we have on our books, most of them are corporates who will definitely pay back within the next 3-4 months.

Rajen Shah:

So our policy from the beginning when I started this business, I made it very clear that we will not be doing business with any other third party. If you see the list of customers we have, we have direct manufacturers and direct shippers only. And if you see our past balance sheets, you will not find any single bad debts.

So our policy is very clear. Irrespective of any big client, if I don't have the cargo in hand, then they have to pay me and take the delivery of the cargo. I will just tell you, I will explain to you how it works. Basically, when we talk about the credit policy, the biggest advantage in our policy is that the control of the cargo is always with us and until we get the payment.

Suppose we are doing 10 containers. I will just give you an example. 10 containers from Nhava Sheva to Antwerp. And you are doing business for the first time with me. You said, okay, 10 containers, Rajen bhai. Give me 10 containers from Nhava Sheva to Antwerp. I give you the



rate, rate is agreed by you. Fine I will calculate my margin. I will send 10 containers from Nhava Sheva to Antwerp.

Suppose if I don't have any other business coming before this container reaches to Antwerp, then my credit ends with you. Even though if we have agreed 75 days credit, suppose if Antwerp is taking only 18 days, a direct vessel, or 25 days, and if I don't have any cargo coming from you, then credit ends in 18 days or 25 days. We don't provide any plain credit or a simple credit to anyone unless and until it is a recurring business.

So, we have a client. They have been with us for the last 15 years, 10 years, 1 decade, 1.5 decades, 18 years, 20 years now. So, they know how we work. We also know their payment terms, how they also pay. So, this is how we work. If I see that, okay, this is your first shipment and the last shipment, then I will not release your cargo.

And what happens normally when I don't release your cargo means you have a good sort of INR100 whereas your logistic cost is hardly 10%, or say 12% or 14%. So you will not risk your INR100 for INR12, it is like that. So, that is the biggest advantage we have. And that's the reason we will not find a single bad debt in our balance sheets.

Pranav Shrimal: Got it, sir. Thank you so much, sir. And best of luck.

Moderator: Thank you. The next question comes from Vaibhav Lohia from CFM. Please go ahead.

Vaibhav Lohia: Thanks for the opportunity. I wanted to understand one thing. What is the PAT guidance for FY26?

Rajen Shah: Sorry?

Vaibhav Lohia: What is the PAT guidance? Profit after tax guidance for FY26?

Rajen Shah: It's too early to project now. It's too early. But we'll be growing. As a leader, I can only tell you that it will be definitely better than this. And we are going and moving in the right direction. So, it is too early to say.

Vaibhav Lohia: Got it. During the March quarter, it is said to be the heaviest quarter out of all the four quarters. There is very little growth compared to December quarter. Are we facing any slowdown in the business? Because there is only 4% growth being the most heavy quarter among all the four quarters.

Ranjan Gupta: Vaibhav, basically, this is because quarter 3 was exceptionally well that we handled. It was better than the expected scenario. And quarter 4 has been also good. But when you compare Q4 versus Q3, definitely, you don't see much of an increase because Q3 was very exceptional and Q4 was what we have planned and projected. But overall, if you see the overall financial results, it went from INR270 crores to INR500 crores. So, that is the growth...

Rajen Shah: See, if you see, see the entire month, if you compare with quarter to quarter as Ranjan has mentioned, then definitely, quarter 3, we are not expecting that to be a turnover for this kind of margins in quarter 3 but yes we performed better. At the same time, what we planned for quarter



4, we have achieved that. So, that's why, if you compare with quarter to quarter, yes you can see that. But if you compare with the entire financial year, then you can see the growth, what kind of growth it is.

Vaibhav Lohia:

Okay, got it. Thank you. One more thing, in previous concalls, you had guided around INR750 crores revenue, if I'm not wrong. So are we still like, around those numbers for FY26. If you can share with me.

Rajen Shah:

See, I will request all of you because 2025-2026, to give any projections as of now, it is too early. Because see, our industry, basically, it all depends on the geopolitical conditions. We have to change a lot of strategies. But definitely, from past experience, 25 years experience, we know from where to get business, from where to get the margin and which particular vertical will give us margin.

So, definitely, out of our experience, we are also planning that. Let me be very honest with all of you. This year, we will be having our major focus to increase our gross margin as well as the PAT. Major, major focus. And you will see the growth. You will see the growth. Definitely, it will be. By no means that when I'm talking about the gross margin as well as the PAT, we are going to compromise anything on the top line.

The top line definitely will be there and then only we will be able to increase our margins. But the growth will be there. But it is too early to project anything about the gross margin. But yes, definitely, good growth will be there. We are moving in a very right direction. You can see from past results also. Quarter to quarter, we are growing only. Yes. But quarter three, quarter four, you can see that the marginal growth. But that we have already explained to you, why.

Vaibhav Lohia:

Okay. Thank you. Thank you.

Moderator:

Thank you. The next question comes from the line of Raj from Fident AMC. Please go ahead.

Raj:

Hello. So my question again, I know, I think you also discussed on the receivable part. Receivables are quite high. But when we see we have been going at 70%-80%. So with these kind of almost 180 days of receivables period, do we see any pressure on our cash flow? As such on our balance sheet, we don't have much cash. So going forward for higher growth, do we have to take additional debt to grow? Or what is your projection going forward?

Rajen Shah:

No. See what happens Mr. Raj, as I was explaining you, the last fortnight, we had a lot of consignment which had saved the end of 28th. Then between 28th of March to 31st of March. And what traditionally, you know very well, there are a lot of manufacturing industry, they do the exports under the EPCG scheme.

So they also have a lot of pressure. So because of that, the movement was very high as far as last 15 days of the March is concerned. And that's why the -- so I don't see any Debt requirement or any in the near future. I will be very honest that the same kind of working capital, whatever target we are setting for our team, will be easily achievable. And it will be definitely a good growth. So, there won't be any problem. It will not put any pressure on that.



So because the payments also we are getting regularly, there are no, there are no delays or no, default is out of question, but even no delay. As per agreed terms, we are getting the payments. So there is no problem on that.

Raj: So out of the INR190 crores of receivables as on March, what would be, we have received till now, in April and May?

Rajen Shah: Out of those debtors?

Raj: Yes, out of the INR190 crores as on March end.

Rajen Shah: No, but again, again, we have the working capital get blocked in the business what we did in last two months also. So, but yes, majorly it has come and today also, if I honestly tell you, then almost 20% to 25% or 30% additional that is what we are not expecting. We have already recovered.

Raj: Got it. On the margin front also, we have seen good expansion over the last year around some 15% margin. So what is your guidance on margins going forward? Will maintain these or we can improve at these margins also?

Rajen Shah: No, we are, we are planning to increase, but let's see how it grows. But definitely the growth will be, growth will be surely there. Because as I was mentioning you, see we are, we are increasing the location as well as our major activity NVOCC operations. That activity is also going to contribute. So definitely you can, you can understand from this that there will be a growth and growth will be quite good.

Raj: Understood. Thank you.

Moderator: Thank you. We take the next question from the line of Shubham Jain from HEM Securities Limited. Please go ahead.

Shubham Jain: Sir, can you comment on the Red Sea issue and how it will impact our company performance in near future or currently if you say something on, about the Red Sea issue?

Rajen Shah: See, Red Sea, issue is more or less now, it is diluted. What it was before six months and today. See, what is on that additional cost, what all the major shipping lines are charging in terms of say additional insurance, what they have to cover and they were saying it is, see different lines were taking the charges under the different heads. But it is already, you can say that it is already been digested by the shipper or the consignee. So, that kind of rates are already been taken care now.

So, there are lot of other vessel operators, they have diverted vessels also. So, whatever impact which, which was there before six months, it's already been digested in the market now. So, there won't be any, much of a difference as far as Red Sea issues are concerned. Unless and until if something major happens. As of now it is gone now. That impact is gone.

Shubham Jain: So, then sir, if we suppose in future Red Sea issue gets over, so then it will again benefit for us? Will the margin improve for us going forward?



Rajen Shah:

No, let me tell you that even if Red Sea issue gets over, then also mainline vessel is not going to reduce the rate. See, they will come with some other charges. Okay. So, it is, it is very clear in the business. Once they know that, yes, this kind of charges, what they have levied six months back is already been taken care by the shipper or the consigning.

They are not going to reduce it. So, it's not going to impact our margin. And when, when this kind of issues are there, you always have a better chance to make more margins. It is not going to impact our margins. Don't worry.

Shubham Jain:

Okay. Okay. Good luck.

Moderator:

Thank you. The next question comes from the line of Harsh Jhanwar from Avendus PMS. Please go ahead.

Harsh Jhanwar:

Yes. Hi, sir. Thanks for the opportunity. Sir, I wanted to understand the unit economics of NVOCC business as to what kind of revenue you can make on one container and what kind of number of turns it can happen in a month's time and what are our plans, what kind of margins are there in this business and what are our plans in terms of number of containers we want to reach in let's say one, two or maybe three years timeline? If it could help us understand. Okay.

Rajen Shah:

Okay. Harsh, I will tell you. The margin and the top line depends on the container is going to be destination. See, suppose if I am talking about the Jebel Ali and Jebel Ali, you don't have any written cargo. So, container from here to Jebel Ali is not even \$100 now. Okay. But, if the same container I am talking about the 20 feet containers. Okay. I am just giving you an example.

The same container, if I send it to say Libya. So, if I send to Libya then it is \$2,200. Okay. So, it depends how many containers and which sectors you are operating. So, there will be a few trade land where we will be having our own specialization and one trade land where we have already started a non-sanctioned Middle East country like Libya.

Libya is a non-sanctioned country and again it is a gateway to all the Middle East countries basically. There are a lot of cargos which are moving from India to Libya like ceramic tiles as well as other commodities. So, what we have started, we have started our specialization in Libya. The next target is to have another trade land.

So, four trade lands will be there where we have our specialization and along with that, suppose if you are doing a business with me and you come and tell me okay, I have to send 10 containers to Libya and 10 containers to say Novorossiysk, Russia and if you tell me and 10 containers to Jebel Ali.

I cannot refuse you that I will not take Jebel Ali but I will take the other two places. It cannot be pick and choose but at the same time, NVOCC operation day to day you have to and I mean day to day you have to analyse and day to day which specialized area how many containers are going. How many containers do you want to do in the Upper Gulf, Middle East, then if Mediterranean or say East Africa. So these are our future.



We are connecting our services to say Mediterranean Sea like Italy, Gioia Tauro or Genova. At the same time, we are also planning to start with Africa, that is East Africa, Mombasa and Dar es Salaam. So there will be four to five major trade lines where we will be operating and we will be making our margins.

At the same, when we send the containers to say Jebel Ali, Bahrain, Kuwait, Doha, these are all Gulf sectors where the top lines are very less and margins, even if it is 10 % everywhere. So you can imagine if I'm making only \$100 as a top line, so you get only \$10], we have to balance it. Entire operation has to be balanced properly. And again, you see the return cargo from where we are getting the return cargo.

So it's a big exercise basically. the same time, you asked another question, NVOCC how many containers as of now, we already have around 2000 plus containers. And our planning is to have another 2000 containers during this year. We will go slowly, but yes, even if you say 4,000 containers for this entire operation, the inventories are quite less, but we don't want to jump into any venture unless and until we see that utilization of the containers has to be more than 90%, 90%-95%. So the growth will be there. We'll be moving slowly. And then let's see how it takes up.

Harsh Jhanwar: What are the margins, a general idea on margins in this particular business?

Rajen Shah: See margins for NVOCC operations depends. It varies from 10 % to 15%.

Harsh Jhanwar: 10% to 15%. Understood.

Rajen Shah: When you are talking about the cycle, cycle depends. Suppose, on an average when we calculate for an NVOCC operations, we take normally one container should move at least five cycles in a year. So that kind of working we do. Suppose if one container is going to Libya, coming back to say Doha, from Doha it goes to Bahrain, Bahrain to India.

So, it is not that the containers which are moving from India should compulsorily come back to India. It cannot be like that. It will move to the same place we are operating. But one container must have five cycles, not less than five cycles. And each container from past our experience, out of our total inventory, the 50% to 60% of the container definitely faces a detention charges. These are over and above the ocean freight charges.

Harsh Jhanwar: Yes. Okay. Understood, sir. And sir, in our project cargo business, can you help us understand what all other than transmission towers, what other type of clients and other type of products you are transferring in this business, any new client additions, new major client additions you have seen in last quarter?

Rajen Shah: See, basically, I will tell you what happens. If you see the Indian economy, 10 years back or 15 years back, we were importing the second-hand machineries like new equipment's, like JCB, Caterpillar, CAT, ham, then you have a lot of dumpers which are coming in.

So the economics have completely changed because of the infrastructure development which are taking place in India. The road, highways, roads, the national highways, the logistic paths which



are coming in India. So now we have a lot of manufacturing units in India. They manufacture and as per the government norms, the one single machine you cannot use for more than two projects.

So what happens now, India is exporting the second-hand machinery to the Middle East, Upper Gulf and Gulf countries and African countries. So these are the areas where the second-hand machinery, the movements are very high. So, exports are going in a larger scale. And what happens in this is, the big road contractors, the main operators, they are our clients and they are our direct clients and they sell these machines and other spare parts along with the machines to these destinations.

So we are, we always in a month, we have one client. As of now, we have around 10 to 15 clients as far as these equipment's are concerned.

Harsh Jhanwar:

Understood. Thank you so much.

Moderator:

Thank you. Ladies and gentlemen, in the interest of time, that was the last question and we concluded the question-and-answer session. I now hand the conference over to Mr. Rajen Shah for his closing comments.

Rajen Shah:

Okay. So because of the time factor, we are not able to attend everyone's questions. If anyone has got any questions or anything, you please be in touch with the X-B4 Advisory. They will definitely come back to us and whatever possible from our end, we'll definitely reply you. It may take some time, so please be patient. And we'll definitely reply you.

The last end remark I can tell you, yes, definitely, there were a lot of expectations and the figures expectations from every one of you. But I can only assure you the growth, what you've seen in the past, we are going in a very right direction with the right strategy, with the right strategy, like adding on the locations, adding on the international locations. We are moving in a very right direction and we're definitely there.

And thank you very much for listening, all of us very peacefully. Thank you for your patience. And on top of everything, thank you for your trust and thank you for your support. And we're looking forward for the same trust and the support in future also. Thank you very much. Thank you. Thank you, all of you. And thank you, X-B4 Advisory. Thank you.

Moderator:

Thank you. On behalf of S J Logistics (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.