Gujarat Pipavav Port Limited
Q3 FY 2024 Earnings Conference Call
13th February 2024

Manish Agnihotri:
Good Morning everyone and welcome to the Q3 FY24 earnings call of Gujarat Pipavav Port Limited. My name is Manish Agnihotri. I have along with me Mr. Girish Aggarwal, Managing Director and Mr. Santosh Breed, CFO. We will have opening remarks from the Management and then the floor will be open for Q&A. I would request all of you to keep yourself on mute and unmute yourself while asking the question. Over to you Girish.

Girish Aggarwal:
Good morning. Good afternoon everyone. GPPL delivered another strong quarter. Just to give you quick key highlights on an year on year basis, our revenue is up by 8%, EBIT is up by 17%. Our EBIDTA margins are up by 300 basis points and Net Profit is up by 39%.

I mean, net profit is essentially because of an exceptional item, lower Cyclone restoration cost. The good performance is backed by increase in container volumes which is up by 6% out of which EXIM volumes are up by 19%. RORO volumes are up by 175%.

While there is a slight decline in the liquid volume, but the mix is favorable. The LPG was up by 5%. I will also give you a quick view of nine months on a year-on-year basis or nine month performance.

Revenues are up by 8%, EBIT is up by 16%, and Net profit is up by 36%, again backed by strong growth in container volume. 10 percentage points up out of which Exim is up 14%. Liquid is up by 20% out of which LPG is up by 31% and RORO overall is up 149%.

Our overall nine months EBITDA margins are at 56% versus 55% on a year on year basis. This is at the back of strong headwinds that we experienced in Q1 where we had a power outage and Cyclone Biporjoy when our port was shut for 16 days. And you know, as I spoke to you last time, a little bit more tighter container market.

That's the only comments from our side. We're open to questions.

Manish Agnihotri:
Lavina please go ahead with your question

Lavina Quadros:
Yeah. Thank you. I'll just two questions from my end.
One is on this Red Sea side. The disruptions, right, are you all seeing any impact of the same? And secondly on the concession extension, I know limited can be said about it because it's a decision by the Maritime Board, but any updates over there please?

Thank you.

Girish Aggarwal:
Yeah, I think let's see the Red Sea crisis. When I spoke about the demand of container volumes last quarter declining demand last quarter Red Sea was not envisaged. Red Sea essentially build impact on our performance in the next quarter as I at least, as we see it. We have a service called MECL service calling the Americas via the Suez, we are seeing some reduction in volume on MECL and also some blank sailing. So our expectation is very difficult to quantify, at least at this point in time Lavina. But I do suspect that our container volumes will be at under further pressure in this quarter Q4 of 2024.

Lavina Quadros:
And the concession extension? Any thoughts? Any updates there?

Girish Aggarwal:
We continue our engagement with our stakeholders specifically, GMB and the officials in the Government of Gujarat. I think again, no red flags, all very positive discussions and meetings. The time, of course, will be decided by GMB and Government of Gujarat which is currently unknown. So I mean, I'll, keep it at that at this point in time.

Lavina Quadros:
Thank you.

Manish Agnihotri:
Deepak Maurya please go ahead with your question.

Deepak Maurya:
Hi thank you for taking the question. Thank you for your brief comments. A couple of questions. One on the RORO the volumes are significantly up. Is this like more like a one off or is it like a reversion to a trajectory prior to the pandemic, and then the second question is on your realizations. Have you taken any tariff increases or are there any tariff increases in the foreseeable future? Thank you.

Girish Aggarwal:
So, the RoRo volume is structural in nature, it's not one off. We do expect a similar volume moving forward. In terms of tariff increase, we had announced a 7% tariff increase with effect from 1st of January 2024.

Deepak Maurya:
OK. Thank you.

Santosh Breed:
The realisation for the quarter for container business has been better really because of the favourable mix. So it was in the range of around 7900 to 8500 per TEU. There was no tariff increase.

Deepak Maurya:
And then maybe a comment on the other expenses, if you can possibly.

Girish Aggarwal:
Sorry could you repeat your question please?

Deepak Maurya:
Could you maybe comment on the other expenses during the quarter? I mean, is this kind of a normal trajectory? Because I remember last quarter you had mentioned that some insurance increases, insurance pricing increases had reflected on your other expenses. So should we take this like a standard run rate going forward or is this something which could normalize from here?

Santosh Breed:
So the other expenses, of course there are certain one-offs which we have. We do have some sponsorships but barring we do not have anything else.

Deepak Maurya:
OK. Thank you. That's it from me. I'll jump back in the queue.

Manish Agnihotri:
Thank you. Priyankar please go ahead with your question.

BISWAS Priyankar:
Yeah. Thank you for the opportunity. So the first question is in the Vibrant Gujarat I think probably we heard your top management say about possibility of investing something like 3300 crores. If the port is extended, so what sort of extensions are we looking at and is there some adequate volume visibility?

Girish Aggarwal:
Yes, so Priyankar at this point in time I would not like to detail out where we would be investing. You already heard of the investment that we announced. We announced an investment of 700 odd crores. One of the new liquid jetty. There are other investments that we believe we would go ahead once the concession is granted.

BISWAS Priyankar:
Well, if I can squeeze one in. So regarding like I am aware that you are going in for let's say a significant marketing efforts probably in the northern hinterlands like there has been an office marketing office opened up in Ludhiana. And then you also have CTO license with regards to PRCL. So what are the efforts that you were doing regarding increasing the volumes? If you can elaborate on that and what has been the channel responses so far?

Girish Aggarwal:
So this is a little bit of tricky question Priyankar but in general I mean our efforts to increase the market for us in Pipavav continues. The northern hinterland is a key market for Pipavav through the rail connectivity. Punjab continues to be a strong market for us as well as a great opportunity to increase

our market share in that market. We are on the lookout for increasing our presence in some of these markets. Of course, we opened up an office as you rightly said. Also, we will continue our efforts on that. PRCL has a CTO license and not GPPL. They also use that license to run certain rakes between various locations, and I think that will continue to grow as we move forward. The best of the commentary should come from PRCL rather than we and then your last question Priyankar was?

BISWAS Priyankar:
So how has the effort been taken up by the trade channel? Like what do you get a sense of like based on your marketing efforts in Northern India.

Girish Aggarwal:
In general, of course Northern India continues to be as I say the maximum volume generator for us in Pipavav. The market channels as well as the markets are of course very positive about how we perform. I mean in my interaction with some of our end customers, they've always talked positively about the service levels of Pipavav as well as the rail connectivity into Pipavav. Through the DFC channel now it's even further improved. I think they're all positive from that perspective. Of course, we continue to do more and we continue to do more to keep pushing ourselves as well, as you know, more volume out of the market.

BISWAS Priyankar:
Yeah, I said. If I just can squeeze one more in. So this is regarding the connectivity to the port. So earlier our road network was quite lacking in the sense that a lot of the connecting roads were actually quite in a bad shape. So what is the status right now as far as road connectivity is concerned?

Girish Aggarwal:
Yes, I think as it's called the coastal road in the state of Gujarat. It has improved significantly though I would argue that about 85% to 90% of the four lane is complete and last 10 to 15% is left. So work is going on. The connectivity has improved significantly and if you look at some of the volumes of reefer in the last quarter, Q3, we would realize that the volumes are gone up significantly, which largely comes from the Veraval belt. So that also speaks about the fact that customers are now more comfortable with.

BISWAS Priyankar:
OK sir, that helps a lot. Thank you.

Manish Agnihotri:
Aditya you can go ahead with your question please?

Girish Aggarwal:
Sorry, Aditya we can't hear you. Maybe Aditya you can come back in the queue.

Manish Agnihotri:
Achal maybe you can go ahead.

Achal Lohade:
Yeah. thank you. Good morning everyone.
Sir, my first question, sorry I couldn't hear that. If you could repeat the Exim volume growth for the third quarter and also for nine months, what was the Exim volume growth?

Girish Aggarwal:
19% for Quarter 3 and 14% for Nine months.

Achal Lohade:
Understood. Now with respect to realization, also, if you could highlight Sir?

Santosh Breed:
The container realizations where in the range of Rs. 7900 to 8500 per TEU due to the favourable mix. We have not taken any tariff increase during the quarter. In this quarter, the bulk and liquid realization continue to remain in the range of 450 to 700 per MT.

Achal Lohade:
Liquid would be what range, Sir? That would be 450 to 500, right?

Santosh Breed:
Its 450 to 700.

Achal Lohade:
OK, combined, you're saying. Alright, Sir. The second question I had, you know, with respect to the realization, so is there any element of the reversal of the rebates etcetera in this quarter given it's a year end calendar year ending quarter?

Santosh Breed:
No, Achal as I mentioned it is due to the favourable mix of the Exim volumes.

Achal Lohade:
OK. Because if we do a very simple math about the realization, revenue divided by the volume. It comes to ₹688.00 per ton, which is implying 20% jump YoY and almost a 15% jump QoQ. So I was just curious is that absolutely driven by the product, the EXIM mix alone or could there be a reversal?

Santosh Breed:
So there is no reversal. It is just the favourable mix.

Achal Lohade:
OK. Understood. Secondly, you know, if I look at the commentary for last two quarters, we have been fairly cautious in terms of the near term outlook. However, we see that the volume growth is actually pretty strong in terms of EXIM growth. If I compare with the West Coast or the other peers, so you know. And you kind of indicated again for fourth quarter, there would be some pressure on volumes.

So just curious to understand how do we look at this you know is this driven by any particular sector/ liner any more clarity if you could help us?

Girish Aggarwal:
No, I think the coming quarter or this quarter, which is Q4 of FY24 is going to be a tough quarter when it comes to container volume. So we are seeing impact of the Red Sea crisis which is quite clear in nature. Not only the container volume we have also seen certain dry bulk vessels getting delayed or getting cancelled which usually plying on the Red Sea now. So I generally think that Q4 FY24 will be a difficult quarter when it comes to container volumes for sure. Our RoRo volumes will continue to be strong and liquid volumes will also be similar in range.

Achal Lohade:
Understood. With respect to, you know for the competing ports, we have seen that they have kind of benefited from the costal movement of coal. Is there any opportunity for us? Are we participating in through that, or if not, what could that reason be sir ?

Girish Aggarwal:
We are not participating in any costal movement of coal. It's a conscious decision taken and we'll see how that goes after a quarter.

Achal Lohade:
Understood. And with respect to you know competition, so if you look at you know the additional capacity which is being talked about in Kandla by DPW, we have PSA expanding in JNPT we have Mundra continues to expand year after year. How do you see the competitive intensity? Do you see a risk of over capacity on the West Coast and hence pressure on the realization? And B can we, can we argue that, you know, our growth over medium to long term would be better than the industry growth?

Girish Aggarwal:
On the 2nd piece I generally think that our growth vis-à-vis peers would be higher than industry subject to you know the investments that we put in. As of now if you look at our capacity, we are at capacity on what we are investing on RoRo. We will continue to grow in RoRo. On the container side again you know we are at 1.25 to 1.3 million TEUs and we would do about 800,000 TEUs right? So there's some room there, but again as long for growth will come through investments as we move forward. On the in general capacity expansion, I think if you look at Western region, Mundra is broadly full Nhava Sheva is broadly full. So I think in the near term at least in the near term, I do not see a capacity expansion as a problem statement. In fact, that's what the customer demands. And if we look at the macro environment in India over the next 5 to 10 years, I think there is very high potential of growth on the export side. And hence I don't think in the near term over the next five years capacity is going to be an issue on the containers. On the bulk side, it may be a different story. You know we can separately discuss that but on the container side I think we should be OK.

Achal Lohade:
Understood. And just one more question, if I may. You know, given the tariff, what we have somewhere around 8000 to 8500, how does it stack up against the, you know, the Kandla or Mundra or JNPT are, are we lower or we higher than them?

Girish Aggarwal:
We are lower in some cases and we are higher in some cases. So that's like you could look at that. I mean, most of the ports have published tariff and so on that comparison can be done.

Santosh Breed:
Apart from the published tariff we have the underlying contract. So we don't know about it but on the basis of the published tariff we are quite competitive.

Achal Lohade:
Got it. Thank you very much. I fall back in the queue. Thank you.

Manish Agnihotri:
Mr. Mohit Kumar please go ahead with your question.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
Hi, good morning. I'm audible. My first question is what is your dependence on the Red Sea volume is it possible to quantify it based on your overall volumes? And are you seeing incrementally? The noise is dying down and the volumes are coming back to the normal.

Girish Aggarwal:
Sorry your question is not clear. Your question is?

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
What is the dependence on the Red Sea or Europe for our cargo? Is it possible to quantify it based on our overall volumes for FY23? And are you seeing incrementally the issue is dying down and the volumes are coming back to normal, yeah.

Girish Aggarwal:
No, no, the issue is not dying down. The issue is only going up. Fortunately for us, as I spoke about, we have one service Maersk service called MECL that calls the Americas via the Suez and the Red Sea has a very high impact as of now in, in this quarter, Q4, we will see how things change. I think the shipping lines are also working on their network to try and minimize to mitigate these challenges. You'll get to know a little bit more as we move along towards the end of Feb, March. But the challenge is real and growing, not declining. Sorry, what was your second question?

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
And no, the second question is has any tariff hike been taken. Are our tariff at discount to the competitors or they are very similar?

Girish Aggarwal:
Yeah. So the tariff hike as I said, we took on 1st of January with effect from 1st of January 2024.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
No, no, of course prior to that prior to that.

Girish Aggarwal:
Prior to that I think 2 years back, right, that was in February 2022.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
OK. Understood. And any comment on the tariff, how they compare to the other ports or they're very similar, is it?

Girish Aggarwal:
This is the question Santosh just answered that I mean we are competitive in the market, I mean compared to the ports in Gujarat as per the tariffs that are published by the various ports on their websites.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
Understood. My third question is, can you please give us the breakup of the bulk volume which you give generally every quarter?

Santosh Breed:
Well, sure. So basically the current quarter, we handled 589,000 metric ton of fertilizer and 168,000 metric ton of minerals and others.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
OK. My last question, what is the update on the CapEx for LPG terminal and how much you spent and when we expected to Commission?

Girish Aggarwal:
So again, we are working through the various regulatory approvals. We still expect to go live somewhere middle of 2025.

Mohit Kumar /EQTY RES/ISEC/MUMBAI:
Understood. Thank you and all the best. Thank you.

Manish Agnihotri:
Thank you. Deepak Maurya go ahead with your question please.

Deepak Maurya:
Yeah. I thank you for the follow up. I had a couple of follow-ups on the Red Sea situation.
You did mention that one of the Trans Pacific one of the US bound service, which goes via the Red Sea has been impacted and therefore you're seeing some volume pressure. But I just like to draw a

comparison with the COVID-19 situation. During the pandemic, you had mentioned that because rates are more lucrative for the shipping lines on the long haul routes, they have been diverting capacity away from the subcontinent and that indirectly has been impacting your volumes. This is what we understood during the pandemic. Are you seeing a repeat of that already yet? Besides the direct service which got impacted, are you seeing any diversions of services which are also impacting your volumes due to the Red Sea situation?

Girish Aggarwal:
So. So it's a good question Deepak. Essentially the normal, I mean the normal route when you change the normal route through the Cape expectation is that in, in services like MECL you put in at least two more vessels. Where will these vessels come from? They could come from idle capacity or they could come from diversion as you said as well. So it is possible that that some divergence may happen, and usually the diversion happens from weaker trades. We haven't seen diversion yet, but it's a possibility and as I said, I will await feedback from the shipping lines specifically on MECL from Maersk to understand how they're changing their network. We are hearing a few things. I think we should wait a little bit more and we'll get more details in terms of how they plan to do their network specifically for MECL and otherwise as well.

Deepak Maurya:
OK and continuing with the same topic, we also saw some news reports saying that the Exim trade from India, right, exporters from India were probably withholding their shipments because the freight rates from the subcontinent to US and Europe have just run up so high.
So I mean it's just anecdotally, I don't really have any proof of that data, but are you seeing any changes in the behavior of your customers that they are holding back shipments probably hoping for rates to normalize after the Chinese New Year? Is that something which you are seeing in your trade flow from your ports?

Girish Aggarwal:
Not much on the holding Deepak, but there is also you know the fashion industry, which I think are potentially using the air freight route for some of their shipments which are let's say time bound. So a shipment for Valentine's has to go out before Valentine's, and if the vessels can't carry, they potentially shift them. So you know, mix of everything is more like and they're gonna be some customers who will hold back but not the larger customers. That's not going to happen in, in my view, there will be certain categories of goods which are time sensitive. They will also see some air shipping, but of course it's expensive. I mean, it's not. It won't be very large.

Deepak Maurya:
OK. Thank you. And then and last question on the coming back to, I think Achal’s question on the dry bulk volume mix, you if I look at your presentation, the coal volume last two quarters, it was around the 200,000 metric ton range. But this quarter, we did not see any coal volumes in the mix of dry bulk. So could you please maybe comment on overall the size of the volume that is around 600 to 700 range that we are seeing in the last four quarters? Is that something kind of the normal trajectory going forward and was as well as the coal component in that mix?

Santosh Breed:
So yes, the run rate you see right now is like 750, 800. I think that that should be our normal run rate. On coal basically we have not handled coal for this quarter and so basically the costal volume is something we are not handling and we will review this position again in couple of quarter to decide how much coal we're doing.

Deepak Maurya:
And then is it a conscious decision by you to not handle coal or is that the business the customer business has changed something?

Girish Aggarwal:
It is a conscious decision.

Deepak Maurya:
And then and what is driving this, if I may, just to understand what is driving this decision actually?

Santosh Breed:
So there are some operational reason because of which we decided. We'll keep on reviewing this position in the next quarter. So it's not a permanent discontinuation but a temporary discontinuation.

Deepak Maurya:
OK. Understood. Thank you so much. That's very helpful. That's it for me for today. Thank you.

Manish Agnihotri:
Thank you. Mr. Sai Siddhardha please go ahead.

Sai Siddhardha (Research, KIE):
Yeah, this is Aditya Mongia. I hope I'm audible to you now.

Manish Agnihotri:
Yes Aditya go ahead.

Sai Siddhardha (Research, KIE):
And thanks for the opportunity. See the first question I had was around margins. Now this is the second quarter of 59% EBITDA margins versus 54% that you were doing for the full fiscal FY23. Could you give us some more color as to what has driven this 500 bps expansion and whether it is sustainable?

Girish Aggarwal:
Maybe I'll start and then Santosh can chip in. So essentially one is the growth in volumes and hence the fixed cost proportioning over larger volume. 2nd we talked about the mix being more favorable than what it was and hence for example handling more Exim volume than transshipment volume of containers. Doing more LPG than non LPG on the liquid side, growth on the RORO volumes as well

as handling more fertilizer as a percentage So that's one part on the revenue side. Then maybe Santosh, you can talk about the cost part.

Santosh Breed:
Absolutely right the favourable mix of the cargo covering the fixed cost which is driving the margins. And as you know also in the past calls, we have always given, the details about the cost drives. So we will continue to have those cost saving drives to ensure that the cost are maintained specially indirect costs are maintained. So all those initiatives are helping to improve the margins but the key driver is the favorable mix of the cargo.

Sai Siddhardha (Research, KIE):
And can that sustain? So what I'm trying to also ask you is that, let's say you have taken a container price increase in the month of January and unlike past increase, I think there is no cost element associated with this uptake. So should one be then assuming if 59% is sustainable for you to breach the 60% mark in FY25?

Santosh Breed:
Yes, that's expectation as well and as Girish mentioned we are quite optimistic about the RoRo volumes which are better margins also liquid we expect to do well like what we're seeing the current quarter, the same thing, right. Container is something what is expected to be under pressure. But if the mix is favorable, then we should see the margins to get to those numbers.

Sai Siddhardha (Research, KIE):
Thank. Yeah understood and again just a broad question, see if I see your overall volumes, whether it is 3 Q or 9m. This includes everything inside. I think the numbers are broadly flattish. Correct me if I'm wrong and the sector has grown about 7 to 8% now. You would have done well in certain things and not, but it would give a sense of why would there be a meaningful disconnect between the volumes for the sector and for the company.

Girish Aggarwal:
So which sector you are talking about?

Sai Siddhardha (Research, KIE):
So I'm saying if I add up major ports and non major ports on pardon me, I'm not putting Gujarat volumes right now 9m basis the sector has grown close to about 7 1/2% or so and if I see the companies volumes up, while they have done fine on container as well and overall basis, they've been broadly flat, it's just trying to get a sense of I think the basic question trying to kind of think through is other things that are what is driving this divergence and if there is any realization element that is leading to softer volume. So there's realization growth component is giving softer volume for the company.

Girish Aggarwal:
That I think the large reason, I mean I think what you're trying to say is broadly, if I were to just dissect this question is why have we de-grown on our dry bulk? Maybe that's probably your question, right?

Sai Siddhardha (Research, KIE):
Sure. Yeah.

Girish Aggarwal:
We are growing on the container side, we're growing significantly on the RoRo side and we're also growing significantly if you look at nine months on the liquid side, right. So it's only the bulk I guess is what your question is on the dry bulk side. Essentially the decline is because of the one off large volume that we were handling the Ultra Tech which is just a nearby factory and they have jetty of their own which was damaged in cyclone which they have hence repaired and that volume has gone back. That's the big reason.

Sai Siddhardha (Research, KIE):
Understood. That clarifies. The next question that I have was more forward looking now specifically on the container segment. We've been kind of focusing on the pricing of GPPV and others of now last four years it so happens now that GPPV from the CAGR perspective probably has taken the highest increase. OK, with the Jan hike that has happened. With that data point in front of us, we would want to kind of gauge the thought process, so when a large price hike was again taken in January and B, could there be any volume under performance issues that may crop up because of that?

Girish Aggarwal:
OK. On the price increase, in fact the price increase was taken after two years, the last price hike was in February 2022 and now we've taken it with effect from 1st of January 2024. We haven't seen a lot of pushback from our customers. However, you must understand that we are in contractual agreement with various customers depending on the contracts, there will be some customers who will get a percentage hike, somebody will get B percentage hike, somebody will get C percentage, right? So as of now, we've taken this increase. It's moved forward the customers that we think we wanted to move forward with. However, as per the contractual agreements of some other customers, they may not have got any.

Sai Siddhardha (Research, KIE):
Rounded off just two questions on data points a if you could specify the exposure of the service that is coming through the Red Sea route and b you may have already said, but probably I don't know what was the YoY growth in EXIM volumes on the container side for you for third quarter and 9?

Girish Aggarwal:
The YoY exim volume growth is 14% for 9m and 19% for third quarter. The other question you asked about MECL, we have spoken about it. It's one service that we have and you know that's under impact. I know for sure it will be under impact for this quarter Q4, but lets see how the network changes. We should not get into a lot more numbers, at least at this stage.

Sai Siddhardha (Research, KIE):
OK. Just since these numbers are pretty large, 14 percent, 19%. On a 3 year CAGR basis, how much would have been your Exim volume growth? just to see whether the base is playing spoil sport or are

these actually fairly, these are like fantastic numbers, right? I'm just trying to kind of double check from a three year perspective as well.

Girish Aggarwal:
We don't have the three year number of ending with.

Sai Siddhardha (Research, KIE):
Understood. Got them those were my questions. Thank you. Thank you for the answers.

Manish Agnihotri:
Thank you. Mr. Koundinya please go ahead with your question.

Koundinya Nimmagadda:
Yeah, Thanks for the opportunity. So my first question just want to check what is the last date of the current concession agreement? Is it in June 28 or September 28.

Santosh Breed:
Its September 2028.

Koundinya Nimmagadda:
Understood, Sir. It's a secondly, sorry I missed on the CapEx, that you said is it 700 crore on Liquid berth which you spoke off if you can also elaborate on our plans over here please.

Girish Aggarwal:
720 crores is what we've announced for the new liquid jetty. For the others we have given an overall number, we don't want to split it, at least at this point in time, we will see how that goes from the market position perspective. We will await the concession extension first.

Koundinya Nimmagadda:
This is got it. Thank you very much for all the best.

Manish Agnihotri:
Bharanidhar please go ahead with the question.

Bharanidhar Vijaykumar:
Yeah. I just had a few data questions. So what is the tariff hike we have taken from January 1st, 2024?

Girish Aggarwal:
7%.

Bharanidhar Vijaykumar:
Right. And what has been the realization per TEU on containers in three Q I didn't get the number, the line was not clear.

Santosh Breed:
But the ranges around 7900 to 8500 per TEU.

Bharanidhar Vijaykumar:
So this would grow up by 7% from 4 Q.

Girish Aggarwal:
As we said Bharanidhar this will be basis the customer contracts. We have taken a general tariff increase of 7% that it may not mean 7% for some people based on our current contracts commercial contracts.

Bharanidhar Vijaykumar:
OK, understood. Thank you so much.

Manish Agnihotri:
Mr. Koundinya you have your hand raised. Any further questions from anyone? Doesn't seem to be the case.

Girish Aggarwal:
Thank you very much. Really appreciate you taking the time to join on this call. I look forward to speaking with you again once we announce the Q4 and full year results. Thank you very much.

Santosh Breed:
Thank you.