



S J LOGISTICS (INDIA) LIMITED

August 22, 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 Q1 FY26 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 Q1 FY26 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 Hasmukhlal Shah
Chairman & Managing Director
DIN: 01903150



“S J Logistics (India) Limited
Q1 FY '26 Earnings Conference Call”
August 19, 2025



**MANAGEMENT: MR. RAJEN HASMUKHLAL SHAH – CHAIRMAN AND
MANAGING DIRECTOR – S J LOGISTICS (INDIA)
LIMITED
MR. JEET RAJEN SHAH – WHOLE-TIME DIRECTOR
AND CHIEF FINANCIAL OFFICER – S J LOGISTICS
(INDIA) LIMITED**

MODERATOR: MR. AAGAM SHAH – X-B4 ADVISORY LLP



Moderator:

Ladies and gentlemen, good day and welcome to S J Logistics (India) Limited Q1 FY26 Earnings Conference Call hosted by X-B4 Advisory LLP. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aagam Shah from X-B4 Advisory LLP. Thank you and over to you Mr. Shah.

Aagam Shah:

Thank you everyone. Good afternoon, everyone and welcome to the Q1 FY26 earnings conference call of S J Logistics (India) Limited. Today on this call we have with us, Mr. Rajen Hasmukhlal Shah who is the Chairman and the Managing Director and Mr. Jeet Rajen Shah who is the Whole-Time Director and the CFO of the firm.

This conference call may contain few forward-looking statements about the company which are based on the 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 earnings presentation of the company which has been uploaded on the stock exchange and the company's website as well.

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

Rajen Shah:

Thank you. Good afternoon to everyone. My name is Rajen Hasmukhlal Shah, Chairman and Managing Director of S J Logistics. Good afternoon to everyone and welcome to the first quarter financial year 2026 earnings of our company that is S J Logistics Limited. We hope that all of you had a chance to review the financials and investors presentation which we have uploaded on the stock exchange as well as on our website.

We are pleased to report a strong start to the financial year 2026 quarter 1. The revenue growth is almost 24.9%, is around 25% on year-to-year basis to INR125.76 lakhs. The gross margins rose by 57.2% that is to INR 22.22 crores with the margin expansion of 17.17%, that is the PAT is increased by 32.9% that stands to INR14.29 crores.

Taking the PAT margin to 11.3%, EPS for the quarter remains at INR 9.33 Cr. This outcome reflects the discipline, execution and the richer service mix. This growth has been broadly based across around the service lines. The ocean freight forwarding remains our anchor with the service revenue of around INR 117.44 crores versus INR 96.65 crores last year. So, the growth is around 21.5%.

Our newly launched air cargo division as well as the NVOCC operations. The air cargo division has contributed around INR 4.11 crores while the NVOCC business has contributed around INR 4.21 crores together accounting to around almost 6.6% of the top line. The ocean as well as the project cargo segment also continues to deliver the healthy growth.



We operate across the six continents through our agency networks or the partners or the joint venture with almost 200 agents across the globe and with a direct presence in India, Singapore and UAE. We also have added a lease warehouse in Bhiwandi near Padhgaon.

It is around 50,000 square feet to support the consolidation and the faster turnaround for the domestic as well as the cross-border flow. Our certification includes the IATA and the specialized skill in the project and ODC cargo continues to differentiate us on the complex moves.

On the industry front, basically, we continue to operate in a challenging global environment market by geopolitical trend, trade tensions, tariff as well as uncertainty. While these external factors affect the overall sentiments, we do not wish to be disrupted by them and remain focused on the execution, our initiative with the discipline and the determination.

And basis this, we always review our policies and wherever the correction measures are required, we always take the correction measures to make sure that we are continuing with the growth, what we are focusing and what we have targeted. Every Monday morning, we have a periodical meeting with our marketing team and we review the geopolitical situations that have changed in the previous week because you know that every week there is something new coming in the past six months.

So, even considering all that factors, the growth has definitely been very good and we are moving in a very right direction and we are going in a very positive direction and I am sure that we will achieve the set target what we have budgeted for this financial year 2025-2026. So, this is one thing.

And at the same time, the Indian logistics sector is undergoing a very structural transformation basically. So, it is basically both the government policy as well as the infrastructure development like the road developments and there are a lot of infrastructure developments are taking place at the port also.

So, you are getting many more ports added whether in the small size or the bigger size for India to have the growth what the government has targeted for next 20 years or two decades. So, because of all this infrastructure development and across the globe, the Indian participation is increasing day to day and we are quite confident that the exports which are going from India is going to go up drastically and the major impact for growth you can see in the next one decade.

So, that is what exactly we are focusing because today the Indian market is around USD230 billion. So, the government is targeting to go up to USD350 billion by 2032. So, you can understand the kind of growth what Indian government is looking and for that they are coming out with a lot of policies, a lot of infrastructure developments.

There are a lot of coastal movements which are going between the Indian states because from east to the west and from west to the east, we have a lot of coastal movements also. We have a lot of barges which are taking the movements from one port to another port and then definitely



a global transactions. We are mainly onto the ocean freights and our major turnover even as on today is coming from the ocean freight transactions and the ocean freight operations.

So, now I will hand over this to Mr. Jeet Shah to just give you a presentation on the figures.

Jeet Shah:

Thank you and good afternoon, everyone. Let me now present the financial performance highlights of S J Logistics for the first quarter of financial year '25-'26. In quarter one financial year '26, the company's consolidated revenue stood at INR125.76 crores representing a year on year increase of 24.9%.

EBITDA was reported at INR22.219 crores up by 57.2 % year on year. With the EBITDA margin higher by 370 basis points at 17.7%. Profit after tax came in at INR14.259 crores showing a 32.9 % year on year rise. While the PAT margin saw 60 basis point improvements to 11.3%.

Looking at the breakup of performance for Q1 FY26, Ocean Freight remained the largest contributor delivering INR62.09 crores in revenue from ODC, Tyres and Project Cargo. Within a total ocean cargo revenue of INR117.44 crores and 21.5 % year on year growth over Q1 of FY24-25. Breaking it down further, yarn and yarn commodities grew from INR48.51 crores in Q1 FY25 to INR50.66 crores in Q1 FY26, marking a growth of 4.43%.

ODC, Tyres and Project Cargo surged from INR35.72 crores to INR62.09 crores registering an impressive 73.9 % growth. Our newly launched air cargo vertical contributed INR4.11 crores in Q1 FY26, marking a growth of 108.5 % year on year. It contributed approximately 3.3 % of the top line. The NVOCC segment generated INR4.21 crores, marking a growth of 101.6 % year on year, accounting for around 3.35 % of total revenue with a 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. Our early investments in asset-light 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 clients. 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, am giving it back to Rajen sir and he would like to share some more thoughts.

Rajen Shah:

Yes, I didn't complete at that time because I just wanted to also let you know about the growth plan what we are looking at. Because I wanted you to know the exact figures what we have achieved in last year as well as. Now I coming to the growth plan what we have in our budget plan with the entire team.

We are looking at around 35% to 40% growth as far as the gross top line is concerned. And we are more focusing on for the improvement of our PAT margins to be very honest with you because last year what we achieved was around 10% of our total turnover. It was around 10% of the top line. So we are targeting around 13%, 12% to 13% this year.



So definitely we are targeting 35% to 40 % growth in the top line as well as around 12% to 13% on PAT. That is what our target is. We are going to achieve this by, see because we have discussed many times that we also have IATA in our hand and we are focusing more on NVOCC operation for the current year.

Basically the NVOCC operation is a Non-Vessel Operator Common Carrier, which we run between the Gulf, upper Gulf, Middle East as well as the East African sectors and we have add on Russian sectors also during these past few months. Around, means, as of now we are in inventory of around 2,500 plus containers and we are planning to have around 5,000 containers by end of this year and this entire container are on lease and the hire purchase basically.

So there are no capital expenditure as far as the capital means containers are concerned. Because there was many questions which were coming last meeting that you have shown that the current means the fixed asset has gone up by INR45 crores. But that's not the case actually. If you see the corresponding current liability, the same amount of the liability is created because it's a lease liability and that was shown in the balance sheet as per the accounting standard.

So we are not spending, it's an asset light operation basically and this NVOCC operation, basically we take the slot on the vessels and we operate. So our growth plan is very clear. And if you see that yes, the first quarter we are moving in the right direction and the kind of turnover what we achieved in July and mid of August we are moving in the right direction and we are going as per the plan.

Now I think I will end over this to Mr. Aagam Shah for the further, for the floor questions.

Moderator:

Thank you. We will now begin the question and answer session. The first question comes from the line of Aditya Sen from FINDOC. Please go ahead.

Aditya Sen:

Thank you for the opportunity and thank you for clearing many of the questions in the opening speech itself. Here I just wanted to understand if there is a seasonality factor in Q1 results because June '24 also we saw a dip, not a dip but it started ramping up there itself and in June '25 like the Q1 there is a small dip. So, is that a seasonality factor?

Rajen Shah:

No, will tell you traditionally the first quarter if you compare with the entire financial year there will be definitely you can see that there will be a dip but it's not. Historically if you compare from quarter to quarter we said that there is a growth because what happens the -- out of my 20 plus years' experience 25 years' experience, I have seen that the first quarter is always less second quarter is always better than the first one and the third and the fourth.

It always goes like this actually, there is nothing. In fact, what we have achieved in this financially is definitely commendable and very creditable. I'll be very honest with you.

Aditya Sen:

Understood. Thank you. And just the last question. Yesterday only in the newspaper I read that exports have already, in the textile segment exports have already dipped to US. And exports from Europe has already picked up from Europe to US. So that won't impact us, right? Because we don't cater to North America. So there's no red flag on that front?



Jeet Shah:

This is Jeet here. I would like to answer this question. The exports to US, you have rightly read that they have dipped but again our focus market has always been Latin America. Our market for yarn and yarn commodity has been Latin America, Europe, and we have pretty strong volume through these sectors because if you can see, the exports from India to Latin America and Europe has increased. So it has additionally benefited us and I'm pretty sure that the volumes would grow strongly.

Rajen Shah:

And traditionally, if you see that the entire textile business, our major volume goes to the Latin American sectors, mainly to Brazil, Peru, Chile, Argentina, all these sectors and not to North America. Our participation to North America is not even 5% to 10% in textile market. So it's not going to impact too much as far as our business is concerned. But you have rightly mentioned that there is a dip as far as the North American sector is concerned.

We have our own FMC BL and everything for North American sectors, but it's not going to impact too much. In fact, it's the other way around. We are expecting that we are going to get quite a good number of nominations from our counterpart sitting in Latin America.

Aditya Sen:

Okay, all right. Understood. Thank you for your answers. I'll fall back in the queue.

Moderator:

Thank you. Next question comes from the line of Deepak Poddar with Sapphire Capital. Please go ahead.

Deepak Poddar:

Good evening, sir. Thank you very much for taking my questions, and many congratulations for the good results. I just wanted to understand first upon your revenue mix. I mean currently if I see, your 50% of your revenue is coming from ODC, Tyre and Project Cargo, right? So how should one; and I presume that would be a high margin segment as compared to yarn?

So just wanted to know the margin differential also? So what is the margin that we see generally in Project Cargo, ODC, Tyre versus yarn? And how do we see that mix going forward? In the next two, three years, how should we see this mix panning out, given you are seeing much higher growth in your ODC, Tyre and Project Cargo?

Rajen Shah:

Yes. See, basically, with the margins as far as yarn and tyre commodity is concerned, it is always between 12% to 15%, the gross margins are always between 12% to 15%. When we talk about the Project Cargo, it is never less than 20%. And sometimes it goes up to 30% also, 28% to 30%. It depends on the DAP shipment or the delivery where we are giving the containers.

It depends on the distance also, because we handle entire their documentation as well as the operation part at the other side of the port. So, definitely, the margins are quite high. It is never less than 20%, and it goes up to 28% to 30%. So this is mix and match what we do. And if you see the balance sheet of '23-'24 and '24-'25, you can see there is a growth of Project Cargo from 38% to 50% on our entire top line. And that has given the top line -- top line has gone up as well as the PAT margins also.

Deepak Poddar:

And this tyre segment is also in your value-added services in terms of higher margin segments?



Rajen Shah:

Not high margins, but definitely; sometime definitely, suppose if; what happens I will tell you. All the consignment doesn't go port to port. Suppose if we have to deliver the cargo, we handle the DDP shipments, then definitely when we handle the DDP shipment for any commodity, the margin always goes up whether it is textile or a tyre or a Project. But project is always with the DAP shipment. It never comes on port to port. So many a times, the textile also; see, like Veracruz. Many a times, we send containers to Veracruz and we have to give the container delivery to Mexico City.

So Mexico City again is not a port. So Veracruz container gets discharged and from there, we take the delivery up to Mexico City. So there even the DAP shipment involved in textile division also or textile segment also, so it's the same way even for tyre also. So whenever you handle a DAP shipment, your margin from normal 12% to 15% always goes up to 20%. It's like that. But when you talk about the Project Cargo, it is always -- Project Cargo is always with the DAP shipment.

Deepak Poddar:

Correct. And how should we see this next, I mean, your high margin services versus low margin services?

Rajen Shah:

No. These are also, we are seeing that we'll grow by another 10% to 15% in Project Cargo. At the same time, we'll not definitely compromise on our participation as far as textile and tyre industry is concerned. So we'll continue to grow there also, but our major growth will be coming from Project Cargo in forwarding division.

Deepak Poddar:

So if your company level growth we are saying 35%-40%, right, but also if your Project Cargo grows by about 10% to 15%, I believe then your lower margin business is going at a higher rate?

Rajen Shah:

No, not like that. I'm talking about only forwarding activity. So we have different verticals. So now coming to the NVOCC operations, it's another activity what we handle. It's a Non-Vessel Common Carrier. So our major focus; see, there I will tell you, just explain you, basically we are into the ocean freight. We are also an NVOCC. NVOCC operation is basically, and we are working as a liner where we don't have our own vessels, but we have our own containers and that we operate between Gulf, Upper Gulf, Middle East, some portion of East Africa as well as to the North Africa and Russia.

So what happens here, we take the slot on the vessel operators. The vessel operator always, they don't have their own containers. They give the slot to the small NVOCC players like us, and we take the slot on their vessel and we send the containers from say, Nhava Sheva or Mundra to say Jeddah, Jebel Ali, Adhan, then Port Saeed, Al-Sokhna, Alexandria going to Libya; Misurata, Benghazi. And in Russia, it goes to the Novorossiysk. And in East Africa, we cater to Mombasa and Dar es Salaam. So what happens here we work as a liner, basically, We don't take the containers on forwarding basis from the main shipping line.

Here we are an NVOCC operation. So our major contribution or whatever we are targeting, 35% to 40%, the major turnover or the major contribution will be from NOVCC division along with the forwarding activity also. So our major contribution will be coming from the NVOCC operation. This year, we are focusing more on NOVCC operations. And next year, we are



planning to focus more on air shipments. IATA we already have in our hand. But we don't want to jump to all the verticals at a time. So, definitely, there will be a -- you can see that NVOCC operations will give the major, major, major contribution what we have targeted.

Deepak Poddar: And what's the gross margin in NVOCC?

Rajen Shah: NVOCC gross margin is 15% to 18%.

Deepak Poddar: 15% to 18%, okay. And what is the gross margin in air freight?

Rajen Shah: Air freight is not more than 12%.

Deepak Poddar: Air freight is 12% gross. So I just want to understand what will be your EBITDA margin growth driver, because what I see is that if you have to achieve 12%, 13% PAT margin, your EBITDA margin has to improve further, right, because at current; this quarter at 17.4%, EBITDA margin will be around 11.3% kind of a PAT margin. So what can be the EBITDA margin growth driver for us for this year?

Rajen Shah: See, I will tell you. When we talk about the gross margin, normally what happens. See, the highest cost in our industry is the interest cost as well as the leasing cost. And then the second cost comes the human cost. But when we operate into the different verticals, we don't have to add on the human cost or top management people every time because the same management will handle the NVOCC operation as well as the forwarding operations along with the airship and what we are handling.

So there won't be a very, what you can say, the proportionate increase as far as the human cost is concerned. So, definitely, that will contribute. Suppose I'm talking about 15% to 18% gross margin in NVOCC operation, then you can definitely say that my PAT margin will be around 12% out of that entire operation. So, definitely, that will add on to my PAT margins because the; then the indirect expense is what we do is not much as far as other operations are concerned, because the same kind of team handles the entire operations.

Deepak Poddar: So you are talking about the marginal...

Rajen Shah: There is a marginal increase. I will not say that there won't be an increase. There will be a marginal increase, but not at the top level. Because what happens, the top level, our HR cost is always high. You have operation people, you have documentation people, but it's very marginal. It's not that high.

Deepak Poddar: Understood. And just one small thing from my side in terms of your; I mean this quarter if you see, your ODC, Tyre and Project Cargo was close to 50% of your revenue, right? So is that; am I right?

Rajen Shah: You are not clear. Can you repeat, please?

Deepak Poddar: Yes. So this quarter, our ODC, Tyre and Project Cargo was about 50% percent of your revenue. So this ratio we look to maintain going forward?



- Rajen Shah:** This will go up.
- Deepak Poddar:** Okay. So in two years, what type of mix we can have?
- Rajen Shah:** See, our target is to go up to 70%-75% the Project Cargo, the mix of Project Cargo. It is not only about the transmission tower project. It is also earth moving equipments. And there will be a domestic movement also. If you have seen the announcement what we have given, we have also taken the cooler as well as with the axle. So we are also taking a job within India. That also comes under Project Cargo basically. That I will just ask Jeet to give you some explanation on the project.
- Deepak Poddar:** But 70% in how much time, what is the timeframe to 70% -- 50% to 70% and how much timeframe?
- Rajen Shah:** I think next two years.
- Deepak Poddar:** Okay. That's very clear. Thank you so much and wish you all the best.
- Moderator:** Next question comes from the line of Vishvender Singh with Prudent Equity. Please go ahead.
- Vishvender Singh:** Sir, I wanted to ask like how many regions are we currently serving under NVOCC and like how many are we going to add in this financial year and next financial year?
- Rajen Shah:** See, as of now, we have -- last call when we had, we have started with Libya. But now in last three months, we have also added East Africa as well as Russia. Because the trade between India and Russia what we see is that definitely is going to go up because of all these geopolitical conditions that you also know very well. So we are quite sure that there will be an ample requirement.
- And the kind of inventory what we are expecting to build, because we want to go very slowly and gradually. It is not that we want to jump seeing the opportunities in the market, because we don't want to take the decision ad hoc. So we are going very slowly. So I personally feel that this current year, say financial year '25-'26, we will be focusing mainly to the Gulf. Because wherever you go, you have to pass on through Gulf, Upper Gulf and Middle East then Russia as well as to East Africa. So this is what we are going to focus.
- And also definitely, there will be some movement coming from China as well as from Indonesia and Vietnam, but not major one. The major one will be from this sector, which I discussed with you, from Libya, Russia and East Coast of Africa. This is what we are targeting. And we'll be going full-fledged in next, that is from '26-'27 to even far East Asia also where we'll increase our inventory.
- Vishvender Singh:** Yes. Also I wanted to talk, like what is the internal target for the total revenue contribution from this segment, from the NVOCC in this year and next year?
- Rajen Shah:** See, normally, I'll be very honest with you. See, we have an existing client. Their cargo -- the forwarding client, their cargo also goes to this sector, okay. So, normally, there we provide our



own containers and we give them as a liner for my forwarding client. Then, normally, our target is to have -- as of now we have around 2,500 plus containers. So we expect that each container will give a turnover of around INR2.5 lakhs per annum. So if I take the existing delivery or the existing container inventory, then it will be around INR65 crores. But we are definitely building on the inventories also.

Gradually, we are building. It is not that we are taking the containers and we are moving forward. So as and when we build the inventories, you can see that -- so this year we are expecting around INR70 crores, INR75 crores coming from NVOCC operation or almost INR80 crores to INR100 crores and the balance will be coming from the forwarding division, the addition -- I'm talking about the addition, so what we are targeting. And next year you can see where we have 5,000 containers, you can see the full effect of that. So it will be around 125 in '26-'27

Vishvender Singh:

Okay. Also, I wanted to ask after this extra tariff news, so how is the NVOCC pricing looking and what will be your take on the upcoming month pricing?

Rajen Shah:

See, basically, the NVOCC operation is never between the major continents. So an NVOCC operation is not between India to US. It is within the continent itself or at the most it goes to the North African ports like Casablanca, Tunisia or it goes up to Mombasa, Dar es Salaam, Djibouti. It doesn't go up to North America. So there won't be any impact as far as NVOCC operations are concerned.

There won't be any major, but at the same time I was mentioning that there are ample chances that the trade between India and Russia is going to go up. And we want to take the advantage of that and we are quite sure that the trade is going to go up. And we can see in last few days only that the trade is going up, because a lot of plywood, plastics and sports garments are coming from Russia to India. And there is a lot of movement of agro products as well as the refer container movement from India to Russia basically.

Vishvender Singh:

Okay, noted. Lastly, I wanted to ask what is the total debt currently and like what is the target of to end with this financial year and next year?

Rajen Shah:

Sorry?

Vishvender Singh:

I wanted to ask what is the total debt as of now and what will be your target to end this year with the debt part?

Rajen Shah:

See, at present our debts are INR25 crores and we will be going with another INR20 crores, not more than that. So, all put together it will be around INR45 crores to INR50 crores.

Moderator:

Thank you. Next question comes from the line of Karthik with Suyash Advisors. Please go ahead

Karthik:

I just wanted to understand what is the visibility for your NVOCC business as in you did INR4 crores which would mean roughly about maybe 20,000 or slightly less than that number of containers. So, what is in order book you have for NVOCC business for the next 9 months?



Rajen Shah:

I will just tell you because NVOCC operations what we have shown under forwarding activity INR117 crores out of that for our existing customer only the NVOCC operation has contributed around INR10 crores of gross revenue along with the INR4 crores. It is almost INR14 crores to INR15 crores on the inventory of 2,500 containers basically and which we started taking from the last year only. For the 2,500 containers plus inventory what we have as of now we are planning to build up to 5,000 containers.

We are going very slowly and gradually, but at the same time with the same NVOCC and the same inventory we are expecting around INR75 crores to INR80 crores turnover coming from NVOCC operation this current year, this financial year.

Karthik:

Right and it will be classified between both these categories, right?

Rajen Shah:

Both these categories and maybe we may change the classification in next result, because we will be taking the advice from our auditors also whether to show under the entire operation under the NVOCC or we can show under the freight forwarding.

Karthik:

Sir, may I ask you that they give you a contract for the whole year?

Rajen Shah:

No, in NVOCC there is no contract for the whole year because it is not even advisable to us. Because of price situation, if we commit to anyone, then yes, you have a regular customer they are sending their exports to particular destination on month-to-month basis or every week. But we do not give the commitment to them for annual basis. Because it is not advisable, because the rates are always geopolitical situation driven. So we have to take the advantage of that also so we never give...

Karthik:

So, if I may ask you sir, what was the price around? If April it was INR100, then where is the pricing in NVOCC now?

Rajen Shah:

No, if April INR100, then today it has gone up to INR130-INR140. And I am talking about the average price because I am talking about the price of Jebel Ali and Misurata also, I am talking about the average price. I am telling you what you asked about the average price.

Karthik:

Okay, INR130-INR140 is the average price.

Rajen Shah:

Yes.

Karthik:

And just one thing sir, so in NVOCC operations your gross margin will depend on pricing of course. What will be the depreciation for the EF amortization that is the lease this thing under for the EF if your CFO can clarify that?

Jeet Shah:

Depreciation will be around 10% on the containers that are capitalized.

Karthik:

How much will it be sir? Sorry, I don't know.

Jeet Shah:

10% approximately.



Karthik: 10% of is what I am asking?

Jeet Shah: 10% of INR45 crores.

Moderator: Thank you. Next question comes to the line of Dinesh Kulkarni with Finsight, please go ahead.

Dinesh Kulkarni: Thank you for taking my question and apologies I was some 15 minutes late in joining.

Rajen Shah: No, no problem.

Dinesh Kulkarni: Yes, thank you sir. Sir, can you just reiterate your guidance for this year and next year in terms of revenue EBITDA margins and capex if I list out that?

Rajen Shah: I will just tell you briefly our target is to have around 35% to 40% growth this year as far as top line is concerned and the PAT margins we are targeting to grow by another 2% to 3% from 10%. So, it is it should be around 12% to 13% by year end and definitely that is our target and the other question what you asked?

Dinesh Kulkarni: About capital expenditure?

Rajen Shah: No capital expenditure, we are not targeting any capital expenditure for next two years. Yes, we have few containers on higher purchase. So, it is like when you buy a TV and you pay the installments. So, like that the few containers we take on the higher purchase. So, along with the lease rental we also pay on capital cost of the containers. So, there are very few containers...

Dinesh Kulkarni: That sounds great sir, but we are definitely expecting some improvement at least a few basis point improvements in EBITDA margin as well then for this year.

Rajen Shah: Definitely, when we are targeting to improve the PAT definitely the EBITDA margin has to be improved. So, we are going in that direction.

Dinesh Kulkarni: So, this is my first con-call, I am attending for this company you know being a new investor. Sir, if you could just explain me how the market looks like now especially in terms of the Asian market we see quite a few players in India are offering different you know freight services to this market are we in operating in this market and are we competing here as well?

Rajen Shah: See competition in any business has to be there and it will be there. So, the growth what we had in last 25 years. We are quite sure that we are going in the right direction and it will be growing also. And as far as the market and the Indian growth is concerned. So, definitely you know better than me, you also your own study because India is going to be one of the largest growing economy in the world in coming one decade.

So, the exports are going to go up then the balance trade is going to be improved now. When I started this business it was 85-15 and today it is around 65-35 and then the government is targeting to bring it down to 50 it cannot be overnight it's going to take one more decade. So, how it is going to come it is only because of the exports of the goods.



So, India is focusing on that and for that India is developing lot of ocean-freight ports you have seen that the one major port is coming here Palghar the Vadhvan port. So, it's one of it's going to be one of the biggest five port in the world. So, you can imagine what kind of exports and the imports are going to be there as far as this port is concerned.

At the same time there are lot of lot of infrastructure, road infrastructure for approach which are having the approach to the port. If you see that the Mumbai-Delhi Express Highway, is not starting from Mumbai CST, it is starting from JNPT. Why?

Because they wanted to make sure that the whatever movements coming from the north of the India where it's all landlocked cities, it should directly go to the JNPT and the same road is also going to the Mundra. So they are focusing more on exports and EXIM trade basically. So it is going to go up.

Dinesh Kulkarni: Okay, sir. If I missed out on that. Can you elaborate in a short span like this? What challenges we faced in this quarter that like the growth maybe was slightly lower than what you had expected earlier, if that is the case?

Rajen Shah: Sorry, I didn't get you?

Dinesh Kulkarni: Okay. So my question was, if I missed out on that, so what challenges we faced in this specific quarter. That you would expect growth was slightly on the lower end than what you had expected earlier?

Rajen Shah: No, definitely not. Our growth is better than what we have expected. If you compare the first quarter of the last year, financial year, again, I'm talking about '23, '24. If you compare with '23, '24, '24- '25 and '25- '26, you see there is a drastic growth basically. So this year also, the first quarter is definitely better than our expectation. It is not less than our expectation or our budget...

Dinesh Kulkarni: That's really great sir, but it's more on the geopolitical...

Rajen Shah: I personally feel that you are comparing with the quarter 4 and the quarter 1, which the same question was asked by someone to me. It is not like that. The first quarter is always less than the quarter 4. So first quarter, second quarter is always better than quarter 1. Quarter 3 will be better than quarter 1 and 2. And the last quarter will be definitely better than 3 quarters. It always goes like this.

Dinesh Kulkarni: Okay. So minimal impacts from the current geopolitical tension across India, USA and Europe that we are not really having that...

Rajen Shah: The mix of business what we have is a very minimal effect. Very negligible, honestly speaking.

Dinesh Kulkarni: That's really great sir. Thank you very much and all the best.

Rajen Shah: Yes, thank you.



Moderator:

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

Harsh Jhanwar:

I had just one question. I was going through your annual report of 2024. So we had only 33 employees and we did business of INR279 crores. This year we had some 69 employees and we did business of INR500 crores.

So, can you help us understand more about your business, how we are able to do so much business with such number of employees because I'm assuming you'll need a lot of employees on port for custom clearances and that way. So you could just help us understand better how this business work and is there a big chunk of employees which are not on your roles? Just some light on that. Thank you.

Rajen Shah:

I'll tell you in a first place, you cannot compare the top line with the number of employees. Let me be very honest with you out of my 25 years experience. Before 10 years I was only into the forwarding. Then last few years I am also looking at the liner division as well as the air traffic as well as the warehousing. So everything I handle.

So like that we have a management team, the top management team of around 15 to 20 people who only handles all these particular basically. That was exactly I was explaining you. See when it comes to the HR cost, see your top management only gets you the business, whether it is in forwarding division or whether it is in NVOCC division or airline.

So airline definitely we require specialized people because it is not related to the ocean activity. That's the reason we want to focus more on NVOCC operation in current year. And we'll be focusing next year we'll be focusing in air shipments where we have a specialized team only.

And when you talk about the custom clearance and all that, that is on operational staff. The major impact of their HR cost is not much basically. So the kind of growth we are looking and if you compare the number of employees to have the INR250 crores turnover and to have a INR500 crores and from here onwards INR700 crores to INR750 crores, you don't require to add on the same number of people basically.

Harsh Jhanwar:

Right, I was just wondering only 33 employees, you how can we take care of so many departments and roles and all? So how do we manage that? Because prior to that, in 2023, we had, I think around 20 employees only on the payroll of the permanent employees. That's why I was asking?

Rajen Shah:

No, we also have a subsidiary company. So that subsidiary company also has got the employees. No, it is not only about S J Logistics. You are talking about the figure of S J Logistics. We have a subsidiary company called S J Logisol. So that subsidiary company also has got their employees. It is not on hourly basis. It's not you have to make 5 or 10 shift It's not like that dear.

See, this industry works completely differently basically. When I'm telling you 15-20 top management people, more than 90 % of the top management people, they are with me from 2



decades, 1.5 decades and even more than 2 decades also. So you can understand that they are very trained and they are working as an entrepreneur.

So they know very well they have got the monthly target, they have got the weekly target, they have got the fortnightly target. It's not only about generating the business also to generate the margins also. And at the same time, everyone has got the projections for the working capital requirement also. So that also we do a periodical review.

Harsh Jhanwar: Understood sir. And sir, a while back you had given a guidance where you came to reach INR1000 crores revenue over next 2, 3 years. So do you think we are on track to achieve that by FY '27?

Rajen Shah: Yes. If everything goes well and as per our plan then definitely we will. We are putting our efforts, my entire team is putting their efforts and let's see. Let's hope for the best where we all stand benefited.

Harsh Jhanwar: Understood sir. Thank you so much all the best.

Rajen Shah: Thank you dear. Thank you.

Moderator: Thank you. Next question comes from the line of Mr. Raaj from Arjav Partners. Please go ahead.

Raaj: Sir, I wanted to know the economics of the container. How much is the cost of one container versus the lease payment per year?

Rajen Shah: Yes. See, the cost of container depends whether, see, the container availability in the market is also the second hand containers and also the new containers. As far as S J Logistics are concerned, we are least bothered about the cost of the container because we are not buying any containers. We are taking the container on the lease. So, the lease rental varies from \$1.5 per day to \$3 per day.

It depends on the size of the equipments because if we take the dry containers, 20 feet container, then it is around \$1.5 to \$1.75. And if we take the 40 feet, then it goes up to \$3 per day. If we take the special equipment, then the rate goes up basically. So, it is a mix and match, basically. But you can say, as a thumb rule, it is around \$2 per day per container. And \$2 per day per container per TU. Because 20 feet is known as 1 TU and 40 feet is known as 2 TUs basically.

Raaj: Okay. So, \$2 per day for?

Rajen Shah: Per container.

Raaj: 20 TUs, per container, right?

Rajen Shah: Per container. Per container.

Raaj: Per container, \$2.

Rajen Shah: 20 feet. I am talking about 20 feet. The size of the container, 20 TUs. Per TU, yes, yes.



- Raaj:** And sir, will these containers be insured in case of any theft or anything?
- Rajen Shah:** Yes. Yes, all containers are insured. Basically, the insurance of the container is always we have to take. And when it comes to the commodities, it is always with the exporter or the consignee.
- Raaj:** Okay. Yes. Thank you.
- Rajen Shah:** Okay. Okay. Thank you.
- Moderator:** Thank you. The next question comes from the line of Tushar Sarda with Athena Investments. Please go ahead.
- Tushar Sarda:** Yes. Thank you. Thank you for the opportunity. My question was also related to container. So, you answered it. But I think you said 2,000 per day. But then you said USD\$2. So, it is INR200 a day, right? Not 2,000.
- Rajen Shah:** \$2. I said \$2.
- Tushar Sarda:** \$2, right? Not 2,000 per day, right?
- Rajen Shah:** No, no, no. 2,000. 2,000 means you are out of business. You cannot do it.
- Tushar Sarda:** Okay. And then how do you; okay. And how do you calculate gross margin? So that is what I wanted to understand. For your NVOCC business and for other businesses. Is it the realization that you get less the trade charges that you pay?
- Rajen Shah:** No, less the cost what we incurred, basically. In all the operations, basically. So, the realization what we get and the cost what we incurred. So, the gross margins are always determined on a month-to-month basis. Or even the forwarding division, you get to determine your margins on a day 1 only. When the orders are booked.
- When you take, say, suppose I am giving an example. Suppose I am sending five containers to, say, Brazil. I am giving it 2,300 to my client. And my buying is, say, 2,000. Then 15% margin is booked on day 1 itself only. So, whenever there is actual shipments take place, I have to pay only \$2,000 to the shipping line. And whatever decided trade terms with my customer, I get the payment at \$2,300. So, it's like; it's a very easy calculation, basically.
- Tushar Sarda:** Okay. So, it's the freight or the charges that you pay to the shipping line, right? That is what was included.
- Rajen Shah:** This is only; I am talking about only one component. So, there are other many components like documentation charges, operation charges. But this is all we know before we take the business in our hands.
- Tushar Sarda:** So, that all should be reflected in your cost, right? Because your other expenses are also very low. So, I am wondering where do they get buffers? Or you book everything under purchase of services?



Rajen Shah: Yes, yes. Purchase of services.

Tushar Sarda: You book everything under purchase of services?

Rajen Shah: Yes, yes. Yes, yes.

Tushar Sarda: And on container, you take container on lease and then you; so, how does the economics work? How do you get the rental for the container? Is it the freight that you get on that container?

Rajen Shah: No, no. We don't get the rental on the container. I will just give you a small example for one container, okay? I am telling you the mathematics, how it works. Suppose if I am send -- suppose if you want to send one container from Nhava Sheva to Jebel Ali, okay? So, you will book with S J Logistics, okay? Where I have my own containers. I have taken a slot on the vessel operator. Say, I am; the transit period from Nhava Sheva to Jebel Ali is, say, four days. Okay. So, what will be my rental for four days? It will be \$8.

Tushar Sarda: Okay.

Rajen Shah: \$8. Okay. So, suppose I am not going to get any cargo coming back from Jebel Ali to Nhava Sheva, I have to bring back the empty. Then your consignee takes, say, another four days to take the delivery. And to bring back this container, say, I will take another four days. Okay. Normally, it doesn't happen that whatever container I am sending to one destination, the empty is going to come back or the loaded container is going to come back. It is within the countries also. It can go from Jebel Ali to Bandar Abbas. From Bandar Abbas, it will go to Al Sokhna also.

So, I am giving you this example to make you understand. So, suppose the entire operation takes, say, 15 days. Then what will be my lease rental? Lease rental will be \$30. Okay. Suppose I have booked a slot on the vessel operator from here to Jebel Ali, say, \$250, okay? So, what will be my total cost? It will be around \$330. And if I sell it, it's, say, \$400 or \$425. The market which is going on today. So, it is around \$420 to \$425. So, I am making \$100 margin on the entire operation. It is like that.

Tushar Sarda: Yes, yes. I understand. Okay. Then on the growth, you said that full year you will grow at 35%. Whereas the first quarter growth is approximately 25%. So, you expect the growth to accelerate over the balance 9 months?

Rajen Shah: That is what exactly if you; I think, I will again tell you, because the first quarter, second quarter, third quarter and fourth quarter. The fourth quarter is always better than the previous three quarters. It is like always -- always historically, it is like that.

Tushar Sarda: So, even year-on-year, it will be much higher, right?

Rajen Shah: Much higher.

Tushar Sarda: Year-on-year growth also will be?



- Rajen Shah:** Much higher. The quarter; quarter second will be better than first. Third will be better than second. It always goes like this. And the last quarter will be definitely much better.
- Tushar Sarda:** Okay. And my last question.
- Rajen Shah:** And in fact, in last quarter also, the last 15 days of the March, it is very high.
- Tushar Sarda:** Okay. Yes. So, my last question is, what is the difference between your stand-alone and consolidated operation?
- Rajen Shah:** Out of this, the entire, I think we are already declaring the.
- Tushar Sarda:** No, no. I mean, what comes in the stand-alone company and what comes in the subsidiary in terms of business?
- Rajen Shah:** In terms of business?
- Tushar Sarda:** Yes.
- Rajen Shah:** See, basically, we are into the same activity. But we divide the activities, basically. So, we take the project cargo along with the textile under S J Logistics. And there are a lot of textile clients I have from Singapore, okay? They are basically the Indian traders. So, their invoices are booked under Singapore entity. And the cargo for the textile which is coming from India, we booked under S J Logistics here.
- Whereas, we have the other commodities like tire and the agro-commodity which goes to my subsidiary company. The NVOCC operation, the major billing is booked under my subsidiary Dubai company. It's like that. So, we don't compete with each other. We compliment each other. So, all the company compliments each other, basically.
- Tushar Sarda:** Okay. Yes. Okay. Thank you.
- Rajen Shah:** They are into the same logistic activity, but the different commodities, basically.
- Tushar Sarda:** Okay. Yes. Thank you so much.
- Rajen Shah:** Yes. Yes. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of the question and answer session. I would now like to hand the conference over to Mr. Rajen Shah for closing comments.
- Rajen Shah:** Yes. Thank you all for the participation in this earning con call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would you like to know more about the company, please feel free to reach us out to our Investor Relationship Manager at X-B4 Advisory. Thank you. Stay safe, healthy and expecting your support.



S J Logistics (India) Limited
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Moderator:

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