

May 26, 2026

<b>To,</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 <b>BSE Scrip Code: 543954/890228</b>	<b>To,</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 <b>NSE Symbol: ATL/ATLPP</b>
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**Subject: Transcript of the Earnings Conference Call for Q4 & FY 2025-26.**

Dear Sir/Madam,

Pursuant to Regulations 30(6) read with Schedule III and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call for Q4 & FY 2025-26 held on Friday, May 22, 2026 at 11:00 a.m. (IST).

The transcript is annexed for your reference which can also be accessed on the Company's website from the below link:

[ATL-Q4FY26-Transcript-May22-2026.pdf](#)

We request you to take the above on record.

Yours faithfully,  
For **Allcargo Terminals Limited**

**Malav Talati**  
**Company Secretary & Compliance Officer**  
**Membership No: A59947**

**Place:** Mumbai

**Encl:** a/a



“Allcargo Terminals Limited  
Q4 & FY26 Earnings Conference Call”  
May 22, 2026



**MANAGEMENT:** **MR. SURESH KUMAR – MANAGING DIRECTOR – ALLCARGO TERMINALS LIMITED**  
**MR. PRITAM VARTAK – CHIEF FINANCIAL OFFICER – ALLCARGO TERMINALS LIMITED**  
**MR. SANJAY PUNJABI – INVESTOR RELATIONS – ALLCARGO TERMINALS LIMITED**

**MODERATOR:** **MR. SUYANSH SAMANT – STELLAR IR ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Allcargo Terminals Limited Q4 and FY26 Earnings Conference Call. 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. Suyash Samant from Stellar IR Advisors. Thank you, and over to you.

**Suyash Samant:** Thank you. Good morning, everyone, and thank you for joining us today. We have with us today the senior management team of Allcargo Terminals Limited, Mr. Suresh Kumar, Managing Director; Mr. Pritam Vartak, Chief Financial Officer; and Mr. Sanjay Punjabi, Investor Relations, who will represent Allcargo Terminals Limited on the call. The management will be sharing the key operating and financial highlights for the quarter and full year ended 31st March '26, followed by a question-and-answer session.

Please note, this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after a statement is made.

I now hand over the conference to Mr. Suresh Kumar sir. Thank you, and over to you, sir.

**Suresh Kumar:** Thank you. Good morning, everyone. A warm welcome to everyone on the Allcargo Terminals Q4 and FY26 Earnings Call. We have uploaded the results, press release and presentation to the stock exchanges and the company's website. I hope everyone has had an opportunity to go through the same. I will share an overview of the economy, industry and our business performance over the past quarter and the year, after which, I'll hand you over to Pritam, the CFO, to discuss the financial performance for the quarter and the financial year ended March '26.

Globally, growth is expected to moderate at around 3.1% in 2026, and is forecasted at about 3.2% in 2027. This reflects the impact of geopolitical tensions and trade uncertainties, which continue to weigh on supply chains and cost structures. In contrast, India continues to remain a bright spot with GDP growth of around 6% - 6.5%, supported by domestic demand, continued government focus on infrastructure and capex and policy initiatives.

Despite near-term challenges, the overall outlook for the logistics sector remains positive with structural drivers such as rising containerization, ongoing infrastructure investments and supply chain realignment supporting the long-term growth. India's major ports handled a record 915.2 million metric tons of cargo in FY26, which is a healthy 7% year-on-year growth, and this reflects the strong EXIM and trade activity.

Coming to Allcargo Terminals Limited. FY26 was a year of strong progress, a lot of purposeful groundwork towards ATL's 3-year ambition. Supported by India's growing EXIM momentum and our focused capacity addition at key ports, our profit after tax grew 46% over the previous

year. We recorded our highest ever annual volumes, backed it up with disciplined yield management and the operating leverage due to capacity expansion, enabled EBITDA increase 26% year-on-year, and we continue to strengthen our strong customer equity across the markets in which we operate.

In line with our strategic priorities, we enhanced capacity at one of our 2 JNPT facilities, and we have also secured a 10-year extension for the other. Construction of our PFT-ICD at Farrukhnagar commenced at Q4 through partnerships with group companies, marking another important milestone in our growth journey. Looking ahead, as geopolitical issues ease, the market conditions should normalize, and we are well poised and remain committed to contributing meaningfully to India's expanding EXIM ecosystem and logistics infrastructure story.

I will now hand over the call to Pritam to take you through the financials.

**Pritam Vartak:**

Good morning, everyone, and thank you, Suresh. Welcome to our Q4 FY26 earnings call. I will be taking you through the financial highlights, starting with quarterly results. In Q4 FY26, we handled total volume, CFS plus ICD, 179,631 TEUs, reflecting a growth of 7% over Q4 FY25 and a decline of 7% over Q3 FY26. Q4 FY26, our revenue stood at INR208 crores, reflecting a growth of 12% year-on-year. EBITDA, excluding other income, came in at INR44 crores, marking a 31% increase year-on-year.

EBITDA margin expanded to 21.2% in Q4 FY26 as against 18% during Q4 FY25. This is driven by improved operating leverage and disciplined cost management and increasing scale efficiency. This, along with enhanced realization, enabled us to maintain EBITDA per TEU above INR2,000. Net profit for the quarter was INR9 crores as against a loss during Q4 FY25.

For the financial year ended March '26, total volume, CFS plus ICD, stood at 723,035 TEUs, reflecting a growth of 6% year-on-year. Revenue for the period stood at INR821 crores, reflecting a year-on-year growth of 8%. EBITDA stood at INR162 crores, registering a growth of 26%. Net profit for FY26 was INR44 crores, marking a growth of 46%.

With this, I would like to open the floor for the question-and-answer session.

**Moderator:**

First question comes from the line of Madhur Rathi with Counter Cyclical Investments.

**Madhur Rathi:**

Sir, I wanted to understand regarding our Farrukhnagar terminal that is coming out in FY27. And you mentioned that our capacity would be closer to 40% in our investor presentation versus the addressable market there. So I'm trying to understand, sir, how should I look at the volume? Because we are mentioning that after FY '30, it will be a 70% utilization. So why is this ramp-up slower than expected? Is it because the DFC volumes have not come in or -- if you could help us understand the volume ramp-up at this facility?

**Suresh Kumar:**

So at this stage, the volume estimates that we are doing there is based upon our understanding of the market. So to that extent, kindly consider this as a conservative estimate based upon the current market conditions that we are studying. Closer to launch, I think we can -- we will definitely look at reviewing the numbers that we have shared. And it's a good 1 year away. So

we have just started work on the facility, the PFT now, and there is 3, 4 quarters to go through. So kindly await future guidance on that.

**Madhur Rathi:** Got it. And sir, is there any other competing facility coming out with a new -- is there any new ICD coming out similar to us in that location over the maybe next 1 or 2 or 3 years?

**Suresh Kumar:** No. In our information, we don't have any. If there's something that you are familiar with, kindly share.

**Madhur Rathi:** Right. Sir, also, I wanted to understand, in our cash flow statement, sir, there is no payment on lease liability -- interest related to lease liability. So what was the number for the whole year, if you could help us with that?

**Pritam Vartak:** So in the cash flow statement, you can find it is lease payments principal INR40 crores, you can find in your financing activity. And you can also see interest on lease payment, INR38 crores as a part of financing. So both this together is INR78 crores.

**Madhur Rathi:** Okay. INR38 crores is the interest on lease payments.

**Pritam Vartak:** Yes, yes.

**Madhur Rathi:** Yes. Got it. Sir, just a final, sir, what would be your capital allocation policy towards either dividend or buyback going forward, if you could help us with that?

**Pritam Vartak:** So we are a growing company. There are multiple projects which are aligned. Recently, we also raised equity by way of private placement and also the rights issue. So we are conserving capital right now, and dividends and buyback that all has to be considered. We'll consider that at an appropriate time. Currently, the focus is to execute the projects and maintain capital adequacy for that purpose.

**Madhur Rathi:** Got it. Sir, just a final question from my side. Sir, the JNPT extension for the 10 years that we have received, sir, is there a possibility of us increasing our throughput capacity there as well? Or that is just a time extension that we have received, there will be no capacity extension as such at that facility?

**Suresh Kumar:** Yes. So with regard to the contract extension, it's the same facility for which we have got an extension. However, there are ongoing and planned upgrade work that we will do at the facility, which will help us utilize the available area and the facility much better. So in terms of throughput, given the fact that this is the second facility that we have, Speedy Multimodes, that's the name of the facility, being closer to the port, we expect once the upgradation activities are completed, say, by Q3 of this year, we will be able to increase capacity utilization and therefore, throughput should also increase compared to how it was pre-renewal of the contract.

**Madhur Rathi:** And sir, on the overall capacity, is there a possibility of increase there or no?

**Suresh Kumar:** No, the facility size remains the same. It's a question of how we will utilize that, because there are portions of the yard where we are upgrading. And therefore, we will be able to use them better. And the warehouses also, I think we are upgrading them as part of the plan that we have

over the next 2, 3 quarters. Given the fact that we have a 10-year visibility now, whatever we have kind of not done over the last couple of years, in partnership with JNPA, and with their guidance, we will ensure that the facility is upgraded. That will release additional capacity. That's what I was pointing to.

**Madhur Rathi:** Got it. Got it. And sir, are we still on track for the 1 million TEU guidance for FY28? Or that might go a year -- that could delay by a year?

**Suresh Kumar:** As of now, we are on course. And as per the 3-year plan, if we were to look at the volumes that we have achieved in the last financial year and what we are targeting for the next year are all as part of the 3-year ambition that we have shared. So we are on course to achieve the 1 million laden TEU number in FY28.

**Madhur Rathi:** Right. Sir, just a final question and then I'll get back in the queue. Sir, EBITDA per TEU has improved from -- if I look at the overall year, it was closer to INR2,200. And if I look at our Q4, it was closer to INR2,400 - INR2,500. So at what trajectory should we expect this going forward? Can we expect to maintain this INR2,400, INR2,500 level going forward? Or was there a seasonality in Q4?

**Suresh Kumar:** No, I think over the last multiple calls, some of them, I'm sure you have attended, we have pointed out the upward trajectory that we have been maintaining on EBITDA per TEU. We used to be around INR1,700, INR1,800 six quarters back. And our targeted EBITDA per TEU is in the range of INR2,200 to INR2,300. So we are happy where we are, and we expect to maintain it at this level going forward.

**Moderator:** The next question comes from the line of Deepak Karwa, an Individual Investor.

**Deepak Karwa:** Congratulations on good set of numbers, sir. On Slide 16, can you tell me more about the vision for 2030? And what will be the strategy should we use to grow our volumes?

**Suresh Kumar:** So this is the aspiration that we have, which the earlier speaker had also asked. So 1 million TEUs by 2030 is the aspiration that we have with regard to volumes. And the foundational blocks for that has been laid substantially with the expansion and the renewal of contracts that we have done last year. And then we also have the upcoming project of the PFT-ICD in Farrukhnagar. These are key elements which will enhance our capacity.

So if you have to recall, last year, at the same time, we had a capacity close to 8.3 lakh TEUs. This includes the Dadri facility. We have, during the course of last year, built up this capacity to 1 million laden TEUs. And with Farrukhnagar coming up, there will be an additional capacity addition of about 1.2 lakhs, which will happen in Farrukhnagar in a phased manner.

Apart from this, we are also actively looking at enhancing capacity in Chennai, which is a very important market for us, and we have been present there for many years with one facility. Like in the other key ports of Mundra and JNPT, where we have 2 facilities each, we would like to expand capacity in Chennai also. So our capacity ambition by FY 2030 would be in the range of around 12.5 lakh to 13 lakh laden TEUs.

And with the capacity utilization close to 80%, we will be able to achieve the targeted 1 million TEUs. That will flow through into revenue and EBITDA and scale efficiencies will come in. And the EBITDA aspirations and the revenue aspirations are in line with the volume growth that we envisage. The other point to note is, this is also on the back of expected market growth, which is in the range of 5% to 6% annually, which we will participate in.

So in summary, it's a combination of the India growth story, in which volumes on EXIM trade containerization is expected to improve at 5% to 6%, our own capacity buildup that we have done, the good trajectory that we have had in EBITDA per TEU and margins and profitability to continue. And therefore, we are well poised to achieve the 2030 aspiration that we have shared with you in the investor deck. Does that answer your question?

**Deepak Karwa:** Understood, sir. And when can we expect our Chennai facility?

**Suresh Kumar:** So I look forward to sharing this in the coming investor calls. I would not want to make a comment on this today. But there is active work as an organization that we are doing to enhance capacity there.

**Deepak Karwa:** Okay. And sir, can we talk more about the key growth drivers for the CFS space? What's our current market share and how can we grow further into that?

**Suresh Kumar:** So as an industry watcher, I'm sure you understand that there is a certain amount of EXIM trade which happens in the country linked to the GDP growth of the country, which is 6%-6.5%. EXIM trade normally mirrors the GDP growth of the country. And out of the containers and the port volume which comes in, there is a certain percentage of them which becomes the addressable volumes for CFSs.

This number varies across ports, so it could be in the range of 27%, 28% in some ports, around 40% in other ports. Overall, in the ports that we are present, this averages around 27% to 28%. We expect this number to continue to remain like that.

Every port in the country has ambitions for growing volumes. And if you were to look at JNPA or Mundra, they have indicated the ambitions that they have. So that reflects the overall growth story with regard to volumes. And out of the addressable volumes which come into India, we are well positioned with 2 terminals -- 2 CFSs each in the 2 large ports of Mundra and JNPT. And overall, the facilities that we have of 7, we are present in ports which address about 80%-85% of India's EXIM trade.

Our estimated market share at this point in time, this is an estimated number, on the CFS side would be in the range of 10% to 12%. We don't have published numbers, and therefore, this is a caveat. This is based upon a best estimate that we have. And we have constantly held on to that share over the past few years. With the growth that I've spoken about in the containerized trade, with the capacity that we have, and if we maintain our market shares in the range that we have maintained, then we are confident of achieving the growth numbers that we have talked about.

Along with this, for profitability growth, which you have seen, there are a lot of initiatives that we have taken, one with regard to the operational excellence that we are committed to whether

it is digitalization, whether it is the myCFS app that we have launched to kind of ease the whole process for a customer.

There are targeted investments that we have done with regard to technology, and also now the yard management systems and various other things with regard to operational efficiency, upgradation of the reach stackers and the other equipment that we use, which yields better fuel efficiency. These are all things that we have done, or some of them are in progress, which have contributed to the steady improvement in profitability.

So a combination of the volume growth that we have talked about and the drivers around capacity, operational excellence, wherever technology permits us to deliver better operational parameters, we do that. This is what are the key drivers that we envisage will take us to our aspiration of 2030.

**Moderator:** The next question comes from the line of Gaatha Jain, please go ahead.

**Gaatha Jain:** I just wanted an update on the capacity expansion that you were doing? And what sort of capex plan do you have for this financial year?

**Suresh Kumar:** I'll request Pritam to share this. Thank you for your question, Gaatha.

**Pritam Vartak:** Thank you for the question. So as we have mentioned in our investors presentation, overall, we are looking for INR400 crores capex spend for various expansion projects we are talking about. In this year, there is Speedy upgradation thing, which is coming. For overall Farrukhnagar project, we have allocated a capex spend of INR226 crores.

And part of that would come into this year, as we have said that the PFT construction has already been started, plus there has been an MOU, which is already entered with our group company. So for Farrukhnagar project, INR226 crores capex -- INR200-plus crores capex, which we have budgeted. Certain part of that would accrue in current year and certain part of that would accrue...

**Gaatha Jain:** Excuse me, sir, I'm sorry to interrupt, but you're not audible.

**Pritam Vartak:** Sorry, my bad. So, am I audible now?

**Gaatha Jain:** Yes, yes. This is much better.

**Pritam Vartak:** Yes. So what I was saying is, we are planning an upgradation of JNPT Speedy facility. That would be an outflow of around INR20 crores. In terms of Farrukhnagar project, there is a capex outlay of overall INR200 crores plus, and certain part of that outlay will happen in current financial year. So these are the two major projects which we are looking to finance in this financial year, apart from the regular maintenance capex which we are doing.

**Moderator:** The next question comes from the line of Ashok Shah from Eklavya Invesco Family Office.

**Ashok Shah:** Sir, we have last year paid INR58 crores as interest charges, and we had raised around INR80 crores from rights issue and INR38 crores from other. And we have further CapEx. So how we

are going to finance over the next 1 or 2 years? And what will be debt increase or what will be debt repayment do we have a plan for?

**Pritam Vartak:**

Yes. So in our investors deck, we have mentioned that for various projects which we have been talking about, there is a capex outlay of INR400 crores, which we are estimating. We have existing investments in our balance sheet, which we are holding on. It is close to INR45 crores, which we are having.

The existing business of the company continues to generate strong cash flow to the tune of INR80 crores to INR90 crores every year. Apart from that, as you have told, we have raised equity and only part of that equity we have called as of now. So that additional equity would also be used for financing our capex.

So together with existing cash flow, the future cash flow and the equity, we are looking to raise INR300 crores for the project financing. Balance amount would be bridged through bank financing, external financing. But in our estimate, it would be restricted to somewhere around INR100 crores and which, for the company of our size, we can absorb. As of now, company doesn't have any debt on its balance sheet, and the company is debt free. I hope this clarifies your question. Hello?

**Moderator:**

Yes, sir, the current participant has been disconnected. We move to the next question. It's from the line of Madhur Rathi from Counter Cyclical Investments.

**Madhur Rathi:**

The INR400 crores capex that you mentioned, INR20 crores was for JNPT, INR200 crores was for Farrukhnagar, and the rest INR180 crores is towards?

**Pritam Vartak:**

So we are planning an expansion in Mundra. For that, we have allocated certain amount. And we have also considered Chennai project expansion. The balance amount is allocated towards Chennai. So apart from Farrukhnagar & Speedy upgradation, Chennai and Mundra, these are the 2 projects which we have as a part of our 3 years plan.

**Madhur Rathi:**

Got it. And sir, so the expansion that we are planning, so the investor presentation deck that we have given that 1.35 million TEUs, this doesn't include the expansion that we are planning as of now, whatever the incremental volumes would be, that would be different? Or those are considering the expansions that are planned at Mundra and Chennai?

**Suresh Kumar:**

So this considers the expansion plans in these places.

**Madhur Rathi:**

Got it. And sir, lease liabilities have -- I understand because of all these capex. So is it fair to assume that this is the peak lease liability number in our balance sheet that we can expect? So is that a fair understanding? And what would be the lease outgo at these -- it would be closer to INR90 crores to INR100 crores for next year going forward?

**Pritam Vartak:**

So yes, all our lease extensions have happened. CWC Mundra has happened. JNPT lease extension has happened. Also, the extension at ATL-JNPT facility is done. So this is the quarter in which we have all our lease liabilities which are coming in. So as of now, there is no new lease contract which is coming in. And the only regular increments, the contractual increments

would be part of future increase. So yes, correct to say that as of now, all the lease liabilities and outgo have been factored. And future, based on this existing position, the outgo for the year would be in the range of INR95 crores to INR100 crores.

**Moderator:** The next question comes from the line of Sonal with Prescient Capital.

**Sonal Minhas:** This is Sonal Minhas. I hope I'm audible.

**Suresh Kumar:** Yes, you're audible, Sonal. Please go ahead.

**Sonal Minhas:** Just wanted to understand the plan that you've laid out for 2030. The current realization per TEU, basically, we're assuming some gain from there as we grow from the current capacity to the 1.3 million that we've spoken about. So just wanted to understand what are the key drivers for improvement of realization in that, if you could explain that?

**Suresh Kumar:** Yes. So if you were to look at the buildup and the capacity, we were at about 8.3 lakhs. In that, some of the portions have been completed, which have been indicated in green in the deck. Yes, we have the balance facilities to come up. So we have currently 6 CFSs, and we have got an ICD at Dadri, which is a joint venture that we have with CONCOR. In future, we will have a rail-linked ICD in Farrukhnagar, and the margin profile in that location would be different from the existing facility. So that will add to the numbers that you're seeing, the realization and the profitability numbers for the balance portion of the 5-year plan.

The other thing which will come into play is also the scale efficiencies, which we believe should help us in places where we have expanded capacity like in JNPT and the plans that we have in Mundra. So it is a combination of efficiencies due to capacity that we have built up, better capacity utilization as we go through the next 2 to 3 years, and the addition of a rail-linked ICD to our portfolio. This is what will help us maintain the trajectory and then accelerate as we go towards the FY 2030 ambition.

**Sonal Minhas:** Okay. Got it, sir. Sir, my second question is with regard to the debt that we see on the books. As we hit this peak capacity by 2030, is it fair to assume the borrowings will remain in the same range, around INR750 crores to INR800 crores, INR900 crores range? Or we will start seeing debt repayment during the next 4 years?

**Pritam Vartak:** Just want to clarify here first. The borrowings which you see in the balance sheet, these are not actual external borrowings. These are lease contracts, which are accounted as per Ind AS in the form of ROU assets and ROU liabilities. So while you see the borrowings in liability side, similarly, you can see the ROU assets in the asset side, which, to a large extent, knock off against each other. So that's point one.

As I said before, the lease liabilities, we are at present, considering the existing business, all the lease liabilities have been accounted now. So even this number will not go up, it will come down as we account for the depreciation on the ROU assets and the interest and the lease payouts happen quarter-on-quarter. To clarify, in terms of external debt, company doesn't have any debt on its balance sheet and the company as of date is debt-free.

- Moderator:** The next question comes from the line of Ashok Shah. Sir you may proceed.
- Ashok Shah:** My phone got disconnected. So just now you replied that there is no actual borrowing. So what does this INR58 crores finance cost consist of?
- Pritam Vartak:** So finance cost consists of interest part, which is in-built into your lease payments. So as per Ind AS accounting standard, the lease payments are typically classified into 2 buckets: one is the depreciation and the other is interest. So certain part of that is being treated as interest and certain part of that is being treated as depreciation.
- In current year, we had an external debt, which we had taken for certain acquisitions in the past. So the small part of that overall INR58 crores is the debt which we have paid to -- is an interest component which we have paid to NBFC. By year-end, that debt was fully repaid. And going forward, we will not have that interest. However, lease-related interest outgo will continue to be there in our P&L as per the Ind AS accounting standard.
- Ashok Shah:** What would be lease-related interest cost in account every year?
- Pritam Vartak:** So it is Ind AS 116, which we have to refer to. The lease payouts are considered as an obligation and your lease payments over a period of lease lives have actually been capitalized. And against that, an ROU liability, right-to-use liability is created. That's why in our balance sheet, you can see INR700 crores of ROU liability, which is shown under borrowing, and a similar amount is being shown as ROU asset.
- So these 2 balance sheet items actually knock off each other to a large extent. And these are not actual assets -- these are not actual borrowings, but this is something which all the listed companies have to follow being part of Ind AS 116.
- Ashok Shah:** So this goes to the P&L account or just accounting entry?
- Pritam Vartak:** So it goes through a P&L. However, the lease payments, a certain portion of lease payments gets classified under finance cost and a certain portion gets classified under depreciation.
- Ashok Shah:** So every year, around INR50 crores will be debited like this?
- Pritam Vartak:** It will be reduced because the actual debt on which the interest payout is supposed to be there, that will not be there going forward in the next year. However, interest-related payouts would continue to get reported under finance cost.
- Ashok Shah:** And are there any further plans to raise funds?
- Pritam Vartak:** So we have already raised fund INR120 crores. However, only first tranche of that fundraise has been called. As the projects go live and the requirements are there, we will make subsequent calls. So, around INR80 crores is yet to be called on totality of rights issue and the private placement, which will happen in the current year. Apart from that, there is no additional equity, which we are planning right now, considering the projects which are in pipeline.
- Moderator:** The next question comes from the line of Purav Shah, an Individual Investor.

- Purav Shah:** Am I audible?
- Suresh Kumar:** Yes, you're audible, Purav. Please go on.
- Purav Shah:** I'll just pose my topics. I have 2 topics of conversation. First, how is the construction progressing at the PFT-ICD at Farrukhnagar? And when will this be fully completed? And what kind of top line growth can we expect from this project? And my second topic would be on the lines of EBITDA margin. What led to such a strong 21% EBITDA margin, sir? And can we expect this to be a benchmark going forward in the coming quarters?
- Pritam Vartak:** So in terms of EBITDA margin, I will say that throughout the year, we are at around 19%- 20% EBITDA level. So I will not talk much about quarter-on-quarter variations. And also the number which we very closely track is EBITDA per TEU. We have been maintaining that at around INR2,300, INR2,400 level. With the existing expansions and the additional capacity which is available, we want to maintain that at a similar level, and maybe slightly improve that once the volume goes up. So that is where our endeavor would be.
- The Farrukhnagar project, which we are talking about, will have a rail business as well. So the realization per TEU in Farrukhnagar would be higher as compared to our existing business. And that would form like 20%, 25% of my overall business once that is fully live. So that would give a substantial increase in my EBITDA per TEU level.
- If you look at my 2030 projections, which is part of our investors deck, from existing INR2,300, INR2,400 level per TEU, we are looking to go up to INR2,800 level. So all the efforts which we are putting in, in terms of maximizing our capacity and the new projects, we plan to reach at the level which we have mentioned in our 2030 growth plan around INR2,800 level. That's what we will push for.
- Suresh Kumar:** And just to complete the answer with regard to the question on time lines, it is in January of this year that we started construction. The groundbreaking ceremony was held in January. As you would know that this is being done through group companies, and the time line for the PFT completion is April 2027 and the ICD completion, maybe another 2 quarters after that. So that's what the plan is.
- Purav Shah:** Okay. And sir, can you just share some light on what led to such growth in Q4 of EBITDA margin?
- Pritam Vartak:** In Q4, there has been a certain reduction in terms of other expenses, which has been there. And this is driven by operational efficiency. Some of these expenses would come back and that's why I'm saying, instead of looking at the overall quarterly results, I think you should look at the quarter-on-quarter performance where the EBITDA has been steadily maintained at around INR2,400 level. So that is where we want to maintain going forward.
- Suresh Kumar:** So just to complement Pritam's response, what I would like to add is, the EBITDA margins, as you would understand, flow from the kind of commodity profile and the revenue that we end up getting. There are multiple factors which come into play, the kind of commodity, the ratio

between the 20 and 40 containers, 20 and 40 feet TEUs that we do, and then the over dimension cargo which comes in.

Plus there is also the occasional spike that we get through auctions of long-standing cargo. So a quarter, if you are to see a bigger jump, some of these factors would have all come together is what I would leave with you as somebody who watches how the performance is. Does that clarify?

But the steady-state number is what Pritam had said. What we would like to be is in the range of INR2,200 to INR2,400. Quarterly variations are on account of some of these factors. Kindly keep an eye on how the trend is and the multiple quarter number is a better indicator.

**Moderator:** The next question comes from the line of Vikram Suryavanshi from PhillipCapital.

**Vikram Suryavanshi:** Sorry for joining the call a bit late in case some questions might be repetitive. So in terms of overall volume what we handle at CFS or ICD, how much would be our share of first mile or last mile, and how opportunity further could be there or any plans to capture that market incrementally going forward?

**Suresh Kumar:** Thank you, Vikram, and just asking how you are. And in terms of what you asked, first mile and what do we do with that, the kind of numbers which come in. So I would kind of point to a surrogate indicator with regard to the DPD and the DPD-DPD cargo and the other cargo which comes in. So that will give you a kind of indication of where the cargo is kind of headed for.

So as you know, say, for example, in JNPT, the percentage of DPD containers are close to about 70%-80%. But then after clearance, they come in into our CFSs, which means that they are kind of meant for locations which are not in the immediate vicinity, could be in the 300, 400-kilometer kind of a range.

And there are opportunities for us to participate in a bit of transportation assistance that we can give for customers. There is also value addition in the form of destuffing and unbundling of cargo that can be done. So some of these opportunities, we already tap into, but we have not factored this into our revenue planning, because we would remain focused on the CFS operations. And wherever there are opportunities in terms of assisting customers by providing integrated services, we kind of point that out to the other companies in the Allcargo Group.

So, for example, there is a certain amount of cargo, which comes into our CFS because of the FCL/LCL businesses of the Allcargo Group. Similarly, we have got Allcargo Logistics, erstwhile Gati, which is also part of our group, which is capable of these kind of transportation. So we kind of point these customers to those businesses, so that for a customer, it is like dealing with the overall Allcargo Group.

But specifically with regard to Allcargo Terminals participating in this, we have not taken a position on that. There could also be opportunities for adjacent warehousing, which come up 3PL support. And you know that these are all part of the Allcargo logistics suite of products. So we leave it to them to handle that.

**Vikram Suryavanshi:** Understood. And in terms of what we saw during COVID, the trade disturbance and disturbance in shipping lines schedules also helped CFS players to earn more on the ground rent. So are we seeing such kind of opportunities emerging currently in terms of better margins from the ground rent kind of scenario with this trade disturbance?

**Suresh Kumar:** Yes. Vikram, your memory is very sharp, as always. And what you referred to is the extraordinary ground rent which had come in, because it was a very disrupted kind of supply chain operations at that point in time. And then in the interest of everyone, it's good that the supply chains keep working very well, and we support it in a manner in which it is positive for the customer.

So in terms of ground rent, the last year has seen a strengthening of ground rent, but not because of disruptions. It's simply because of what we believe is the commodity pricing changes which keep happening and the fluctuations in international freight. These are factors which kind of contribute to customers upstocking and therefore, keeping a larger amount of -- giving us a larger amount of dwell time.

So last year, we had, in some quarters, better ground rent realization than in the others. And we have factored those seasonality things as we build our plans for the future. But largely, we are happy with regard to throughput. And if there is a larger amount of throughput which happens, it will help us. Ground rent -- as again, you are a very keen watcher of this industry, from a significant portion of the CFS revenues, I think the ground rent percentages have progressively come down. And therefore, there are other lines of revenue that we make our business model on.

**Vikram Suryavanshi:** Got it. And any idea within industry body that when commercial operation on JNPT DFCC can start?

**Suresh Kumar:** It is very close to commercial operations is the latest update that we have. I wouldn't have a specific date for that, Vikram.

**Vikram Suryavanshi:** Okay. And are they also setting -- JNPT is also, I think, for a long time been -- SEZ development has been in process. So, any help is coming for CFS business from the SEZ, or it won't be much play for CFS guys from the SEZ development?

**Suresh Kumar:** No, I think the ecosystem in JNPT becoming stronger helps the EXIM trade, and we welcome all actions and JNPA has been quite proactive on various fronts. There are some things which obviously in a collaborative manner that we have to do with JNPA. But having said that, JNPA is one of the progressive port authorities that we have in the country.

They balance what is required in terms of all the stakeholders. Definitely, what we do needs to benefit the customers. And there are opportunities which can come in. There is expansion of SEZ, there is a plan for dedicated areas. So all these things we will closely watch.

And then we are well positioned. So as one of the key stakeholders in the JNPA ecosystem, our views are sought, and we kind of do all that is required to make ease of doing business for the importer and also to ensure that operationally, the ports function at a very smart level.

Having said that, there are occasional periods in which you have disruptions due to external reasons. We are passing through one of them currently because of a bit of terminal congestion, shortage of transport fleet. But these are seasonal, which we build it into our business plan, and we are confident of addressing them as we go ahead.

**Moderator:** The next question comes from the line of Kiran Gadge with Knightstone Capital Management.

**Kiran Gadge:** So due to DFC connectivity, you will see throughput increase due to faster turnaround time. So the cargo handling and transportation revenue will increase. So how much revenue does the company earn from handling the cargo versus warehousing the cargo at CFS?

**Suresh Kumar:** So I think the DFCC estimates let it play out. So we will talk about that once those aspects really fall in place. But the second part of your question with regard to what percentage of our revenues come from handling warehousing, also linked to the earlier question, which Vikram had asked.

I think over a period of time, ground rent as a percentage of CFS revenues have progressively come down. And that is currently running at close to a 20% level in terms of what the ground rent realizations that we have.

And then there is the rest of the work that we do with regard to transport handling, the value-added work that we do, and the bond income that we have and then there are the auctions. So that's the overall revenue pie if you were to look at for a CFS. And ground rent over a period of time has progressively reduced. Does that give you clarity on what you were asking, Kiran?

**Kiran Gadge:** Yes, yes. Okay. And like would it lead to increase of realization per TEU, due to the...

**Suresh Kumar:** I think -- yes, more throughput is good given the fact that it's not a solely ground rent-driven business that we have, right? So there is handling and transportation, which are significant chunks. And then there is also the destuffing, stuffing and the value-added work that we do.

So our business from only being around ground rent has evolved into something more than that, in which we offer value-added services. And therefore, the throughput growth is something that we welcome. And we have seen throughput in the ports increasing at a steady clip. JNPA last year had grown at about 7%-7.5%. And we have also seen that helps in building our revenue profile in the market.

**Kiran Gadge:** Okay. So would it increase the realization?

**Suresh Kumar:** Realizations, I've told you right, in terms of where we are currently EBITDA per TEU levels, which are quite healthy numbers. And we also operate in a competitive space. So we can't kind of push that beyond a level. And therefore, in our modeling and the future that we have planned, we will be happy to maintain our EBITDA per TEU at the levels that we currently are, which is about INR2,300 to INR2,400. And whenever the Farrukhnagar project happens, that will give us a fillip in the realizations.

**Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Suresh Kumar for closing comments.

**Suresh Kumar:**

So, thank you. Thank you, everyone, for the range of questions that you have shared with us. It only tells us the keen interest with which you're watching the company's performance. I wish to assure you that we are well on course to achieve the 2030 ambition that we have set for ourselves.

It's been a strong quarter, and it's been a strong year that we have had basis the strategic plans that we have drawn out. I look forward to coming and talking to you in the coming quarters and sharing with you the progress that we achieved on the strategic priorities. Thank you so much.

**Moderator:**

Thank you. On behalf of Allcargo Terminals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.