August 18, 2025

To,	To,
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, C-1, Block G
Dalal Street, Fort,	Bandra Kurla Complex, Bandra (East),
Mumbai – 400 001	Mumbai – 400 051
BSE Scrip Code: 543954	**NSE Symbol: ATL**

Subject: Transcript of the Earnings Conference Call for the first quarter ended June 30, 2025

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 the first quarter ended June 30, 2025 held on Tuesday, August 12, 2025 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

https://www.allcargoterminals.com-Q1-FY26-Transcript.pdf

We request you to take the above on record.

Yours faithfully,
For **Allcargo Terminals Limited**

Malav Mayank Talati

Digitally signed by Malav Mayank Talati
Date: 2025.08.18 16:54:34 +05'30'

Malav Talati
Company Secretary & Compliance Officer
Membership No: A59947

Place: Mumbai

Encl: a/a

"Allcargo Terminals Limited

Q1 FY '26 Earnings Conference Call"

August 12, 2025

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. SUYASH SAMANT – STELLAR IR ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Allcargo Terminals Limited Q1 FY '26 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 this 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, sir.

Suyash Samant: 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 ended June 30, 2025, 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 the statement is made.

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

Suresh Kumar: Thank you, Suyash. Good morning, everyone. A warm welcome to all of you on the Allcargo Terminals Limited Q1 FY '26 Call. Thank you for joining us. We have uploaded the results press release last evening and the presentation on the stock exchanges and the company's website. I hope you have had an opportunity to go through the same.

I will, over the next few minutes, give you an overview of the economy, the industry, the ATL business, after which I will hand over the call to Pritam to discuss the financial performance for the first quarter of the financial year.

To begin with, the global economic outlook remains challenging. The IMF report projects global GDP growth at around 3% in 2025. However, it continues to face headwinds from trade tensions, geopolitical uncertainties. Amidst all this, India remains the fastest growing major economy. Growth is expected to moderate slightly to 6.4% in FY '26. The outlook remains strong, supported by resilient domestic demand, services growth, and government-led investments.

On the trade front, July saw the signing of the UK-India free trade agreement expected to boost bilateral trade by GBP 25.5 billion annually by 2040. This reduces tariffs on almost 90% of British goods and grant duty-free access to almost 99% of Indian exports. Meanwhile, the EU and U.S. announced a provisional trade framework aimed at deescalating tariff tensions.

Coming to Allcargo Terminals, I would like to mention that we have a proposal to raise INR38 crores through fully convertible warrants to fund our growth plans. These growth plans are something that I've outlined in previous investor calls, is with a 3-year horizon, and I'm happy to share with you that we have begun FY '26 on a very strong footing.

Momentum for our 3-year strategic plan is building with the planned capacity additions in key markets like Nhava Sheva & Mundra, in line with our long-term vision to handle 1 million laden TEUs.

This year, our key focus is on driving volume growth while sustaining profitability. Our EBITDA per TEU continues to improve. This is very encouraging, and this reinforces our confidence in maintaining industry-leading profitability.

With the trust of our customers reflected in strong retention rates, a digital-first approach, and a capable and experienced team, we are well positioned to deliver on our stated objectives and realize our 3-year plan.

I'm handing you over now to Pritam Vartak to take you through the financial details. Thank you.

Pritam Vartak: Good morning, everyone, and thank you, Suresh. Welcome to our Q1 FY '26 Earnings Call. I will take you through highlights of financial results for the first quarter of the new financial year. The total volume handled for Q1 FY '26 stood at 1,51,100 TEUs. Revenue for the quarter stood at INR187 crores as compared to INR190 crores for Q1 FY '25 and INR186 crores for Q4 FY '25.

EBITDA, excluding other income for Q1 FY '26 stood at INR35 crores as compared to INR30 crores for Q1 FY '25 and INR34 crores for Q4 FY '25. For Q1 FY '26, the company reported an EBITDA per TEU of INR 2,292 depicting a growth of 22% as compared to Q1 FY '25 and 4% as compared to Q4 FY '25.

Net profit for Q1 FY '26 stood at INR9 crores as compared to INR10 crores for Q1 FY '25 and a loss of INR2 crores in Q4 FY '25. This is the summary for financial results for Q1 FY '26.

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

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from Vikram Suryavanshi from PhillipCapital.

Vikram Suryavanshi: Hi, sir. How is the feedback coming from the…

Moderator: Vikram sir, your voice is breaking a lot.

Vikram Suryavanshi: Is it okay now?

Moderator: Yes, sir, now it's okay. Please go ahead.

Vikram Suryavanshi: Sir, how is the feedback coming from…

Moderator: Vikram sir, your voice is still not clear.

Vikram Suryavanshi: I'll come back in a queue, give me a few minutes.

Moderator: The next question is from the line of Vedant from Khusi Capital Advisory.

Vedant: So, my first question is on the line of, as you have mentioned in the presentation, we are talking about handling around 1 million TEUs in the long term. So, what is the strategy to achieve this target? And where are we planning to add capacity?

Suresh Kumar: Okay. So, would you want to ask all your questions or would you like me to respond to one of them, one after one after the other?

Vedant: Sure, sir.

Suresh Kumar: Okay. So, thank you, Vedant, for your interest in the sector and in Allcargo Terminals. Our 3-year plan, which we have been talking about in the last couple of investor calls, aims at getting us to 1 million laden TEUs in the next 3 years. Just to give you a background, currently, we handle about 6.5 lakh laden TEUs every year with a capacity of around 8.3 million TEUs across the 7 facilities that we are present.

Obviously, to handle 1 million TEUs, we need to build capacity. We have embarked on expanding capacity since the last quarter of last year, adding capacity in Mundra by renewing our partnership with CWC. We have expanded our facility in JNPA, our flagship facility in JNPA by adding 25 acres.

We have bought land in Mundra outside the SEZ, 60 acres of land where we propose to construct a new CFS in phases. And there are other plans at Farukhnagar for a greenfield ICD, and we are also exploring opportunities to increase our capacity in Chennai.

All these capacity enhancement initiatives will increase our capacity from the current 8.3 lakh TEUs to over 1.25 million, 1.3 million TEUs. So that's about 13 lakh TEUs. You would have noticed in our presentation that we currently operate at around 85% to 90% capacity.

So, with the capacity of 1.3 million that we will build up over the next 3 years and the capacity utilization of about 85% to 90%, we expect to cross 1 million TEUs. That is the internal story. For this, obviously, the addressable market also needs to grow, and we need to ensure that our market share in the growing addressable market continues to remain strong.

We currently estimate a market share of about 12% to 12.5% in the CFS markets that we operate in the 5 locations that we are in. We expect to grow this market share in the coming years by 1% to 1.5%. Plus, we all know that the Indian economy grows at about 6% to 6.5%. That's the most conservative estimate of the Indian economy, which will add to the addressable market.

So, it is a combination of capacity building, ensuring that we have the right kind of capacity in the locations which are growing, continue to build on our customer franchise and equity, enhance capacity utilization to the levels which I mentioned.

That are the, these are the core things that we will do, to ensure that we become an organization which handles 1 million laden TEUs in the next 3 years. I hope I have been able to cover all the aspects in your mind, Vedant.

Vedant: Yes, that was a very detailed answer and very clear, a lot of things. But as a follow-up question, as we are talking about adding capacity, are we planning any fund raises because I have recently seen there was a fund raiser of around INR38 crores. So, will there be any fresh fundraising? And was the recent fund as well for the capacity expansion?

Suresh Kumar: Yes. The recent fund raise that we have done of INR38 crores in effect, kickstarts our plans for expansion. We have a clear funding plan for the next 3 years for the various projects that I have indicated. We have already invested about INR110 crores for the HORCL rail connectivity in Farukhnagar.

And there is a certain capex requirement that we have estimated for the next 3 years. I will request Pritam to take you through what have we estimated as our capex requirements and how do we propose to fund it.

Pritam Vartak: Sure, Suresh. So, for like very near future, foreseeable future, we have 2 projects which are coming up. One is Mundra CFS, other is Farukhnagar ICD. Mundra CFS, we are proposing to execute in 2 phases. Phase 1 should start in next quarter or so, which will give us additional 1 lakh TEU capacity. So, the Phase 1 estimated cost is around INR75 crores.

For Farukhnagar project, the estimated capex investment is in the range of INR215 crores. We are overall estimating INR280 crores of capex outlay between these 2 projects. Because these projects are spread over like 1 year or 18 months of period, A lot of this capex requirement will be taken care from our internal cash flow generation. Our existing CFSs continue to generate strong cash flow with a good DSO of 18 to 20 days.

So that way, these businesses would continue to generate cash outflow and fund this capex expansion. Also, we have equity infusion plans in place. INR38 crores of equity infusion, is already on the course, subject to regulatory approval, right? And there are other plans as well, which we will disclose at appropriate time.

With the internal cash flow and equity infusion plan, the dependency on borrowing would be limited, and it would be only required to the extent of kind of bridge capital, which we are estimating in the range of INR50 crores to INR70. So that way, additional borrowings would be very limited while funding this capex project. I hope, Vedant ji, I'm able to answer your question.

Vedant: Yes, sir. That was very detailed as well. So, a follow-up question on as we are talking about expanding our capacities, but in terms of the industry and the demand, is the demand sufficient for our industry? And even if it's sufficient, how do we compare with our peers? And like what are our key strengths that would differentiate us and keep us above them?

Suresh Kumar: Again, thank you, Vedant, for that question. With regard to industry, the container industry, the EXIM trade is very, very closely linked to the GDP numbers of the country. And at 6%- 6.5%

predicted by almost every analyst, I think India is on a very strong growth path, and we expect the same to happen to the container industry. It could only be better.

The addressable market will also grow at a similar pace. And with all the new investments which are happening in terms of infrastructure and all the initiatives of the government to Make in India, exports from India, the Sagarmala project, the Gati Shakti program, all these are intended to facilitate greater EXIM trade in the country.

And therefore, there is every reason to believe that the GDP growth will reflect significantly in terms of the containerized movement of cargo, not to mention DFCC and those kind of initiatives, which are also reaching completion. So, there will be enough demand in the market.

What is it that differentiates all Allcargo Terminals from the others? Allcargo Terminals, we have our facilities currently in 5 locations, which contribute to about 80% of India's EXIM trade; which are these 5 locations - Nhava Sheva, Mundra, Chennai and Kolkata. We also have an ICD at Dadri.

Capacity expansion, I briefly mentioned to you what is it that we are planning to do. And our capacity expansion is largely in these markets that I mentioned. And these markets will continue to be the gateway for India's EXIM trade. So that is the second part of the question.

The third thing that you asked is how do we differentiate ourselves? The first differentiation that we have is as an organized listed entity and also as a PAN-India operator, I think we offer scope of services, which expand, which extends beyond 1 or 2 facilities. And in a very fragmented CFS industry, we have a PAN-India presence and the market share reference I shared with you earlier. So, one of the key advantages that we have is our PAN-India presence.

Second is the customer relations and the equity and the franchise that we hold with our customers, being a business that has been around for over 20 years, we have built a solid reputation for operational capabilities, reliability. And now we are topping it up with digital enablement.

The digital enablement is in the form of a myCFS portal, which is the first of its kind in the industry. This enables customers to log on to the myCFS portal or the app on the mobile phones, see what is happening to their cargo on a real time and do the basic stuff that they need to do for cargo clearance through the mobile phone or through the portal.

We expect this customer convenience to only improve when our systems get further integrated with the regulatory systems of the customs and others. So that's the second differentiation. The third differentiation that we have is because of our national PAN-India presence, we are able to leverage scale efficiencies across the country, be it in transport contracts or in equipment contracts.

These are the 2 things which contribute a large to our opex. And therefore, we are able to kind of manage industry-leading profitability by keeping a very sharp eye on the opex cost that we have.

So, this is what makes us very strong independently at ATL. And the final point that I would like to add to this is we are part of the Allcargo Group. And therefore, we benefit from the larger group's presence in multiple portions of the logistics chain. You would know that Allcargo Group is present as an integrated logistics provider covering ocean freight, container terminals, portside logistics, express business, contract logistics, warehousing.

So as part of an integrated solutions to customers, we, therefore, benefit from a certain steady stream of business, which comes to the Allcargo Group. This is what differentiates us from the rest of the CFS-ICD operators.

Vedant: That was very detailed as surely cleared my mind about the long-term future. But just to add another question on the short-term future, like are we facing any challenges with the current imposition of tariffs from U.S.? Are we facing any difficulties because of that in our business?

Suresh Kumar: So, thank you. Thank you again, Vedant, for the question. So, with regard to the tariffs, which is being talked about a whole lot, I think one needs to look at it from the point of view of what do these tariffs do to the addressable market of the Container Freight Stations and the ICD business.

So, if you were to look at the addressable market or the cargo which moves into the container freight stations and the ICDs that we operate, a whole lot of this cargo, in fact, a significant majority of this cargo originate the imports originate from geographies which are not U.S.

So, these originate from China, they originate from the African subcontinent. The originate from, a little originate from the Far East. So, this is where the bulk of our cargo, the import cargo originates. The second thing to look at is what is the kind of cargo which comes in into imports and to compare that with what is it that the tariffs, the U.S. tariffs, in particular, is likely to impact.

So, if you look at the U.S. tariffs, there is a widespread understanding that this is largely, will impact sectors like pharma, sectors like precious gems, metals, those kind of things, which are not really part of the CFS addressable market because a lot of them lend themselves to air cargo and things like that.

So, both from a geography point of view and from a commodities point of view, I don't think there is a significant impact of the tariffs that you are referring to from the U.S., which we foresee on our operations.

But as in everything, uncertainty is not good for business sentiment. To that extent, I think whatever uncertainty which hits because of this tariff stop-start kind of a thing, which is there, might have an overall impact on the economy and things like that and on the sentiment.

Some of that might trickle down, and I think this is true for every player in the industry. But I would like to kind of with optimism, say that this doesn't impact the CFS-ICD addressable market as much as it might impact some other portions of the economy. So, we don't see a significant impact of these tariffs on our business.

Moderator: Our next question is from the line of Samraat Jadhav from Prosperity Wealth Advisor.

Samraat Jadhav: Okay. So, I have 4 questions. One is on the CFS volumes. Basically, our CFS volumes grew 5% year-on-year with 90% utilization, around 90% utilization. What is the expected volume growth trajectory for the rest year for the financial '26, especially with the new capacity coming online?

The second question is on what market share gains we have made in the key ports out by JNPT and Mundra in the Q1? And what do you expect, which could be the biggest upside between these both?

Third is on the EXIM trade, basically, your presentation said that it's around 6% growth that is expected. Are we planning near around same growth or it would be bigger than that, like 7%, 8%, 9%, whatever number basically? And the fourth one is on the EBITDA and PAT guidance from the management considering the finance cost and ongoing capex.

Suresh Kumar: Okay. Thank you, Samraat. Four questions, out of which I will attempt to answer the first 3 around volumes, market share and EXIM trade. I will request Pritam to chip in on the fourth, which is on the EBITDA and the PAT.

So, on volumes, you have rightly picked up the numbers, 5%. And with the capacity expansion that we have done in JNPT where we have added 25 acres to our existing flagship facility. And then Mundra, the renewal has expanded our capacity because there is an additional 10 acres, which we had.

So, both this will really start to kick in, in H2 of this year because there is a certain amount of preparation that one needs to do. So, we expect H2, the growth to be better than the 5% that we are currently running at. And maybe a couple of percentage points minimum is what one can add.

Only then we will continue to leverage the additional capacity and keep our capacity utilization closer to the 85% to 90%. So, we expect an accelerated growth in volumes in the second half. The other thing that you asked about was upon about market shares in Q1. Market shares in Q1 are estimate, and these are based upon our understanding of the market.

We are pretty much held on to market share in most of the markets that we operate in, which would be in the range of around 12%. That's what our estimate of our market share is in the CFS business.

Yes, JNPT and Mundra. Mundra, I've been talking in investor calls about a certain portion of the business, the addressable market having been taken up by the port because the port has created, which is Adani ports, they have created an EXIM yard, which takes up a portion of the addressable market of the CFS.

And therefore, that kind of has kept the market, overall market size rather constant there in Mundra, even though there is an increase. But we also see some overflow from the EXIM yards finally coming back to the CFS. And therefore, we believe there should be the kind of growth that we have seen in the past quarters to continue in Mundra.

The third portion of your question was about EXIM trade, 6% growth. I think there is every reason to believe that we will continue to remain on that trajectory. We spoke about that when Vedant asked the question about tariffs and things like that.

Samraat Jadhav: We are expecting 6% or more than 6%...

Suresh Kumar: I think it should be in the range of 6%. There will be seasonal variations that you would see typically in Q2, Q3, then the Q4 variations with regard to the Chinese New Year and all those things. As an experienced observer of the industry, I'm sure you're noticing this seasonal fluctuations, but largely in the range of 6% to 6.5%...

Samraat Jadhav: Around 6%. Okay. Great. On your first question of the CFS volume 5%, so we are expecting more than 5% or it would be the same, as you said, H2 would be better?

Suresh Kumar: H2 would be better because we are running at capacity at close to 90%, which also means that some of our facilities are running to full capacity. And when we get this additional capacity in JNPT, we will be able to garner additional volumes. So, to that extent, that capacity boost will reflect in terms of larger growth in H2.

Samraat Jadhav: Any ballpark number?

Suresh Kumar: We are in the early stages. So, if you were to look at it, we have just got the approvals, the necessary approvals in the month of July. And we would wait to see how August and September go before we kind of take a view on the balance push of the year.

Samraat Jadhav: Okay.

Suresh Kumar: And just to kind of add, I didn't have the context earlier, I should have shared this, and this would be of interest to all of you about the 3-year plan that we are working on. There are significant milestones that we have crossed in the 3-year plan.

So, if you have been observing our 3-year plan and the conversation around it, we have talked about capacity expansion in Mundra through 2 methods. One is the renewal of the CWC concession that we have, which we have renewed successfully in December.

Second is addition of a new CFS with our own land outside the SEZ. I'm happy to share with you that the last month, this is after Q1, we have received the necessary regulatory permission to set up the CFS in Mundra.

The third thing that we've been talking about is the Farukhnagar greenfield ICD. Again, I'm happy to share with you that we have received the regulatory permissions, which is the IMC in principle approval to set up an ICD in Farukhnagar.

So, whatever we have shared with you over the last few quarters on the 3-year plan, we are proceeding and progressing in the right manner with the necessary approvals and the necessary addition of capacity happening.

So, this for us is a strong indication of what one could expect from us because the plan is proceeding just like how we have outlined. And in the plan, we have also said there could be increases in volumes at certain times, which will happen. And I'm happy to share with the group that we are well on course to realize those plans.

On that note, Pritam will take the fourth portion of your question with regard to EBITDA and PAT.

Pritam Vartak: So basically, if you have seen our last few quarters numbers, I think you would have seen that some of the profitability indicators have been moving in the right direction. So, revenue per TEU, we have been able to improve from INR11,800 in March '24 quarter to INR12,500 -- close to INR12,500 in June '25 quarter.

Even gross margin from 32% has gone up to 36% in this particular quarter. And this hasn't been, this is like a gradual increase, which we have been doing, the result of various incremental measures which we have taken over the last 12 months or so.

So that way, I think 12 months back, we spoke about INR 2,000 per TEU as EBITDA as our target. We are there, and we have been maintaining at that level since last 2-3 quarters. So going forward also, we would remain, maintain at that level.

That would be our key things to look at. Having said that, with this JNPT extension, which is actually, has been added in this quarter, would give us more, will start giving us more volume without incremental cost because a lot of the cost would get shared. So that would give some upside to the EBITDA.

Also, whenever Mundra Phase 1 comes up, we would be doing substantial savings in rentals as well. So that will also push the EBITDA per TEU up. So, while as a policy, we stay away from giving any specific guidance in terms of profitability numbers. What I would like to convey here is we would maintain our EBITDA at INR 2,000 level, which we are currently.

And some of the measures which we have already taken, that would only help us to improve from here on. So that's like a short in terms of how we expect the margins, EBITDA, and PAT to move upwards.

We are also, another thing is we are also using our existing cash resources. We are also looking to repay some of our debt, which we have around INR100 crores we are having. So that will also in substantial saving in terms of interest. So that will also impact my PBT and PAT. So, these are the things would help us in improvement in EBITDA as well as PAT.

Samraat Jadhav: Okay. So basically, you're considering that whatever money would be saved, that would be utilized into the finance, increasing finance cost basically for the capex?

Pritam Vartak: Yes. So internal accruals would be used for funding my capex. Plus, we have cash flows and that can be used for repayment of existing debt or for the capex funding as well.

Moderator: Our next question is from the line of Vikram Suryavanshi from PhillipCapital.

Vikram Suryavanshi: Sorry if there is a repetition of question because my line got disconnected. Just wanted to understand 2, 3 things. One, outlook post the DFC connectivity to JNPT, how it will pan out with the rail coefficient and cargo, which is going to CFS that mix. If you can give some sense and when JNPT DFC Connectivity is likely to happen? That is one.

Second on Mundra, a lot of cargo which directly goes to ICD. So, what is the basic catchment area for the CFS, which we are targeting at Mundra, if you can give some addressable market there?

And third is like development of Vadhavan Port, going forward, do we also see that location as a future prospect or JNPT and Mundra would be sufficient to take care of catchment area?

Suresh Kumar: Welcome back to the call. Always a pleasure hearing from you. Thank you for keeping close track of us and also the logistics sector. Always a pleasure talking to you. Your questions around the DFCC, around Mundra catchment area and Vadhavan.

The simpler one in that is Vadhavan. Vadhavan is a good 3- 4 years away. So, we have still not factored that into our 3-year plan. I think there is still some time around to take the strategic calls around Vadhavan. And whatever we have heard from the authorities and JNPT Port about Vadhavan, all sound very promising.

In terms of capacity, you know it's going to be a massive capacity which gets built in, virtually doubling capacity handling of ports in India. Most likely CFSs and the allied services is something which will be counted upon for Vadhavan. So, whatever we, little we know about Vadhavan, everything sounds positive, and we look forward to more details.

The other questions that you asked about DFCC, about Mundra, I think you've been watching the Mundra market develop over the many years. The catchment areas remain the same. For North of India, I think whatever cargo needs to go out from the NCR region or imports into the northern portion.

I think Mundra becomes a preferred port, and that is what has kind of driven Mundra volumes to almost similar levels as of the Nhava Sheva volumes. I don't see any major change happening there.

DFCC brings in faster turnaround times for both import and export cargo. And that will be the major change. And because of that, there will be a shift of multimodal traffic at the suitable time. And that is something which one is looking forward to in line with the government policies, which says that the multimodal mix in the country is heavily skewed towards road. DFCC is a mechanism by which the rail traffic can start to increase, and we expect the DFCC, those plans to start to happen.

With regard to addressable markets, which come to the CFSs, I think we have gone through multiple phases, starting with the DPD situation. And now we are headed into full-fledged DFCC coming in. And the volumes which come into the ports have constantly increased. And there is a certain capacity utilization which starts to happen of the CFSs.

Simply put, if I were to just give you the example of JNPT, currently, the port operates at about 7- 7.2 million TEUs. And the port is very clear that they have a plan to take this up to 10 million TEUs in the coming maybe 1- 2 years. And there is a certain percentage of the volumes which come in into the CFSs.

And a certain percentage of that will obviously go into the DFCC. And with the number of CFSs kind of capped in the Nhava Sheva region, the existing CFSs will have to pick up the increase in volumes, which is a significant increase in volumes, which can happen over the next 2 to 3 year time horizon from around 7.2 million to 10 million.

That's a good 25% increase in port volumes, which is anticipated. And there is a certain percentage of that which flows into CFS, which is currently at about 40% of the port volumes flow into CFSs.

Therefore, our estimate for the coming years on which we have made our expansion plans is there will be continued strong growth with regard to the addressable market and the volumes which come into CFSs. DFCC and others will make the multimodal mix a little better.

But the 2 key ports of Mundra and Nhava Sheva, JNPT will continue to grow in terms of addressable markets. And that is why we are building capacity in both these markets. I hope I have given you a perspective on the question that you asked, Vikram.

Vikram Suryavanshi: Yes. Sure, sir. Very clear. And just last question about Dadri, how is the competitive scenario? And which CTO we use for rail operation at Dadri?

Suresh Kumar: We use CONCOR, they are partners there. CONCOR is what we use. And there are a certain number of regulated numbers of CFSs, which are there, and there are about 5 major operators. And that's a very compact market. And we are one of the leading operators there. JV that we have with CONCOR.

Moderator: Our next question is from the line of Akshay Kothari from Envision Capital.

Akshay Kothari: Sir, pardon me for my understanding. My understanding is very limited in this. How much revenue does TEU generate for us?

Suresh Kumar: So around INR11,000 per TEU, Preetam was alluding to that. We are in the range of INR10,500 to INR11,500 per TEU.

Akshay Kothari: Okay. And how does this stack against our competitors? How does this industry actually work? Is there any premiumization which can happen on this front?

Suresh Kumar: Premiumization is something which is very difficult given the capacity which is available. And it's a very fragmented market. There are very few organized players. And therefore, the objectives of every set of CFS operators are different.

For us, we are in this as part of an integrated logistics solution that we provide customers as part of the Allcargo Group. We are a listed entity. We are sharply focused on profitability and long-term shareholder value.

And therefore, our focus has consistently been on how do we kind of maximize operational efficiencies, customer delight, bring in digital enablement and solution for our customers and therefore, get industry-leading profitability margins. If you were to look at pure CFS businesses and look at the listed peers which are there, a little, there are a couple of listed peers.

We believe our EBITDA per TEU is industry-leading numbers, which is the outcome of all the things that I mentioned to you, operational efficiency, commercial savviness, being close to the customer and the benefits that we get as being part of the Allcargo Group.

So that's our position, and we would like to grow our business in that manner. And we have significant plans for the future like what we spoke about a little while back. And we genuinely believe the India growth story is very strong, and we would like to contribute to it strongly. And for that, we are building capacity.

And that capacity that we are building, we would like to build it significantly from internal accruals. And therefore, we have a long-term stake in the success of this industry and in this business. So that is our view of the CFS-ICD business. That makes it clear for you, Akshay.

Akshay Kothari: Yes, yes. That was very helpful. How much capex do we plan to do for 3.5 lakh TEU in next 3 years?

Suresh Kumar: So, there is a capex estimate that we have depending upon the way in which we execute some of the projects that we have. So, between Farukhnagar, where we have already invested about INR100 crores, Mundra, where we have already bought land of about 60 acres, the expansion in JNPT and the possible expansion in Chennai. We expect a capex outlay of around INR450 crores to INR500 crores over the next 3 years. Part of it has already been spent and a lot of it will be met by internal accruals.

Akshay Kothari: I'm sorry, did I hear INR250 crores to INR500 crores?

Suresh Kumar: INR450 crores to INR500 crores.

Akshay Kothari: Sorry. Okay. And our EBITDA per ton, EBITDA per TEU would be in the range of?

Suresh Kumar: Currently, we are at around INR 2,200 crores. Pritam refer to that number. Last quarter, we are at INR 2,292 crores. But our benchmark number is in the range of INR 2,000 crores to INR 2,200 crores. So, we are hovering around that number for the last 4 to 6 quarters, and we would like to maintain it at that level.

Moderator: Our next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I understand that like with this DFC, the turnaround times would improve. So, is there a possibility of us improving our throughput per TEU just because of the faster turnaround time and that can give us additional incremental EBITDA going forward?

Suresh Kumar: Yes. I think theoretically, that's how it works. What you said is exactly the benefit of DFCC, faster turnaround times and therefore, more handling and throughput of cargo, that's what it should lead to. We are starting to see slow change in that. Maybe it will take a little while for this entire thing to settle down and the multimodal mix to also change.

So, we expect this. And therefore, as an industry watcher, we believe this is good tailwinds for us in terms of how we can look at our future with greater optimism. And that is also the reason why we are taking a bet in expanding capacity in these markets.

Madhur Rathi: If I look at our current static capacity and so what would be the static capacity currently? And what is the throughput multiple that we are doing currently? And sir, if I consider on a conservative basis, like next 3 years till the time we'll reach to 1.28 lakh million TEUs. Sir, what kind of throughput do we see over the next 2 to 3 years panning out? Can we expect it to improve by 10%-15% or that is too much to think of?

Suresh Kumar: So, our current annual throughput is about, including the JV that we have, we do about 6.7 lakh TEUs is what we did last year. And our ambition is to get to 1 million TEU, which is 10 lakh TEUs in the next 3 years. Which is a combination of increase in capacity, which I outlined earlier, currently 8.3 lakh capacity, growing to about 13 lakh capacity and a combination of increase in capacity and throughput. The multiple would currently be around 2.5 to 3, which can only become better with faster throughput and faster evacuation, as you kind of mentioned.

Madhur Rathi: Got it. Sir, what would be our current market share in the major Mundra and JNPT market currently? And sir, how is the competitive intensity in Farukhnagar and the Chennai facility that we are planning?

Suresh Kumar: Our estimated market share, and here again, I must give you a disclaimer. You do not have independent published sources for market share. These are numbers that we have to collate and which we keep track of. Our estimate of our market share of the CFS facilities where we are operating is in the range of 12% to 12.5%. And that is what our intelligence, market intelligence tells us.

We expect marginal growth in this with additional capacity that we are having. In terms of market intensity that you talked about in Chennai, there aren't any new CFSs which have come up of late. So, it's pretty similar to what it was over the last 1 year. But what Chennai is witnessing is a shift of cargo between the 2 clusters of ports.

The erstwhile Chennai port, which is located within the city and the new cluster of ports of Kattupalli Port, which is 25, 30 kilometers from the current port. There is a significant shift of volume, which is starting to happen, which used to be 70-30, the earlier port in favor of the earlier port. Now it's approaching about 50-50. So that's a market insight that you have of Chennai. Otherwise, the competition intensity remains pretty much the same.

Moderator: Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Suresh Kumar, the Managing Director, for closing comments. Over to you, sir.

Suresh Kumar: Thank you. Thank you to all of you who have joined the call and for the questions that you've given. I hope Pritam and I have been able to give you a clearer picture of the plans that ATL has. In summary, we have started off Q1 on a strong note. We are well poised to implement our 3 year plan and the milestones that we have had for Q4 of last year and Q1 of this year, we have crossed them successfully.

We look forward to completing the rest of the milestones in our 3 year plan and reach our aspiration of an organization which handles 1 million TEUs needed in the next 3 years. Thank you for your support.

Thank you for your participation and your questions. Looking forward to connecting with you in the next investor call. Thank you.

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.