



WESTERN CARRIERS (INDIA) LTD.

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Date: May 22, 2026

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	To, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
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Scrip Code: 544258; Scrip Symbol: WCIL

ISIN: INE0CJF01024

Dear Sir/Madam,

Sub: Transcript of the earnings conference call held with Investors with reference to discussion on the Operational and Financial Performance of the Company for the quarter and financial year ended March 31, 2026.

In furtherance to our earlier communication dated May 13, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript in respect to the Earnings Conference Call held on Monday, May 18, 2026 at 01:00 PM (IST), with regard to the discussion on the Operational and Financial Performance of the Company for the quarter and financial year ended March 31, 2026.

The said transcript is also hosted on the Company's website at www.western-carriers.com

We request you to kindly take the same on records.

Thanking you,

Yours faithfully,

For Western Carriers (India) Limited

**Name: Sapna Kochar
Company Secretary & Compliance Officer
ICSI Mem. No.: A56298
Place: Kolkata, West Bengal**

Enclosed: As above



“Western Carriers (India) Limited
Q4 FY26 Earnings Conference Call”

May 18, 2026



MANAGEMENT: **MR. KANISHKA SETHIA – CHIEF EXECUTIVE OFFICER,
CHIEF FINANCIAL OFFICER AND WHOLE TIME
DIRECTOR – WESTERN CARRIERS (INDIA) LIMITED**

MODERATOR: **MS. NIDHI VIJAYWARGIA – MUFG INTIME INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good afternoon and welcome to the Western Carriers (India) Limited Q4 FY26 Earnings Conference call, hosted by MUFU. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded. I will now hand the conference over to Ms. Nidhi Vijaywargia from MUFU for opening remarks. Thank you, and over to you, ma'am.

Nidhi Vijaywargia: Thank you. Good afternoon everyone, I welcome you all to the Q4 and Full year FY26 Earnings Conference call for Western Carriers (India) Limited. To discuss the business performance, we have from the management Mr. Kanishka Sethia, CEO, CFO and Whole-time Director.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and assumptions. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and on the stock exchanges. Without further ado, I would like to hand over the call to the management for their opening remarks and then we can open the floor for Q&A. Thank you, and over to you, sir.

Kanishka Sethia: Thank you Nidhi. Thank you so much for your kind introduction. I hope I am audible to everyone.

Moderator: Yes sir, please go ahead.

Kanishka Sethia: Thank you. So good afternoon everyone and welcome to the Q4 and Full year FY26 Earnings call of Western Carriers (India) Limited. I am joined today by my excellent colleagues Ashish, Sapna, Jitender and Surya. Thank you for taking the time out to join the call and for your continued engagement with us.

Let me start with the broader macro environment and discuss its relevance to our company side-by-side as we go along. As you will appreciate and agree, we are in the middle of the Middle East crisis, with daily changing news cycles and no exact end or solution in sight. Subsequently over the last quarter, the global outlook has weakened.

The International Monetary Fund (IMF), in its April 26 World Economic Outlook titled "Global Economy in the Shadow of War," has revised global growth down to 3.1% and 3.2%. So it's looking a bit bleak versus earlier expectations of around 3.3%. The IMF and World Bank attribute a meaningful part of this change to the Middle East conflict obviously, that began on 28th February and the disruptions ensuing around the Strait of Hormuz because of this.

The IMF expects global headline inflation to rise to about 4.4% before easing again. Advanced economies are projected to grow between 1.5% to 2% range and emerging markets has also seen a reduction projection to 3.9% from 4.2% till the January projection. The Financial Stability

Board has flagged increased financial instability risks, including market volatility and higher financial conditions.

In the IMF adverse scenario, global growth slips to 2.5% with inflation of around 5.4% and in severe scenario growth is only at 2% with inflation above 6%. So overall the near-term operating environment remains extremely fragile and sensitive to further escalation.

Moving to India, India's growth expectation remains higher than many other major economies and remains the one true bright spot and beacon of hope in the global economy. Even though the outlook is not without risks, particularly from energy prices and global trade conditions. The IMF has revised India's FY27 GDP projections upwards to 6.5%, citing carryover from FY26 and changes in tariff conditions. The Reserve Bank of India's latest projection is 6.9% for FY27, both of which augurs really well for us.

Other domestic agencies are also in a similar range with variations depending on crude assumptions and the impact of West Asia developments. On inflation, CPI inflation for April 26 was 3.48% provisional, compared to 3.4% in March 2026, marking multiple months below the RBI's 4% target.

However, agencies including CRISIL note that if Brent crude remains elevated in the USD90 to 95 range, inflation should move higher over FY25. The RBI has retained its inflation target framework 4% with a 2% to 6% band for April to March 2031. On the fiscal and revenue side, gross GST collections for April 26 was reported at 2,42,000 crores, up 8.7% year-on-year.

Now coming specifically to the logistics industry, the sector continues to evolve towards an integrated, complex, cross-border coordination and technology-enabled execution scenario. At the same time, this quarter has shown that geopolitical shocks can quickly disrupt flows, raise costs and reduce capacity availability.

Industry estimates, including Research Nester, place the global 4PL market at around USD75 billion to USD80 billion in 2026, with projected growth over the long term. In India, IBEF and other sources estimate a large and expanding logistics market supported by infra build-out and policy initiatives.

However, execution constraints, cost inflation and volatility in EXIM lanes remains a near-term reality. Government programs such as the National Logistics Policy, the PM Gati Shakti and the platform initiatives aimed at visibility and integration are ongoing and showing extreme positive results on the ground.

The mid-term intent is to improve efficiency and model mix, including increased rail share in freight and reduce overall logistics cost to bring it in line with the most developed economies of the world. Now turning specifically to the geopolitical situation, which has been a defining variable for our industry and our company in this quarter.

As everyone knows, the Strait of Hormuz has been completely blocked since 28th February, thereby disrupting global supply chains, which were already very fragile after the Israel-Palestinian and the Russia-Ukraine crisis. To put it in perspective, the pre-conflict traffic

averaged around 3,000 vessels per month, which is down to around 5% of pre-war levels now for the Western trade.

Obviously, the effect on trade and commerce has been huge and I would like to address this in some detail now. The effect on trade and commerce has been expectedly huge. India's merchandise exports have fallen 7.4% year-on-year in March to 38.92 billion, with shipments to West Asian region particularly down 58%, both largely driven by the Middle East crisis.

Normally monthly exports to the region are around 6 billion, but this March only 2.5 billion worth of exports have gone. However, with import particularly oil and gas also declining by 6.5% to 59.5 billion in the month, India's overall foreign trade in goods compressed, resulting in a relatively low trade deficit of 20.7 billion.

A concerning point is that though the shipments have been tepid in recent months to begin with, exports of goods have contracted for the first time since October 2026, a clear sign of collateral damage in large parts to the ongoing Middle East crisis. For our part, we as a large logistics service provider have been keenly taking proactive steps from day one. To limit disruptions from the worsening Middle East conflict by closely tracking our shipping carriers, planning our consignments as early as possible and exploring alternate routes in conjunction with our clients. Even as freight rates, insurance premiums and transit times rise sharply among uncertainty around the Strait of Hormuz.

Our goal through the entire crisis has been singular to ensure minimal disruption and delays to our client supply chains and ensure transparency throughout this difficult period. At the same time, our clients have also responded urgently, with most businesses adjusting inventories, contracts and delivery schedules to build in flexibility as the conflict threatens cargo movement and supply chain.

To give a picture of the situation, as of March end around 40,000 to 45,000 Indian containers were stranded, either in transit or at international ports and the future of export cargo worth around a billion and a half is already under cloud. Staring at either a diversion in routes in some cases and even a U-turn to India in others, leading to unavoidable cost escalation.

Of these 40,000 to 45,000 containers that we speak of, nearly 80% of them are already in waters in transit and stranded. Adding to this, several contingency surcharges by shipping channels are causing an additional three to five-fold increase in per container cost in some cases.

All these together are leading to cascading costs, a possible container crisis and particularly for perishable goods exporters, there may even be hefty losses due to non or delayed shipments and deliveries. For example, according to sources, a good share of these stuck consignments are Basmati rice, which is 4,00,000 tons plus.

Hence, just like the Israel crisis last year, the shipping lines are having to reroute consignments around the Cape of Good Hope, circling Africa to avoid the Strait of Hormuz and the Red Sea. These diversions obviously add almost 3,500 nautical miles to voyages, delay shipments by 10 to 15 days and significantly increase fuel and insurance expenses, making deliveries to key markets like the USA and Europe more expensive and more time-taking.

The risk of is that these longer voyages will tighten vessel and container availability, further pushing up freight in coming weeks and months, should the situation not start improving shortly. Due to all of this, the capacity currently on key routes to US and Europe is about 30% to 35% of normal levels, putting extreme pressure on the EXIM trade.

It is to be noted that these two markets, that's Europe and US markets, account for 195 billion of the projected 437 billion goods export in 24-25 as per a report in Financial Express. This becomes all the more important as key export markets of Middle East has seen shipments almost completely stopping.

The war has resulted in insurance premium going up by USD1,200 for 20 feet and 2400 USD for 40 feet in some cases. Add to that the shipping lines imposing war risk surcharges and cargo, which in many cases are nearly doubling the ocean freight costs. Now not only the cost impact, but the crisis also has created logistical bottlenecks as carriers are having to divert vessels to safer ports or issue "end-of-voyage" notices for some services. These moves have led to cargoes being offloaded at alternative hubs, leaving exporters scrambling to arrange alternative and more expensive onward transportation to end destination to their clients. Another fallout is that should the situation persist is the imbalance being created by stranded ships, which will reduce availability of containers at Indian ports, potentially affecting new export bookings even further.

Similarly, Exim boxes are getting stuck at ports waiting for exports and import boxes are coming in a bunch in spurts, leading to detention and demurrages across the ports. Stability in this region is key for competitiveness of shipments bound for Europe, Middle East and Africa, particularly as they rely on Gulf transshipment hubs.

This conflict obviously impacts us as a company as well as the rest of India's container rail logistics sector. With weaker exports to the West, there is a sharp rise in stabling or parking of rakes for want of cargo and at several instances running of empty wagons to source for lack of return of reverse direction cargo.

This obviously impacts the turnarounds, the TAT, the timelines, the schedules and profitability. For instance, per industry estimates, the requirements for stabling of rakes idling for want of cargo in the month of March has already crossed 50 rakes, 50 trains, which is a dramatic increase from an industry standard of four to five rakes that are stabled on a normal situation to deal with cargo fluctuations. So that's a 10x.

Empty wagon running has also seen a steep increase due to reduction in cargo volumes, with an estimated 15% to 20% of wagons being moved empty, a sharp increase from the normal 5% which is usual industry practice, which is a 4x. The import-export EXIM volumes for the logistics industry are said to have shrunk by about 40% in the month of March, with reductions in heavy fluctuations in both export and import volumes.

Luckily for our company, we have been very resilient in this regard, with our EXIM container movement dropping less than 11% compared to the 40% overall. There is a slight dip in the EXIM lead by 2% due to lesser demand in North India, but container detention and demurrage remains an issue with the rescheduling and rerouting of the global ships.

But I will discuss the container numbers a bit later in greater detail as we go along. Let me talk after EXIM about the domestic transport, where the domestic transport volumes, especially in the tiles and steel industry with heavy reliance on imports of raw materials have seen drops. These two industries directly affect our MMLP operations in Morbi, which is located at the heart of the tiles industry as well as caters to a sizeable portion of steel business from West India.

Despite this, by pivoting to other industries like industrial chemicals, FMCG, aggregates, etcetera your company has managed to keep its domestic volume steady with a minimal decline of less than 1% quarter-on-quarter. Your company has shown remarkable resilience despite these trying conditions and a tough year and grown overall 6% in container movement year-on-year.

More on this later when we delve into the container numbers in detail shortly. From our side, like I previously mentioned, the operating response has focused on extreme execution discipline under very constrained conditions. Closer monitoring of carrier schedules, earlier planning wherever possible, alternate routing evaluation and contract and delivery schedule adjustment in real-time in coordination with our customers.

In an extremely difficult global geopolitical situation like this, the priority for us has been continuity of service, extreme cost control, resource optimization and risk management. Let me briefly cover our multimodal cargo terminal at Devaliya, which I earlier mentioned near Morbi.

For the ones listening to us for the first time, the facility is spread over 32 acres and services industries in the Morbi cluster including tiles, chemicals, ceramics, agri and food grade products. Our MMCT is at the literal heart of the tiles industry, which accounts for 80% to 90% of India's ceramic production and so obviously draws a large clientele from them naturally.

In the current environment, tiles industry is staring at an unprecedented fuel crisis triggered by the conflict. 700 units are facing propane and natural gas supply shortages. As most of you know, almost 70% of Morbi's ceramics units run on propane. Hence, MMCT throughput of tiles has been impacted majorly for the month of March.

But the terminal has supported operations through storage, consolidation and the ability to adjust routing for delayed or diverted cargo and is pivoting towards other cargo notably industrial chemicals, in which we have had some success and are seeing volumes steadily go up month-on-month.

Again, our fixed services connecting Devaliya to North in CMLK, Bangalore and Chennai in South, and Calcutta and Guwahati in East, continue to regularly operate, albeit at lower frequencies given the demand cycle. Our service offerings are expected to increase this FY across the country for the domestic cargo and expected to penetrate new clients and new industries.

Our state-of-the-art MMCT gives us a lot of scope on growing our businesses from Western India, which fits extremely well with our long-term vision. Now looking at the global scenario, some prompt and much-needed relief has been provided by the government agencies in these tough geopolitical situation and I would be remiss in my duties if I didn't briefly touch upon these.

GOI has launched 1.5 billion Bharat Maritime Insurance Pool to shield shipping from global risks. BMIP will provide coverage across key segments of maritime risks including hull and machinery, cargo, protection and indemnity (P&I) and war-related risk for Indian flag vessels and those with India linkages.

BMIP is intended to reduce India's reliance on overseas reinsurance market, which will lead to great financial resilience and autonomy in a sector that carries 90% of India's trade by volume. Customs has also jumped in and permitted return of exports back to origin under a back-to-town circular wherever required.

The DG of Maritime Administration has issued a notice to shipping lines to maintain transparency and avoid any type of predatory pricing for cargo owners. The Jawaharlal Nehru Port Authority has issued a circular ordering 100% waiver on ground rent and 80% relief on reefer plug-in costs.

While on the subject of JNPT, I also want to note an important infrastructural milestone. On 31st March 26, DFCCIL announced the completion and commissioning of the Western Dedicated Freight Corridor, including the final 102 kilometers which were pending from JNPT to New Raphale stretch. This is expected to give us a very big boost to Exim trade going forward. For our business, corridor availability is relevant to long-term customer movements, including mandates previously disclosed such as the Vedanta work order and the Jindal Stainless Steel engagement and the use of specialized assets deployed during the year.

Both the Western and Eastern Freight Corridor is a wonderful opportunity for your company to deepen relationship with existing customers as well as grow our client pool on which your company remains deeply focused. I would like to get into the numbers in detail before opening the floor for Q&A.

First coming to container volumes for this quarter and this financial year. So the comparative numbers quarter-to-quarter, Quarter 4 25-26 and comparing to Quarter 4 24-25, the domestic numbers have increased to 23,350 from 19,824 an absolute increase of 3,526 containers, percentage-wise a 17.79% increase.

And EXIM numbers are 34,404 compared to 35,532, an absolute reduction of 1,128 containers and a dip of 3.17%. Overall for the quarter, if we see, our numbers are 57,754 containers compared to 55,356 containers in Q4 of last year, which is an absolute increase of 2,398 containers and 4.3% increase.

But if we compare it to our Q3 numbers, the 34,404 EXIM numbers are compared to the 38,638 containers in Q3 of this year, which shows a reduction of 4,234 containers, an absolute reduction of 10.96%. Fortunately in domestic, like I mentioned we've been able to retain by pivoting to other industries.

So, our numbers are 23,350 compared to 23,565 an absolute decrease of just 215 containers, which is less than 1%. In fact, what is pertinent here is that the total number for Q4 is 57,754 containers compared to 62,203 in quarter 3, which is a 7% reduction. In fact, EXIM volumes

had gone up 14% in quarter 3 and we were on a strong growth trend till the latest crisis cropped up.

Mostly in the month of March, this number has come down. Similarly domestic was up 15% in quarter 3, but almost same due to lower demand, but due to production issues in key clusters as discussed. Our strong pivot has helped us ensure that we've not seen any decline on our domestic numbers, which speaks there for the tough work my team has done.

Now if we look holistically for the whole year, I'm happy to announce that our numbers have gone up more than 6% for the whole year. Our domestic numbers are 86,353 compared to 79,840, an absolute increase of 6,513 containers and a percentage increase of 8.16%. Similarly, remarkably our Exim numbers have also gone up to 1,40,225 compared to 1,33,635 last year, an absolute increase of 6,519 and a percentage increase of almost 5%.

In overall numbers, 2,26,578 boxes compared to 2,13,475 the year before, an absolute increase of 13,103 containers and a percentage increase of 6.14%. I would like to point out that this would have been double-digit volume growth, but for the month of March, which again is *ceteris paribus* global geopolitical situation which is well outside our control.

We are already seeing very good demand in domestic stream for our specialized containers. Your company procured 161 specialized containers during FY26 and we have similar orders in pipelines for FY27 as well. I'll talk about capex a bit later. Now coming to the financials of Q4 and FY26.

Revenues from operations was INR496 crores, climbing steadily further up by about 4% from INR478 crores in Q3, recording a fourth straight growth quarter-on-quarter. This shows the company's resilience even in the toughest of geopolitical situations well beyond our control. However, due to the current situation as discussed above, there was a small dip in profitability wherein EBITDA decreased from INR27 crores to INR25 crores.

And EBITDA margins showed a slight decline from 5.6% to 5%. Similarly, the PAT decreased slightly from INR10.8 crores in Q3 to INR8.3 crores in Q4 and the margin decline was minimal from 2.3% to 1.7%. We are seeing a lot of demand and hence a major capex was planned and done in the last financial year.

Total capex deployed in FY26 was over INR70 crores, including in specialized TEUs, handling equipment such as reach stackers, commercial vehicles, all completely aligned to our customers' requirements and operating needs. Our own fleet of specialized containers now stands at over 1,000, making it one of the largest specialized container fleets in the country in the private sector.

Seeing better opportunities, our intention is a further capex of INR100 crores in this FY27, which remains linked to strong customer demand and will be calibrated to market conditions as year goes on, including the pace of EXIM normalization. All capex is always driven by long-term commitments with larger customers as discussed in earlier calls and we do not build before we have orders.

On working capital, intensity has increased alongside scale and operating cycle in this segment. The timing of operating cash flow improvement will depend on realizations, collecting cycles and pace of volume recovery, particularly in the EXIM-linked activity. To close, FY26 ended with a challenging Q4 driven by external disruptions.

But your company managed not only to survive, but thrive by delivering customer trust and expectations to the team. Your company has a very strong order book with pedigreed customers for the rest of the year giving us additional confidence. Realizations which have been impacted due to geopolitical reasons is also expected to improve as we grow back our Exim business in the coming months and quarters.

Particularly backed by a strong EXIM business from the East Coast ports. Our emphasis has always remains on execution, risk management and maintaining customer service levels through uncertainty. We feel extremely happy at the efforts put in by our team during these tough geopolitical situations, which remains out of our controls. And we feel extremely confident about our prospect going forward in the near future. We feel we are poised for greater trajectories ahead as the situation starts normalizing. In conclusion, thank you again for taking your time out on a Monday morning and joining our call for which I am eternally grateful. We will now open the floor for Q&A.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Pinaki Banerjee from AUM Capital Private Limited. Please go ahead.

Pinaki Banerjee: Good afternoon sir. Thanks for the opportunity. Sir, my first question is on your conducted IPO, I think you raised net proceeds of about INR363 crores, out of which you have spent about INR163 crores for debt repayment. Sir, but in comparing from FY25 to 26, your debt has gone up from INR172 crores to INR217 crores. So sir, can you please explain this?

Kanishka Sethia: Thank you Pinaki ji for your question. The working capital requirements has been constantly going up as we've operationalized our new multimodal cargo terminal and so whatever working capital requirements we've taken has gone into our working capital requirement, sir.

Pinaki Banerjee: Okay sir. Sir, can you just give a breakup a bit of your revenue between rail, road and water transport?

Kanishka Sethia: Sir, we do not salami slice our revenues per se since we are a supply chain company dealing in multimodal and end-to-end logistics. We do not salami slice our numbers because then if we do that, the real picture will not come. For example, sometimes if we are moving say 2,800 tons by rake and there is a spillover of 100 tons, that 100 tons will go by road.

But if you look at that it's all actually multimodal and whatever road we did was what was left out. So if I segregate that as 2,800 tons multimode and 100 tons in road, the numbers will not actually be correct. Hence, we do not salami slice our numbers, we look at ourselves as a consolidated logistics supplier.

Pinaki Banerjee: Okay sir. And last question, what's the update on the Devaliya MMCT, how is it progressing?

Kanishka Sethia: So, we are fully operational now, sir and the Devaliya MMCT is right outside Morbi, sir. We are smack in the middle of the tiles industry and the tiles industry is a natural customer for us. Unfortunately, this tiles industry is quite badly impacted by the supply, lack of supply thereof of propane, but the situation once it improves, we will see our tiles volume dramatically pick up from there.

In the meantime, we have pivoted to our other customers and other sectors including industrial chemicals, salt, FMCG, etcetera to keep the operations running. The volumes are lower than what it would have been had the tiles industry been there, obviously that's a factor for us and we hope that sooner than later, the tiles and the steel manufacturing activities there will go back to normal.

Pinaki Banerjee: Okay sir. That's all from my end and thanks and all the best for the future.

Kanishka Sethia: Thank you sir, thank you for your question.

Moderator: Thank you. We take the next question from the line of Vivek Gupta from Star Group. Please go ahead.

Vivek Gupta: Yes, thank you. Sir, given the structural tailwinds such as the dedicated freight corridor, the trade normalization and supply chain formalization, alongside the near-term geopolitical risk like potential disruption in the Strait of Hormuz, how should investor think about your steady state business over the next 2 to 3 years in terms of growth, margins and cash flow generation?

Kanishka Sethia: It's an excellent question, sir. I feel and maybe I am harping on my own tune, but I feel that we are very, very strongly poised, sir. Even in these extremely tough situations, we went through the Russia-Ukraine crisis followed by the Israel-Palestine crisis and now we find ourselves in the Iran crisis.

Despite all of this, your company has been resilient, your company has been growing and we are poised for a major jump once situation starts normalizing. Not only in terms of a top line, but also a greater and major improvement in the bottom line as well. We've been quite constrained by these tough geopolitical situations.

For example, I was talking, let me give you guys an idea, the numbers if you are tracking us, quarter 3 I was extremely robust and in quarter 3 we had delivered almost a 14% increase in Exim numbers after a long time. And we were very hopeful that the trend is going to continue. We had delivered similarly 15% growth in our domestic numbers.

So looking very, very good and positive in our business scenario and January also was a stellar month for us, February was extremely good and then 28th of February this whole situation exploded, which led to a major reduction in both the domestic as well as EXIM volumes, especially on the West Coast.

So what it did was it eroded a lot of good work that we had done for the rest of the year. Despite that, despite taking a 11% hit on our Exim numbers compared to a 40% hit that the industry has taken and taking a hit of almost close to 4,500 containers in the quarter 4 compared to quarter 3.

We still managed to finish the year on a robust 6% positive number for containers, which shows the strength with which we operate. And we feel that sooner than later these situations have to sort of settle down. It's in interest of the entire world. And when we do, I think we are poised for a quantum leap, sir.

I strongly feel that the rest of the decade belongs to the logistics industry and I think we are primed in and in a prime position to actually get a large chunk of benefit out of that. So that's I would I would suggest, that's what I would say that we feel that we are in a very good position to actually have stellar growth.

Though I don't believe in giving future projections or future numbers, but I feel very, very confident that we'll be able to perform extremely well despite the situation that we are in, sir. We grew quarter-to-quarter, despite the situation we are looking at doing the same in this quarter and going forward as well, sir.

The order books remain very strong, the domestic pipelines are good and the Exim pipeline especially on the East Coast are very robust. We've been able to increase our business on the East Coast and we look forward to growing our businesses both in Exim as well as domestic in this quarter and going forward as well.

Vivek Gupta:

Okay, sir. Sir, in periods of stress, do customers prioritize cost efficiency or integrated reliability and where do we position ourselves in this spectrum?

Kanishka Sethia:

That's a very pertinent question, sir. I think in supply chain, especially multimode, you always have to be cost-effective, but at the same time depending on the level of service that you can provide, I don't think the cost remains the only factor for our large customers to decide on a multimodal complex supply chain.

It's sort of different from plain vanilla road transport in the sense that you bring in a lot of optimization, efficiencies and cost benefits overall. So the idea is the customer and especially the bigger customers, always look at a mix of both economics as well as efficiency. That's what my gut feeling is, sir.

Vivek Gupta:

Okay. Sir, how do margins differ between the domestic and Exim segments and what would be impact on overall profitability from a shift in business mix?

Kanishka Sethia:

So the margins actually they don't they again not salami slice like this. Some domestic businesses are extremely profitable, some EXIM businesses are extremely profitable, vice versa some domestic are not so profitable. So it's hard to really say what are the margins in domestic movements compared to EXIM.

But overall the idea is that we try to do business only profitably. We don't do business just the top line is for show, so we don't try to push only the top line. We only try to do businesses which we can do profitably, provided that we add value to our customers. So our first port of call always remains that we must be adding significant value to our customers' supply chain.

If we are not adding value to our customers' supply chain, we do not try to get that business. If I am going to try to do the same thing that others are already doing and it's only an incremental benefit to my customer, I do not look at those businesses at all, sir. So the idea is to make my customers' supply chains more robust and profitable and at the same time do the business profitably. We do not believe in doing the business for the sake of doing business.

Vivek Gupta: Okay sir, thank you. That really helps and all the best.

Kanishka Sethia: Thank you sir, thank you for your questions.

Moderator: Thank you. We take the next question from the line of Kaustav Bubna from BMSPL. Please go ahead.

Kaustav Bubna: Hi Kanishka, how are you?

Kanishka Sethia: Very well Kaustav how are you?

Kaustav Bubna: I'm doing good. So Kanishka just wanted to get some more clarity, speak openly about your incrementally rising receivables over a long period of time now. So even though the industry is going through a bad time, we all understand that. From a layman's perspective I'd like to understand why aren't you being able to collect the money from the end parties that you are already engaged in business with. So who are these end parties who owe INR600 plus crores in receivables? Is there any way you could break it down to whatever extent you're willing to?

Kanishka Sethia: Good question Kaustav. Actually this is something that we as an industry have been all struggling with, maybe us slightly more than others, but our debtor days has definitely not been coming to the target that we would like. We are targeting to bring our debtor days to below 120 in this current financial year.

What has happened is that we have seen a lot of demand and a lot of new customers have been added especially in our MMCT, which are retail customers. That's a business which we started only this financial and so it is taking time for us to actually absorb that into our books and start getting the payment cycle.

A lot of it is new businesses that we've done, new cycles that we've started, new areas of businesses that we've done. So we started with the East -- the West Coast to the East Coast, then we started services to North India to CMLK which is outside Delhi and then to South India which is in Bangalore and Chennai.

So since our service offerings have gone up, also our receivables have gone up. We expect to start seeing that stabilizing post this current geopolitical crisis because the more the material we can send, the more the cycle will start reducing. Right now since there's not enough dispatches.

The funds are getting stuck up from the clients who are waiting for the next lot before releasing the payment as is the want in retail side of the business. So since we've grown our retail side of the business from corporate in the last 2 years almost I would say 25% to 30% year-on-year,

that's where the funds have gotten stuck up, but we have internally kept a target of trying to bring our debtors down to about 120 days in this financial.

Kaustav Bubna:

Also added to that Kanishka I wanted to understand, see in let's just take FY25 and FY26 in question, your operating cash flow has been negative in both these years. Now you had some cash in your balance sheet which is almost fully used, and your working capital debt is increasing while you have negative operating cash flow and while FY27 also seems to be a bleak year because of all the external issues going on which is not in your or my control.

And we don't know when the situation will end although hoping it will end sooner rather than later. So I mean I find this concerning also, given that you were saying you're targeting INR100 crores plus capex this year. So keeping in mind negative cash flow, INR100 crores capex, rising debt, lesser cash, can you help me understand how concerned are you about the situation and why so? if you could give some logic on your concern?

Kanishka Sethia:

Yes, so Kaustav we have actually from our IPO funds just under a INR100 crores still with us to be deployed. Our plan was always to deploy our IPO funds, what came into the company over 3 years. So we've actually deployed more or less in cycle with that. We reduced our capex from the planned INR100 crores last year to about INR74 odd crores this year, seeing the variation in the EXIM trade.

We used the capex mostly for domestic and this year also the Exim that we've planned is a INR100 crores of which we have INR92 from our IPO funds still to be deployed. So that's not of a immediate concern for us. The cash flow remains negative, like I said, due to the increasing working capital requirements, but we expect it to improve as realization increases, especially on our EXIM side.

So that is something that we are very hopeful will start reflecting from this year. We've pivoted on our EXIM side more to our East Coast exports to sort of buffer the hits that are happening on the West, that's something we cannot control, but obviously a highly profitable business that we can't do.

We are a derived industry Kaustav so only if my principals are able to export to the West Coast and to West, that is Europe and US, can we see that improving. My gut feel is that the situation especially in the EXIM side should start improving or rationalizing itself within this quarter. We had the Russia crisis followed by the Iran-Palestine crisis.

But they all even before they were resolved, the situation had started working itself through the system, maybe through the longer transits through the Cape of Good Hope, the longer transits of 3,500 nautical miles. So, all of that basically figures in into the market because the work goes on, life goes on.

All of that gets factored in. This has just happened in the month of March, we are 2 months into it, but I am hopeful that from this month onwards we'll be able to see green shoots of recovery even in the EXIM trade on the Western seacoast. Our numbers though not really looked at it in much detail, but our numbers for the initial part of this quarter is looking very robust and I'm

fairly confident that we should be able to see realizations also improve and working capital cycles also improve from this year onwards.

Moderator: Thank you. Due to time constraint, we take the next question from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Yes. So sir, my first question was again on our EBITDA margins, so we've seen a decline given the geopolitical situation. I understand for you it'll be difficult to give a proper range or something, but what sort of further pressures are we seeing on EBITDA margins given the price impact which start flowing have started coming in from April onwards? Any colour on that?

Kanishka Sethia: Disha though I don't want to make any forward-looking kind of statement, but I feel that from here our EBITDA margins should sequentially keep improving because we've seen three wars back-to-back in the last year and a half. And so these have been really tough times for Exim trade.

We used to draw substantially large part of our balance sheet from the Exim trade, which we've now pivoted hard into domestic in the last year, year and a half, but it still plays a very large part of our business cycle despite the amount of change that we've done. To give you an idea our FY26 numbers is 141.4 lakh containers in EXIM compared to 87,000 in domestic.

So we are now seeing our domestic go up year-on-year and increasing our footprints in the domestic side more, but the EXIM trade remains a very large part of our business even now. And we are very hopeful that from here we should be in a position to actually improve. We've had three global wars in the last 1.5 years or so.

And that really affects global EXIM trade. And it affects the Disha, what I really want my listeners to understand is that I'm a derived industry. If my principals are able to export more, my business sequentially goes up. I have large contract with marquee customers. So if they are not in a position to export, for example if they're not in a position to manufacture because they don't have raw materials like propane and gas, there's not much a derived industry can do.

So I think this is a bit of a tough call for the industry in entirety, but I feel that where we are now, from here we can only continuously improve. It cannot I do not foresee it is not improving from here.

Disha: Going further down the road.

Kanishka Sethia: So I see it improving dramatically from this quarter itself actually because we've done whatever needed to do to pivot more into domestic and to ensure that our empty haulages is reduced, our linkages are made stronger, whatever reverse logistics we needed to do, we've done all of that planning, we've worked round the clock I would say for the last almost 5 to 6 weeks as a team, as a company.

And we are seeing a very steady kind of situation now. I don't think we are much in a crisis mode now and I think we are in a cusp of some really good things. I don't want to give future projections, but I feel fairly confident that from here both the top and the bottom line should start showing a sequential improvement.

Disha: Okay, fair enough sir. And see just a follow-up on that, so in terms of a domestic volume, what do you see as the key growth drivers for driving this domestic market share for us? And in terms of our capex, you mentioned we're planning INR100 crores capex, could you please elaborate a bit more on where are you planning to utilize this amount?

Kanishka Sethia: That's a very nice question Disha. So basically though our name is Western Carriers, we do not or we have not historically drawn a lot of business from the Western side as much as we do from the East and South. So our focus has been on growing our Western trade which aligns very well with the reason why our first multimodal logistics park we set up in Morbi.

We dominate the retail part of the rail business on the Saurashtra side and that's why we came up with this our own multimodal logistics park there and it's fully up and running. I feel that once and the locational advantage that we have Disha is that we are smack in the middle of the tiles industry, it's tiles industry central.

We are smack there. We don't have to travel even a mile to get to our customers. It gives us the benefit of proximity which brings down the first mile cost for our customers, which makes us profitable. So it's once the volumes of tiles which is now almost zero in the month of March starts improving with propane supplies. I think the domestic play is going to rotate largely around our multimodal cargo park as well as our other clients that we are working with on the Western seacoast. The volumes have been subdued, but we expect it to start rising from this month onwards.

Disha: Okay. And just sir on the capex amount where exactly will we be utilizing that?

Kanishka Sethia: So the capex is going to be again a mix of specialized containers, commercial vehicles, heavy equipment, etcetera. For example, we did a 161 container specialized, these are all built to suit kind of containers, these are not your standard shipping line containers. We have an order of almost the same size under production right now which comes into operations from the end of this month and beginning of next month over the next 1 quarters, 1.5 quarters.

So that's where it is going. We have some capex planned for replenishment of our commercial vehicle fleet, we try to keep our fleet up and tidy and so we have a requirement of replenishment of our fleet on a pan-India basis as well as we have some equipment requirements in terms of reach stackers, industrial size forklifts, large size cranes, etcetera. So these are all assets and equipment that we need to deploy in our businesses and which are not very standard, these are very specialized to our needs and that's where most of the bulk of this capex is going to go.

Disha: Okay, that is it from my side sir. All the best, thank you.

Kanishka Sethia: Thank you Disha, for your questions.

- Moderator:** Thank you. We take the next question from the line of Priyanka Nangalia from Aditya Birla Sunlife Insurance. Please go ahead.
- Priyanka Nangalia:** Hello. Yes, so this is regarding your margins and your ROCE and ROE profiles. The last 2 years we've seen a significant decline from FY24 we were at 8.7% kind of an EBITDA margin, which FY26 we have ended at 4.6%. The ROE and ROCE which was above 20% has now come down to single digit. So how do we see the next 2 years from here?
- Kanishka Sethia:** Fair question Priyanka. Like I was saying, we expect these numbers to actually more than the top line we see our bottom line seeing a large improvement. The EBITDA margins which are 4.6%, 4.7%, we hope to bring it back to where we were starting FY25 which is around almost 7% and even higher the year earlier.
- These were the times when the supply chains were running very robustly, we didn't have any empty haulages, detention, demurrages, those sort of unplanned kind of hits which have happened to the supply chain is mostly I feel to the geopolitical situation one after the other starting with Russia, then to Israel and now to the Middle East.
- So it's been like a never-ending stream of bad news for global shipping, but I don't think hopefully we are at the end of this and we should be able to see the improvement in the EBITDA numbers and similarly we should see the ROEs and ROCEs go back to where they were in strong double-digit numbers.
- The debt numbers are obviously quite under control and we've been now working on improving the ROEs, the ROCEs back to where they were and take it back to the EBITDA margin numbers as well. So overall percentage increase as well as the quantum increase is what I expect this year in a very strong way.
- Priyanka Nangalia:** So any guidance on what can be the increase this year and next year in terms of margin expansion?
- Kanishka Sethia:** Don't want to give any future forward guidance Priyanka, but I feel very extremely confident in my bones that both the top line and bottom line are headed in the right direction, especially the bottom line I'm looking at it being very robust because like I said in the last 6 weeks or so we've burned the midnight oil in making our supply chains as lean as possible.
- The devil is in the detail and we've gone down as granular as we can be to ensure that we make our supply chains as lean as we can and I think the results are showing. I'm quite comfortable with where we are in the month of May and about another month and a half to go in this quarter and it's looking quite comfortable.
- I see my top lines are extremely better than what it was last quarter, last year-on-year and I see my bottom line hopefully will also be in a position to recuperate from where we are. Like I said Priyanka, I think we've hit the rock bottom and from here bottom line wise we should start seeing an incremental improvement now.
- Priyanka Nangalia:** Okay, thank you.

- Kanishka Sethia:** Thank you Priyanka.
- Moderator:** Thank you. Ladies and gentlemen, with that we conclude the question and answer session. I now hand the conference over to Ms. Nidhi Vijaywargia from MUFG for closing comments.
- Nidhi Vijaywargia:** I would like to thank the management for taking the time out and to all the participants for their questions. If you have any further queries, feel free to contact us. We are MUFG Intime Investor Relations Advisors to Western Carriers (India) Limited. Thank you.
- Moderator:** Thank you. On behalf of Western Carriers (India) Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.