

**WESTERN CARRIERS (INDIA) LTD.**

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Date: August 21, 2025

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 ended June 30, 2025.

In furtherance to our earlier communication dated August 12, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call held on Monday, August 18, 2025 at 10:30 AM (IST), with regard to the discussion on the Operational and Financial Performance of the Company for the quarter ended June 30, 2025.

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,

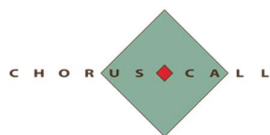
For Western Carriers (India) Limited

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



“Western Carriers (India) Limited
Q1 FY26 Earnings Conference Call”

August 18, 2025



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 day and welcome to Western Carriers (India) Limited Q1 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 Ms. Nidhi Vijaywargia from MUFG Intime India Private Limited. Thank you, and over to you, Ms. Nidhi.

Nidhi Vijaywargia: Thank you, Renju. Good morning, ladies and gentlemen. I welcome you all to the earnings conference call of Western Carriers (India) Limited to discuss the Q1 FY26 business performance. Today on the call, we have from the management Mr. Kanishka Sethia, CEO, CFO, and Whole-Time Director.

Before we proceed with this 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 uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

Without further ado, I would like to hand over the call to the management for their opening remarks, and then we will open the floor for Q&A. Thank you and over to you, Kanishka, Sir.

Kanishka Sethia: Good morning, everyone. I hope I am completely audible.

Moderator: Yes, you are audible. Please go ahead.

Kanishka Sethia: Thank you. So good morning, everyone, and thank you for joining us on the Q1 FY26 earnings call of Western Carriers (India) Limited. Today I'm joined by my colleagues Ashish, Sapna, and Surya. We appreciate your participation as we take you through the key developments during the last quarter, the broader economic and industry context, as well as our financial performances.

The first quarter of FY26 began in a global environment that is fast evolving and continues to be shaped by geopolitical developments. There are evolving trade dynamics, structural shifts in the supply chain. The IMF's April 2025 outlook projects global GDP growth at about 2.8% for 2025, with world trade volumes expected to expand by 2.7% as well. Global inflation is projected to decline to 4.3% in 2025 and further to 3.6% in 2026, creating a more stable environment for investment growth and consumer demand.

The quarter-one of the current financial year saw mixed trends with headwinds like the muted industrial outputs, SME, and medium and small enterprise caution, and rising competition in B2B express and surface transport. However, signs of recovery are fast emerging. I'm extremely buoyed by the good monsoons that we are facing currently. The port volumes are also up, the e-way bill generation is up. Fleet utilization for our company has also improved.

Now looking more from an India lens, we want to talk a little about the tariffs and how they're

affecting us. As I say, the tariffs are piling up on India. There's a base rate, a penalty, and perhaps an additional rate which might come for pharma and semiconductors. Experts agree that tariffs will reduce exports, curtail growth, impact jobs, and hurt investor sentiment. But is the situation all doom and gloom? Not necessarily. India has some advantages and a few opportunities that can be harnessed. An important consequence of tariffs is that it has forced a rethink for India's export strategy.

Another good factor that we need to look at is inflation. The cooling food inflation has taken inflation rates below RBI range to an eight-year low. This is a wonderful piece of good news for us. Retail inflation is at its lowest pace in the last eight years in July as food prices cooled, staying below the central bank target for the fifth month in a row.

While the decline helps the central bank maintain a growth-supportive monetary policy, it also points to the potential for lower farm incomes given the steady fall in food prices. The CPI rose just 1.5% annually in July, slipping below the lower end of the Reserve Bank of India's 2.4% target. Going ahead, economists expect food inflation to stay subdued. Strong monsoon progress, ample reservoir levels, and robust tariff slowing points to steady agricultural and price stability, though they cautioned that close tracking of the monsoon's spread and timing remains key.

However, concerns over potential US secondary sanctions on Russian crude could disrupt supply chains for major importers like us. Although OPEC has spare capacity, global oil dynamics could shift and will need close monitoring. Going ahead, a favorable base effect, particularly on food, has kept our inflation in check. According to economists polled by Mint, this decline could be bottoming out now.

Some of the challenges which persist include the prolonged conflict in Europe and the Middle East, which affects logistics companies like us, which have a large share of EXIM business. There is adjustment in tariff regimes and a move towards near-shoring and diversification of manufacturing bases, which are shaping longstanding trade routes. Climate-related disruptions, include extreme weather events affecting port operations, are adding to supply chain complexities, prompting governments and businesses to focus on building resilient, technology-based logistics networks.

From a sectoral point of view, the global logistics industry is undergoing a period of accelerated transformation. Supply chains are increasingly being redesigned to be more agile, regionalized, and digitally integrated. The global container shipping volumes, which saw volatility in previous years, are now expected to grow modestly in 2025, supported by a rebound in manufacturing output and easing congestion at key ports. There are a lot of investments happening in automation, AI demand forecasting, IoT, etc. So this is what we see from a sectoral standpoint.

Coming to more about -- talking about the momentum, we feel the momentum is the logistics sector, especially in our country, has been further strengthened by the operational performance of the DFCs, the Dedicated Freight Corridors. During quarter one of FY26, the Western DFC recorded 15.9 billion gross ton kilometers (GTKM), registering a growth of approximately 25% over Q1 of FY25. The Eastern DFC achieved 34.5 GTKM in the same period, which is almost 19% higher than the previous year.

Together, the two corridors are now moving close to 400 trains a day, with the eastern section alone handling over 200 of these and the western section at around 182. This increase in throughput is contributing to faster, more reliable freight movement and improved asset utilization for shippers. For companies like us who are large in the multimodal space, this is an absolute game changer.

I would be remiss if I didn't quickly mention the Sagar Mala project which continues to progress, enhancing maritime connectivity and facilitating greater coastal shipping and inland waterways cargo flow. Meanwhile, the development of multimodal logistics parks, which is integrating warehousing, handling, and transport facilities as strategic hubs, is further helping reduce the overall logistics costs and turnaround times.

Against this background, the first quarter of FY26 saw important developments for our company as well. On the July 17, we inaugurated our 31-acre ICD MMCT at Devaliya in the Ahmedabad region in the presence of the Honorable Industries Minister of Gujarat. The state-of-the-art MMCT is strategically located with direct connectivity to major West Coast ports including Mundra and Pipavav. It is equipped to handle all types of cargo and containers, serving both domestic cargo and EXIM trade with high efficiencies.

Following the launch, we commenced fixed scheduled rail services from our MMCT Devaliya to key destinations across the country. To the north, we are using facility at CMLK, which is Kathuwas. To the south, we started services to Bangalore. And in the east, we are at Kolkata and Guwahati. These scheduled services strengthen our multimodal capabilities, our reach, and improve transit times, predictability, and enhanced reliability for customers across various industrial and consumption hubs. In addition to the MMCT, which is now running quite smoothly, we have also deployed specially engineered heavy-duty containers for the transportation of steel coils.

This initiative is part of a three-year work order valued at over INR1,100 crores that we recently acquired. The containers have been designed to meet the specific requirements of safety and efficiency in handling heavy steel coils as mandated by our principals. This development expands our specialized cargo handling capabilities manyfold, and it is expected to be a major significant growth contributor going forward in this quarter and the quarters to come.

Another new business development that I want to talk about is that we have commenced EXIM rail services from Hindustan Zinc, Chanderia to Mundra, which is a new service. It's going on smoothly. We have seen a good increase in DPD, which is direct port deliveries as well as import TEUs at various ports across the country. This has seen a lot of demand, hence the major Capex we had done last year, and with the intention of further Capex of approximately INR100 crores in total in this financial, of which approximately INR9 crores has already been completed in quarter one, and more of it is planned for quarter two.

The MMCT gives us a lot of focus on growing our businesses from Western India this financial, which fits very well with our long-term vision of getting more business from West India. As you know, we are getting long-term commitments with large customers pan-India, with two large

contracts signed earlier last financial year, one was with Vedanta and the other with Jindal—and these are both long-term contracts spread over three years each, giving us great visibility and planning opportunity. Both projects are now in full steam and gathering further pace going forward.

So this is talking about the new businesses and the new developments over the last time that we talked. Turning now to the TEU performance, both domestic and EXIM, we'll get into the details shortly. First, let me talk about our financial performance for Q1 FY26. The consolidated revenue stood at INR416 crores approximately. EBITDA was INR21 crores with a margin of just over 5%, supported by operational efficiencies, higher asset utilization, and cost discipline. Profit after tax stood at around INR11 crores. These results enable us to continue progressing our investments in infrastructure, technology, and capacity expansion in line with our long-term priorities.

Looking at the performance of the domestic and EXIM, there has been some pressure on the realization. The major reason continues to be the geopolitical turbulence in the world, which affects the recovery of EXIM business. Actually, your company has done very well given the circumstances that we are actually net positive in our EXIM TEU movement. In Q1 FY26 compared to Q1 FY25, the numbers that we delivered in Q1 FY26 is 33,286 compared to approximately 32,888, which is a percentage and a quarter thereabouts of growth despite the continued geopolitical activities.

This point is quite valid for us that despite the situation in which the last 20 days of quarter one was actually quite badly hit by the Iran-Israel crisis, we still managed to keep our EXIM numbers positive. And this gives us a lot of hope that we will be able to grow our EXIM business, especially amidst several signs of stability in the geopolitical scenario. And we are very positive that we'll be able to grow our EXIM numbers and see further recovery in quarter two and going forward.

Other reasons which affected the net margins include a slight decrease in the lead by around 4% and less demand that we saw in North India in quarter one. Of course, now we see strong growth in both these areas in quarter two amid signs of stabilizing geopolitical scenario.

Despite such turbulence, your company saw steady EXIM business. Like I said, we saw imports. There was a good momentum in aluminum scrap of almost 8%, stainless steel at around 17% of growth. Like I said previously, we have commenced the EXIM rail services for Hindustan Zinc from Chanderia to Mundra Port, which is a new service we have started. There has been a good increase in direct port deliveries, and we're seeing almost 18% growth here. Domestically, as you know, we had a very stellar year last year. We had a 32% growth, and this year is off to a reasonable start.

I would say we have consciously avoided low-margin domestic traffic. And we have not picked it up consciously because basically our philosophy is to give performance, good performance and good service to our customers, and we want to protect our margins. So we are not chasing low-margin domestic business.

At the same time, your company is working quite diligently on increasing return traffic which will reduce empty runs which is expected to start happening in the second half of this year. So

with the good management of demand, we are quite hopeful that in the next few quarters we'll be able to show a stellar performance in domestic as well, just like last year.

Like I said, we did a 32% growth year on year last year in domestic, and we are trying to see how we can improve further. In domestic, after a steady Q1, now there's very robust growth we are observing in Q2 with excellent demand pan-India, particularly from Eastern India. Also, a new multimodal cargo terminal at Devaliya in Gujarat will also give a major boost in business volumes for us in the coming quarters, we feel. And as we grow our service offerings to various industries, we'll be able to grow, piggybacking on this. This MMCT will serve both EXIM as well as domestic cargo, and for domestic cargo, we have already successfully launched east, north, and south, like I discussed.

Various customer verticals include tiles, soda ash, industrial aggregates, food products, MSME, and this number keeps on increasing day by day, week by week as we consolidate our operations. To start with, obviously, the MMCT is only domestic business currently, and as EXIM customs notification takes some time, we are working on that. But eventually it will have both domestic and EXIM cargos. We have received very positive initial response from all industries, for which we are very obliged. We remain confident that the combination of favorable policy environment, sectoral tailwinds, and disciplined execution will allow us to continue delivering consistent performance in the quarters ahead.

That concludes my remarks on the company's performance for the quarter. I would like to once again thank all our stakeholders for their continued trust and support, with the promise of better days ahead. Thank you.

Moderator: Shall we open the line for questions?

Kanishka Sethia: Please go ahead.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Gunit Singh with Countercyclical PMS. Please go ahead.

Gunit Singh: Hi sir, what is the main reason for the fall in EBITDA margins year-on-year by about 340 basis points despite revenues almost remaining flat?

Kanishka Sethia: Hi. Like I said, the performance for -- the major reason for the pressure on the realization remains the continued geopolitical turbulence in the world, which affects the EXIM business. The container freight, for example, I'll give you some examples. Container freight to Gulf ports like Jebel Ali kept on climbing sharply through the crisis, from \$150 per 40 feet to around the \$550 range. Exporters are seeing compressed margins and disrupted supply chains because of this.

Ships are increasingly having to reroute through the Cape of Good Hope instead of Suez Canal and Red Sea, adding almost 10 to 20 days in transit. So that puts pressure on the margins of our customers. It also adversely affects us. Similarly, there was a decrease in the lead by 4%, and less demand in North India in quarter one. These were the reasons that there was pressure on realization for this quarter.

Gunit Singh: All right. But if you look at the total volumes, I mean, they are probably down by just less than 2% overall. And even revenues have not significantly fallen. So I mean, what kind of a fall in overall consolidated realizations are we looking at? Because I mean, the fall -- that probably significant impact is not there on revenues...

Kanishka Sethia: It's a very fair question. The reason is that we've been able to protect our revenue without having to take low-margin businesses gives us hope that we'll be able to improve our margins going forward as the situation now starts stabilizing. We internally were looking at our numbers. We saw we had excellent numbers coming in in the months of April and May, but June 10th or 11th, when the Iran-Israel crisis came into the front foot, again, there was some pressure from the shipping-related EXIM businesses that we had to rework out.

So what happens is, whenever you have a major impact on the shipping lines, your container throughput has a bit of a flux. Sometimes they come in, sometimes they don't. And once you have a variation which comes into your containers, the consolidation or the dispatch of the EXIM, which is the import containers or the domestic or the export containers, takes a bit of a wag

Say for example, instead of 400 containers coming in on a month in Chennai, if you have 2,000 containers which come all of a sudden having been stuck for several months, that means you've lost revenue in the previous months. And all of a sudden, if you get 3,000 containers where your throughput is, say, 100 containers, for example, a day, that means you're looking at a significant amount of money in terms of detention, demurrage etc., which is basically due to the global supply chain disruptions.

Once the disruptions are gone, your numbers start tracking a bit of a rhythm, then you will see that the margins will automatically start improving, because a lot of the margin realization pressure is coming from things which we actually don't control.

Gunit Singh: So till when did the hit from these conflicts end? I mean, until when did they go on? Did they continue in Q2? And as of now, I mean, looking at the current scenario, do we expect that things have normalized?

And given that Q1 numbers have been maybe flat or lower than last year, do we still expect double-digit growth in FY26? Also, I mean, you spoke about the new line for Hindustan Zinc. So what could be the additional revenue from that in FY26 and also from the new orders that we have?

Kanishka Sethia: Okay, so I'll try to answer these step by step. If I miss any, please do point it out to me. Like I said, we have commenced the EXIM rail services for Hindustan Zinc from their plant in Rajasthan, where the plant is at Chanderia to Mundra Port. And this is a new service we have started. We just completed the first batch over here to Mundra Port, and we have good clarity that this is a business that they're looking at expanding as we go ahead in the quarters. And maybe we'll have a better idea in the next call because the service has just started a few weeks back.

We are also seeing a good increase in direct port delivery movements also, almost 17%, 18% is

what we expect it to be. And there's very good growth in imports at various ports also that we are observing, though I don't have the exact numbers, but the supply chains are showing that the good numbers are coming in. This is the pressure because of the geopolitical turbulence

Currently, as we speak today, signs of a stabilizing geopolitical scenario seem to be there. There seems to be a lot of optimism, but given the kind of news cycles that we've become used to, it would be foolhardy for me to predict when and how quickly the economic geopolitical situation will stabilize.

But given where we are right now, I'm fairly optimistic that we're near at the end of the tunnel. And with the supply chains incoming and outgoing through the shipping stabilizing in India, I think our margins should be incrementally improving going forward at this, *ceteris paribus*.

Gunit Singh:

All right, sir. And do we expect any volume growth this year?

Kanishka Sethia:

So we are, like I said, Sir, that what we could control, we control. And we saw very good growth internally in the months of April and May. Unfortunately, the Iran and Israel crisis, which took part in the last three weeks of the quarter, affected some of the growth numbers. But if things remain constant and the signs of stabilization in the geopolitical, we are very optimistic that we'll be able to have very good growth both in EXIM as well as domestic.

We've actually had positive growth in EXIM in the last quarter, and we are very hopeful that we'll be able to grow this. And the domestic performance was also not bad. It was off to a reasonable start. We had a 32% growth last year. So we are trying to grow the domestic business as well.

And one of the big modes for our domestic business growth, Sir, is obviously going to come from our multimodal cargo terminal at Devaliya, which is a 32-acre facility. And we are very hopeful that it is going to turbocharge our domestic growth.

And we are also, like I pointed out in my introductory note, consciously trying to avoid low-margin domestic traffic. We want to do business which, a.) adds value to our customers and, b.) protects our margins as well. So, we are very conscious in trying to stick to decent-margin domestic business. And given our moat in East and West, I think that is something that we are reasonably well at building, Sir.

Gunit Singh:

All right, sir. Got it. So we are currently halfway through quarter two. I would just like to understand, did the adverse impact of the Israel-Iran war flow into Q2? And looking at the current existing scenario, half the quarter has gone by. So are conditions better currently for these, or do we expect them to get better going forward?

Kanishka Sethia:

So definitely, Sir, better than at the end of quarter one when we were in the middle of the crisis. The numbers have picked up. We are seeing good strong demand both in EXIM as well as in domestic. Our domestic service offerings have also improved to several other locations in North and South. EXIM also, we are seeing very good growth for aluminum scrap, stainless steel scrap. We are seeing import growth. We are seeing dispatches increasing as well. So there are signs of growth

in both domestic and EXIM business currently. And like I said, ceteris paribus, we hope that this will help us improve our performance both in terms of top line and bottom line going forward for the rest of the year.

Moderator: Next question comes to the line of Preeti Agarwal with SK Associates. Please go ahead.

Preeti Agarwal: So as we see that metals continue to form the bulk of volumes, so beyond steel and scrap, which other industries, for example, tiles, food, chemicals, e-commerce, etc., do you see scaling meaningfully in your portfolio over the next two or three years?

Kanishka Sethia: Preeti, that's a wonderful question that you asked. I'd like to tell you that your company draws currently around 50%-odd ballpark from metals. Metals is a sector which is very aligned to our multimodal services, as you can understand. But we are seeing very good growth in our non-metal businesses.

Especially, examples include the tiles business, agro-chemical business, industrial aggregates business, soda ash business, and so a lot of movement of these is also happening in containers through our western points, including our own MMCT as well as our various other points across Gujarat.

And so there's a definite focus from us to grow the non-metal business, where we are seeing quite good capabilities coming in. Included with the movement of the several cargo that I talked about is also our focus on growing our MSME business, trying to consolidate and grow our MSME business, which has started contributing volumes to us in food products, agri products, garments, etc. . So that is an area of major growth that we hope to get going forward as well.

And we are also seeing good favorable growth coming from our mainline businesses including FMCG, where we are seeing good growth signs, and we are also focusing on other businesses like PSUs as well as pharma. So those are our strategies in growing our non-metal businesses.

Preeti Agarwal: Understood, sir. And when do you expect customs notification for EXIM, and what incremental volume or revenue could you see these facilities contributing by FY26, '27?

Kanishka Sethia: A fair question, Preeti. So the EXIM notification is a long-drawn process. We've just started Phase 1 of our operations at the MMCT, so the container terminal is finding its fleet, getting the volumes, etc. . So the EXIM business in terms of notification is slightly a bit out. We're doing the collation of the documentation, etc.

As you know, Preeti, ma'am, your company is doing custom house agency work at all major ports in India. And our senior leadership, including myself and our Chairman, we are also, ourselves, Rule 8 license holders, so we understand the customs process quite well.

So it's a process that will take its time, but in the long term, we should have customs notification as well as start building other facilities at our cargo terminals, including state-of-the-art warehouses, etc., which help us increase our service offerings. Our idea being that we want to be the single-window logistics service provider for all our customers, so we'll be able to add more value-added services at the cargo terminal going forward.

- Moderator:** Next question comes from the line of Dashed Jain with RJ Investments. Please go ahead.
- Dashed Jain:** I have a couple of questions. Starting with the new EXIM rail services from Hindustan Zinc, Chanderia siding to Mundra is a notable addition. So what is the potential scale of this service in terms of annual TEUs? And additionally, do you see scope to replicate this model with other industry clients as well?
- Kanishka Sethia:** Dashed, that's a fair question. So I don't have great clarity or visibility on how much of this cargo they want to do on this route. Like I said, just started this. These are early days, but we are very hopeful that this should grow into a substantial business as we look at their western seaport as well as export markets.
- The same idea is to replicate this with not only Zinc but with several other customers. For the sake of business interests, I can't go into detail there, but allow me to say that this is an idea that we are working on both fronts, domestic to EXIM and EXIM to domestic, for several customers, new and old.
- Dashed Jain:** Understood, sir. And my second question is that you highlighted that initiatives on return cargo will start showing benefits in H2. So can you quantify the cost-saving opportunities if empty running is reduced by, let's say, 5% or 10%? Also, North India was weak in Q1, but Eastern India demand has been very strong in Q2. Can you elaborate on which industries or maybe customer clusters are driving this regional division?
- Kanishka Sethia:** Yes, Dashed, a two-part question. I'll give you two parts of the answer. First part is the revenue generation. Obviously, the more service consolidation that you do, the more revenue you're going to extract from that zone.
- East obviously is dominant because that's where most of the metals are, but after a weak quarter one in North, we are seeing some resurgence of demand starting from North, obviously anchored by Hindustan Zinc, Chanderia, like I said. And we're also seeing growth from other industries.
- Second part of the question with regards to empty running, see any time that you avoid empty running, be it rail, be it road, be it shipping, anything, that adds to your margins. The amount of empty runs, empty hauls that you do is basically extractive of the margins. So now that we've started work on these two ultra-mega large projects, we're trying to see how much we can consolidate and try to reduce our empty haulage. The amount that we are able to reduce our empty haulage is going to add sequentially into our bottom line. So more than the top line, it's going to add straight into our bottom line.
- So we are very consciously working on trying to optimize our routes and triangulate our cargo and customers in such a way that we can start reducing this empty haulage. A lot of the capex which has just gone in right now has just been implemented into building up the supply chains. So empty haulage reduction is something that we are now looking at as a next step in the second part of this financial year.

Dashel Jain: Understood, sir. Understood. Thank you for taking my question and all the best for the future quarters.

Moderator: Next question comes from the line of Isha Murti with M&A Capital. Please go ahead.

Isha Murti: Hello sir. I just got disconnected between the calls, so I don't have any idea if this question has been answered or not. But can you please clarify, as just mentioned, TEU growth was steady, but realization was under pressure especially on the EXIM side. So can you share the yield trends for EXIM and domestic separately? Also, how do you see it evolving in the quarter two and quarter three?

Kanishka Sethia: Okay, Isha, we did go through this, but for your sake, I'm going to give you a brief answer here. The major reason for the pressure on realization remains the continued geopolitical turbulence, which affects the recovery of EXIM business, which is a substantial part of our business. Despite that, your company has made very good efforts in actually improving its EXIM numbers. Our EXIM numbers are actually net positive despite the geopolitical turbulence that we are in.

Our Q1 numbers to Q1 compare favorably. This Q1 we did 33,286 TEUs compared to 32,888 for the last Q1. So had it not been for the major escalation which happened in the last 21 days of this quarter, that is the Iran-Israel crisis, you would have seen an even steeper growth in our EXIM numbers.

The domestic numbers, though we had a 32% growth last year, so this year also we are off to quite a reasonable start, I would say. We have consciously avoided, like I said, low-margin domestic traffic. And the idea is to pick up businesses in which we can add value to the customers and at the same time keep our margins intact. We don't want to do low-margin domestic business just for the sake of growing our topline. We are very, very conscious on trying to create a profitable business which adds value to our customers.

So your company is working diligently also on increasing return traffic, which will reduce our empty running, which I just explained, which is expected to start showing results in H2 of this year. So with good management of demand, we're quite hopeful that in the next few quarters we'll be able to show a stellar performance in both domestic and EXIM, both in terms of top line as well as bottom line.

Isha Murti: Okay sir, understood. Also, I wanted to know, has the competitive intensity in B2B express and surface transport had a measurable impact on pricing discipline?

Kanishka Sethia: It's a fair question, Isha. On the express and surface transport, see, we don't do much of B2B express, but there is definitely very high rising competition there. That's a sector which has been totally disrupted over the last few years. Surface transport anyways remains under tremendous pressure.

Though your company does surface transport, that is not an area of major focus for us, so these two businesses definitely face rising competition continuously. But our focus has been more on growing our businesses with industrials, SMEs, and medium and small enterprises going

forward, which not only de-stresses from the larger corporates but also gives us an opportunity to add actual value to the end customers.

So signs of recovery in our businesses are very strong. I'm also extremely buoyed by the good monsoons that we're currently facing. And the port volumes are up, e-way bill generations are up. Fleet utilization for your own company has also sequentially improved by creating very strong task force to ensure that we are able to utilize our fleets more. The more fleets that you're able to utilize in terms of, A.) running and, B.) optimization will definitely add to your margins. So that's what my take is.

Moderator:

Next question comes on the line of Vriddhi Vora with SKS Capital. Please go ahead.

Vriddhi Vora:

So yes, as you mentioned that the Israel-Iran crisis in the last three weeks of Q1 has significantly impacted the western sea routes. Can you quantify the impact on EXIM volumes or revenue? And how are you hedging against similar geopolitical shocks in the future?

Kanishka Sethia:

Fair question, ma'am. So how the whole thing works out, I just want to give you an idea. The mainline shipping route, the mainline shipping business, is the base for any EXIM or import business anywhere in the world, actually. So you know that basically decides how the business opportunity is going to run.

So now what happens is, when you have any sort of non-predictability which comes into your mainline shipping businesses, it will affect the way your cargo comes into your ports. The throughput, everything is dependent on that.

So if you have erratic vessel schedules, it will lead to congestion at the ports, at the trans-shipment ports. If you have congestion at the trans-shipment ports, this will lead to a dip in the number of containers coming in. And this will basically have a contagion effect.

So for example, if your cargo is not moving on schedule, then what happens is, if it is stuck at a transshipment port, you might have months in which your cargo doesn't come, and then you might have all of a sudden a month in which you have cargo consolidated from two or three months. So that kind of affects the business in terms of detention and demurrage.

Going forward, post, like I said, April and May, we were seeing stellar growth compared to last year, but then a lot of it got eroded due to this crisis in the last few weeks. Again, from July, things have sort of started stabilizing, where we saw very good numbers in July, and we're looking at very good numbers currently in this month for the rest of the quarter as well.

So this quarter is looking good in terms of top line, and we are consciously working very hard on improving the bottom line in the parts of the business that we control which is basically optimization of our routes, reduction in empty haulage, turnaround, et cetera.

Bringing efficiency into our operations is what we can control, ma'am, and that is what we are very strongly focused on doing in this quarter and going forward. And with some help coming

from a stabilizing geopolitical scenario, which we do not at all control, that should actually help us buffer up our bottom line numbers even further.

Vriddhi Vora: Okay, this was quite helpful. Thank you so much and all the best for the coming quarter.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Nidhi for closing comments.

Nidhi Vijaywargia: Thank you. I would like to thank the management for taking time out for this conference call today, and also to all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime Investor Relations Advisors to Western Carriers (India) Limited. Thank you so much.

Moderator: Thank you. On behalf of Western Carriers (India) Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.