



WESTERN CARRIERS (INDIA) LTD.

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Date: November 24, 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 and half year ended September 30, 2025.

In furtherance to our earlier communication dated November 11, 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, November 17, 2025 at 11:00 AM (IST), with regard to the discussion on the Operational and Financial Performance of the Company for the quarter and half year ended September 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
Q2 FY26 Earnings Conference Call”

November 17, 2025



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

MODERATOR: MR. ARYAN SUMRA – MUFG INTIME INDIA PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Western Carriers (India) Limited Q2 FY26 Earnings Conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Sumra from MUFG. Thank you and over to you, sir.

Aryan Sumra: Thank you. Good morning, everyone. I welcome you all to the Q2 and H1 FY26 Earnings Conference call for Western Carriers (India) Limited. To discuss this call's 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 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 and on the stock exchanges.

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

Kanishka Sethia: Early morning today on Monday for the Q2 and H1 FY26 Earnings call of your Western Carriers (India) Limited. It is my pleasure to host you all on this call and I am joined by my colleagues, Ashish, Sapna and Surya for this call. I truly appreciate your time and continued interest in our journey together.

Over the course of this call, we will walk you through key developments, our financials and operational performances for the quarter and for the half-year H1 before opening the floor to your questions. I would like to begin with a small global snapshot which I think is very important and pertinent in today's world. As you all know, the global environment remains one of cautious moderation.

Globally, growth is projected to soften modestly over the next two years, even as inflation continues to ease across many regions. Policy uncertainty and trade fragmentation still weighs on sentiments, making credible transparent macro-frameworks and steady structural reforms essential to anchor expectations and support for the investment. Supply chains have stabilized relative to the pandemic era, but not fully returned to pre-2019 conditions in several cases.

Composite container spot rates have retreated substantially from their peak, which is a good sign, yet they remain structurally higher than the pre-pandemic levels in many cases. As per Drewry's composite World Container Index in early 2025, despite sequential declines, stayed approximately 59 to 118% above the 2019 averages in many cases, underscoring a higher floor and route-specific volatility.

This has a direct and obvious impact on EXIM trade in the short term. But overall, in the mid to long term, the global logistics market itself is expanding significantly. It is projected to reach

approximately 8.1 trillion by the end of this decade, driven by expanding commerce, globalization of trade, increased demand for faster delivery and better adoption of AI across planning, visibility and several layers of execution.

Last mile delivery innovations have emerged as a critical global trend as well as a domestic trend. According to Maersk and Statista survey of logistics decision makers, last mile innovation now ranks 7th among the top 15 trend reshaping supply chains. Market estimates broadly cover, converge the global last mile delivery market and was valued at approximately 145 to 175 billion in 2023.

This is expected to more than double to 300 billion in the next seven years by 2032, with a CAGR of a strong 9% to 10%. This reflects a rising premium on the speed and efficiency and the edge of the network. Turning into India's macro environment, the outlook remains extremely supportive of logistics growth.

The country continues to be among the fastest growing major economies in the world, with FY26 growth widely expected to be in the range of 6.5% to 7%, underpinned by structural reform and resilient consumer demand. Inflation has turned very benign. CPI readings have moderated through FY25, reaching a multi-month low in the first half of FY26 and dipped further in October on softer food prices and tax rationalization.

Core inflation has remained broadly stable near 4% for Western Carriers and our customers. These favorable conditions support purchasing power, temper operating inputs such as fuel and finance and create room for rate-sensitive capex in assets and fleet upgrades as we align continuously towards a more reliable, cost-effective and logistics supply chain execution. Our goal always remains to ensure customer delight.

On a slight tangent, talking about your company here, your company has completed a capex of INR30 crores already in H1, mostly into heavy equipment, specialized containers and road assets in line with our business plan and in line with the situation that the country finds itself in, which remains extremely favorable towards support in purchasing power, towards operating inputs and creates a room for further rate-sensitive capex.

Talking more in detail for a minute, India's logistics sector is on a very strong growth trajectory, like I said. We are valued at about 215 billion in 2021 and projected to grow at a strong CAGR above 10% through 2026. According to KPMG India, this phenomenal momentum is sustaining a robust CAGR of 12% to 15% since 2017 and is being fueled by explosive growth in e-commerce, global emissions of India's, corporates as well as MSMEs and an unwavering national push for digital transformation.

The sector is now recognized not merely as a service provider, but as a critical enabler of economic growth, digital commerce and employment generation and has become the central nervous system of India's supply chain. As per the Economic Times, India's third-party logistics, 3PL, has reached approximately 36 billion in 2025, while projections range from anywhere between 48 to 73 billion by 2030.

Either way, it portends to very strong CAGR growth, reflecting rising outsourcing, network aggregation and a tech-led orchestration. Over the last decade, massive improvements are seen on the national road networks. This has fundamentally altered the logistics sector.

Today, nearly 70% of domestic volumes move by road and the broader infra-push by the government matters as India has about 6.6 lakh kilometers of roads, which is second-largest globally and the national highway network has expanded by approximately 60% since 2014 to 1.46 lakh kilometers, directly supporting first-mile, mid-mile and last-mile reach.

This aligns very well with our multi-modal operations offerings, especially through DFCs, which I will get to in a minute. Massive improvements to the national road network has been matched by investments in ports and rail. Port infra globally was estimated at 163 billion in 2024 and is projected to reach over 207 billion in the next six years, with CAGR of approximately 4% as nations accelerate capacity expansion, automation, sustainability.

With over 80% of the world's trade by volume moving by sea, modern ports are a direct lever for trade efficiency and resilience. Our country matches and outpaces most in the world. India's port sector is now outpacing most of the major economies. Cargo handling at Indian ports have grown at approximately 6% +CAGR between FY20 to FY25 and the government has articulated an ambition to expand total port capacity to 10,000 MMT by 2047, positioning our ports as a key enabler in India's journey towards a \$10 trillion economy.

Major gateways illustrate this momentum. JNPT, the Nhava Sheva handled a record 7.3 million TEUs in FY25 and is commissioning capacity expansion, taking installed capacity above 10 million TEUs, this strengthens our rail seaport exchanges for the Western Corridor, complementing this, private terminals have also kept pace.

Example is Mundra, which has crossed important throughput, through holds and Chennai port reported an all-time high of approximately 1.8 million TEUs by February to March of 25, underscoring broad-based capacity utilization across coasts. Coming to DFCs, both our DFCs are now nearing completion.

The Western DFC, by March 2025, 96.4% of our combined Eastern and Western DFCs have already been commissioned, with the final approximately 100 odd kilometers of the Western DFC to JNPT slated to come online by March 2026, that is in less than six months. This will enable us to approximately 480 trains per day across both corridors and sharply compressing transit times on these pivotal EXIM flow routes.

This portends very well for your company, which remains a large player in the multimodal business using these corridors. Now India has made significant strides in logistics facilitation and digitization. All of this has portended into jumping India to the 38th position on the World Bank's LPI 2023 from 44 less than five years ago.

And these are all backed by the PM Gati Shakti, the national logistics policy, the rollout of the ULIP, and the Logistics Data Bank, which is digitizing 100% of the containerized EXIM cargo tracking. In addition to this, I would be remiss if I didn't talk about the government's open network for digital commerce, ONDC, which is set to democratize e-commerce and logistics by

creating a unified, transparent and digital platform. This enables sellers and logistics providers, including smaller players with limited fleet and limited access, to get access to a much larger market without intermediaries, fostering inclusivity, efficiency across the supply chain. ONDC has also launched targeted financial assistance programs to strengthen logistics layers on the network.

On the external front, India's EXIM activity has demonstrated both resilience and diversification in an unstable geopolitical global situation. Merchandising exports for Q2 FY26 was estimated at just over 108 billion, with non-oil exports rising on the back of strong performances, particularly in electronic, pharma and engineering goods.

In metals, India has made meaningfully outperformed its global peers. Steel outputs rose strongly from 2019 to 2024, as you're all aware and is projected to grow further through FY27, while non-ferrous segments such as aluminum and zinc have benefited from supportive prices and steady demand.

Exporters have now diversified shipments to other non-U.S. markets, including the EU, UK, Middle East, Africa, and ASEAN, with notable gains coming in the Middle East, in UAE, in Belgium, in Vietnam and in Thailand, helping to create a hedge in tariff headwinds in certain markets, like the U.S.

Major impetus to EXIM is expected soon once the India-U.S. treaty is signed, which will be significant for your company as well. Together, these EXIM dynamics expand flow into engineering, petroleum, metals, FMCG and your company is well positioned to serve these needs with multimodal capacity, terminals and reliable bulk and container solutions across the entire internet.

Turning to the domestic side for our company, during the quarter, I'm very pleased to announce that we successfully completed our Gati Shakti multimodal cargo terminal at Devaliya Station near Morbi and this is spread over more than 30 acres. The terminal handles both container and wagon rake operations and serves a broad industrial ecosystem, including salt sector in the Malia belt, the ceramic sector in the Morbi cluster, chemicals, agri-imports, fertilizers and hundreds of MSMEs. Its strategic location enhances origin to gateway connectivity, complements DFC-enabled long-haul economics and is designed to deliver seamless, safe and cost-effective logistics at a critical western node. Like I pointed out earlier, you can see a lot of focus of your company on growing our business from the western India part, and this financial, this fits very well with our long-term vision.

From our MMCT at Devaliya, I'm pleased to announce that new rail services, Ex-Western India, Ex- Devaliya to South and North has started and consolidating well. We expect to have huge boost in MSME business from here. We have already had services started to Bangalore, Jaipur earlier and now we have launched into Central India in Indore.

Another area of growth for us from the West has been towards the NCR, especially in CMLK at Kathuwas, as well as in Western India in Indore and both have been growing for us month-on-

month. Our numbers from most of the ports have also seen a positive number. Paradip, we have started import work.

We have started anchoring movements which have consolidated between Ankleshwar and Lanjigarh. We are looking at expanding this new business development in other parts of Maharashtra and Goa and Gujarat has also started, and these volumes are also starting to pick up post-Diwali festivities.

So, you can see a lot of focus on growing businesses from the western part of India, this financial and this fits very well with our long-term vision. We are also getting long-term commitments with large customers, Pan India and several contracts are in the pipeline, which I don't want to talk about much in detail right now. So, these are things that we see.

Operationally, our focus remains on safety, reliability, modal flexibility, proactive planning, rail alternatives to isolate local disruption, predictive tools to compress variability and uphold service levels which are at the core of what we do. Our deep focus remains on customer delight, and this continued customer confidence is due to the customer centricity and deep operating excellence of my team. They're seeing very good demand, both in domestic stream as well as specialized stream.

We are also seeing good signs of growth in our capex business. I would like to before turning to financials, I would also like to give you a position of where the container movements are currently for the TEUs for Q2 and for H1. So, in quarter 2 of FY26, the domestic business has actually surged by more than 25% quarter-on-quarter to 21,940 containers from 17,498.

We are also happy to report that we are seeing positive growth in our EXIM numbers finally to 33,897 from 33,286. So, it's a very marginal percentage increase of less than 2%. If you look at the numbers comparing H1 to H1, 25- 26 to 24- 25, we see that there is a good growth, steady growth of 2.7% overall, taking us to a total container TEUs of 106,621 compared to 103,816.

And we have a very strong order book. We are feeling very confident that H2 will be even better. In EXIM, we are hopeful for a strong recovery in EXIM in this financial year. As the growing signs of stability, we see export orders have increased for us. Like I said, EXIM boxes has gone up by 611 to stand at 33,897. And in fact, if you look, if you compare quarter 2, 24 to quarter 2, 25, you will see a robust growth of almost 8% in EXIM.

So, very strong EXIM order book for the rest of the quarter and is also giving us additional confidence. Signs are very good for the rest of the year and for the near term future. Realizations are also expected to improve as we grow back our EXIM business. This is something which is very key and which is very, something that we are very focused on.

Talking further on the financials, Western Carriers delivered a resilient performance despite operational headwinds and higher expenses this quarter due to capex investments aimed at strengthening infra for Q2 of FY26. Revenues from operations stood at INR440 crores, having shown a growth of 6% quarter-on-quarter, while EBITDA was stable at INR19 crores, margin at 4.3%.

PAT came in at INR9 crores, again, stable with a PAT percentage margin of 2% plus. For H1 FY26, revenues are now at INR855 crores, with EBITDA of over INR40 crores and PAT for the first half being over INR20 crores with a PAT margin of 2.3%. Our net debt significantly stands at only INR8.4 crores, a significant improvement from INR228.55 crores last year, supported by lower finance costs.

The sharp reduction in leverage strengthens our balance sheet and positions us well for a strong future growth. We remain focused on optimizing receivables and improving cash conversion in the coming quarters as well. Despite monsoon-related disruptions and major GST adjustments, our asset-light multimodal model ensures steady volumes and strong service reliability, positioning us well for the remainder of FY26 and beyond.

Despite short-term moderations and global trade flows, our diversified and asset-light logistics model enables steady performance. Multimodal volumes have grown 3% and we remain strong service reliability, we maintain strong service reliabilities across all our sectors. As we move into the rest of FY26 and beyond, our priorities remain clear with disciplined execution, tech-enabled efficiencies and prudent capital allocation. These pillars will ensure we support our customers' growth while creating sustainable value for our own stakeholders. Thank you for your attention and for your continued trust in Western Carriers. I now welcome all your questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from the line of Vrudhi Vora from SAS Capital Advisers. Please go ahead.

Vrudhi Vora: Yes, so my question is that could you share us the update on the Gujarat plant and what has been the status for that?

Kanishka Sethia: Sure, Vrudhi. Thank you for your question. So, the Gujarat plant is anchored around our new multimodal cargo terminal, which is a 30-plus acre facility, which is in proximity of Morbi. Morbi is a large industrial hub in Gujarat and it supports a very large ceramic tiles, salt, industrial aggregates, chemicals, FMCG, pharma and MSME cluster. So, our idea is to basically consolidate our play over there and grow the service offerings. We've already started services to all parts of India.

We were already doing West to East before the terminal came operational. We have now started services from West to North and West to South as well and the frequencies of these offerings are expected to go up quarter-on-quarter. We've handled approximately 30-plus trains already in the first quarter and we expect the number to significantly grow up in the coming quarters and months ahead.

The capex there that we have done is towards building the platform, the infrastructure and we've created a facility which in my understanding is absolutely world-class, is well-positioned to create and take care of the customer demand and our customer demand profile is rapidly changing because of this. We are able to attract and keep hundreds of new MSME customers here. They're already in discussion with doing works with large corporates over there, and so it's

basically a large anchor position for us. Our business in the rest of Gujarat has also been growing steadily.

And since Gujarat and Maharashtra remain two dominant points of cargo creation in our country, it was an obvious move for us to start looking West and start concentrating on that. So, we've been doing this now for I would say about four to five quarters and our focus remains firmly on driving growth from western India.

Vrudhi Vora: Okay. Thank you. And my second question for you is that what are the future plans of capex and any guidance for future?

Kanishka Sethia: So, while we don't give any future guidance, but I can tell you that we've planned very strong capex. We've already completed more than INR30 crores of capex in H1 and we look at very strong capex for the rest of the year as well as for the next financial year as well. The capex is going mostly into specialized containers, specialized vehicles and assets that we need, industrial heavy assets that we need to run our supply chains.

We are focused on creating rail dominated multi-mode supply chains in which we use road for the first mile and last mile and rail for the major sector. That's where we dominate and that's where we are making our assets. Most of the specialized assets have more than 200 odd specialized assets have already bought in this year and we plan to do further going forward for the rest of the year as well. So, capex plan already INR30 crores done for this year and strong capex expected for the remaining year as well as the next financial year as well.

Vrudhi Vora: Okay. Thank you, sir, and all the best for the future.

Kanishka Sethia: Thank you, ma'am. Thank you so much.

Moderator: Thank you. The next question comes from the line of Pinaki Banerjee from AUM Capital. Please go ahead.

Pinaki Banerjee: Good morning, sir, and thanks for the opportunity. So, my first question is regarding that IPO proceeds of about INR500 crores, about INR150 crores odd is now parked in the new fixed deposits. So, basically, can you tell what is this purpose? Is it for payment of loan or your further capex or keeping it as a buffer in uncertain economic conditions?

Kanishka Sethia: Pinaki, thank you for your question. So, basically, the IPO raised an amount of INR495 crores - INR492 crores and the utilization of it was in three parts. First was the prepayment or scheduled repayment of certain portion of our outstanding borrowing. So, that was INR163 crores and the next portion was INR151 crores approximately of capex going towards commercial vehicles, specialized containers, shipping containers, and industrial equipment.

Out of this INR151 crores, we've utilized about INR41 INR42 crores. So, we have about INR110 crores in equity for this. And the remaining INR47 INR48 crores, which was GCP we have utilized already INR52 crores. So, we have about INR14 crores, INR15 crores left.

So, out of a total raise of INR360 crores, INR370 odd crores, which we received post payment to the bankers, we have about 120 in our hand. And this capex is planned in such a way that we would use it over three years. So, we are well in target to actually use up the entire capex before three years.

Pinaki Banerjee: Okay. So, my next question is actually you have now reduced your debt by almost more than INR100 crores. So, in future capex are you going to raise further equity or will you be able to undertake plans to undertake any further debt for this?

Kanishka Sethia: Pinaki it depends on the size of the transaction. I don't have a general answer for this. It's a general capex for business needs we should be able to do it from our cash flows. And as profitability increases, we also have funds left from our IPO proceeds to take us for the capex for the next year. And if further opportunity comes, we are always on the lookout and we'll take a call based on what the opportunity comes.

Pinaki Banerjee: Okay, sir. And last question is, sir, actually you are a leading leader in the rail transport segment, but in the domestic road segment, actually much needs to be done. So, competition is already heating up in this segment. So, sir, where do you see yourself in future in this segment particularly?

Kanishka Sethia: It's a good question. We are not as a company very hard focused on plain vanilla road transportation. Though you're right, it's a large opportunity. I would say 20% odd of the movement is happening by road today. We do plain vanilla, but our focus remains more on doing multimodal and supply chain operation. Having said that, whenever we get an opportunity to work with our customers in creating a solution in plain vanilla, which adds value to them, they're always happy to look at, but one off, we don't try to grow in that business very hard.

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

Kanishka Sethia: Thank you.

Moderator: Thank you. The next question comes from the line of Vivek Gupta from Star Investors. Please go ahead.

Vivek Gupta: So, the TEU volumes grew only 2.7% Y-o-Y in HY FY26. That was from 103816 to 106621. So, what is driving this mutual growth compared to the historical CAGR of 19%?

Kanishka Sethia: Yes, Vivek ji, I'll just give you a brief background on what this is. So, the numbers actually quarter-to-quarter on domestic from quarter 1 to quarter 2 has actually grown 25.39% and EXIM has also grown almost 2%. And when you look at H1 to H1, you see a growth of about 2.5% to 3%.

The reason for this is the major surge of growth is usually going to come from EXIM numbers. You know, EXIM, because of the geopolitical situation, we've not seen robust growth. So, what you are seeing is growth only coming on the back of domestic. EXIM has now turned net positive for us quarter-on-quarter.

And we are hopeful that as we move towards a large trade agreement, primarily with America, that should really help in our EXIM numbers and we should be able to see robust growth if that happens. Primarily, your numbers of growth are looking muted primarily on the EXIM base, because domestically we are growing extremely fast.

Vivek Gupta: Okay, sir. Thank you. That was from my side.

Kanishka Sethia: Thank you, Vivek ji. Thank you.

Moderator: Thank you. The next question comes from the line of Aditya Varma from Synergy Investments. Please go ahead.

Aditya Varma: Yes, good morning, sir. Once again, I think you just answered my last question. My last in the previous candidate's question. So, my question was only this that looking at the trade deals, which India is going further with, with New Zealand we have a trade deal almost finalized with UK, with US, we can have the good news anytime.

Looking forward to these trade deals, can we expect a better EXIM model and do you see that, we can foresee our growth in the future quarters? Because I've been tracking your company since the IPO listing and we have had some headwinds, but it seems like the worst is over now and with the geopolitical situations easing up. So, we can expect some better quarters and better figures on the balance sheets? Thank you, sir.

Kanishka Sethia: Yes, sir. To be honest, I completely agree with your assessment. We've had the last year because of the geopolitical situation, especially with America, it's been very hard, not only for us, but for all our major export partners, our clients as well. And what we have done in the meantime as a country is that we have pivoted into diversified export basket.

We are as a country, focused more on EU, UK, Middle East, even Africa and Asia. And this has shown notable gains in the volumes that we've been able to pump out there. Having said that, once the Indo-US treaties or whatever form it gets signed, I think that's going to give us significant strength in EXIM numbers for the country and especially for us as well.

If we are able to go back to the numbers of EXIMs that we've actually delivered in the past, that will be a tremendous growth opportunity. I'm not even talking about new business opportunities, I'm just talking about going back to the numbers that we've already done in the past for several years.

So the opportunity, I think the worst is over now and H2 onwards, I think the EXIM numbers should start showing great signs of growth. And that will not only help in the EXIM business, but it will help in the overall numbers for us as a company. You'll be able to see the growth because whatever we are delivering now, this is a very strong domestic performance.

Like I said, 25%, 26% growth in domestic quarter-on-quarter and that basically is getting absorbed in the growth numbers. So for the quarter, if I talk about, we delivered 55,837 TEUs in quarter 2 compared to 50,784. So in an absolute number, that's a growth of about 5.5 thousand

containers, almost a 10% growth year-on-year. So assume that the same growth starts coming in EXIM and you can do the math yourself.

Aditya Varma: Correct, sir. And also, sir, one more thing for the part of shareholders, your company I feel, is still quite undervalued. There's just one good quarter which we all, the shareholders are waiting for and I wish you all the best for this. Thank you, sir.

Kanishka Sethia: I agree with you, sir. And the company, the promoters themselves have put the skin in the game as you know last quarter we purchased shares and we remain very, very confident that what we are doing is a long-term play and we are very, very hopeful that we'll be able to show some good numbers going forward basis the EXIM business.

Moderator: Thank you. The next question comes from the line of Preeti Agarwal from SK Associates. Please go ahead.

Preeti Agarwal: Yes, thank you so much for the opportunity. I would like to know that the EBITDA margins have dropped significantly from 8.4% in Q2 FY25 to 4.3% in Q2 FY26. So like what are the key drivers behind these compressions? Are they higher cost, operational cost or pricing pressure or any changes in the business mix?

Kanishka Sethia: That's a fair question, ma'am. So it's a mix of both. Though the gross margin remains good, EBITDAs have dropped mainly because of higher operations cost. We've had a lot of maintenance and optimization payments coming out in this quarter in terms of container optimization and upkeep, vehicle upkeep, as well as certain detention and damage due to the imbalance in EXIM trade played a factor also, not a very large factor, but a small factor.

This led to an increase in operations cost in the EXIM business, which is now more or less stabilized. And we expect that EBITDA margins should start improving in H2 FY26 because now the situation is more or less stable. My gut feel is that we are over the hump now. And so we should be able to start seeing improvement in our EBITDA margins.

Preeti Agarwal: Understood. And the working capital days has also increased to 119 days in H1 FY26. So what steps are being taken to improve it as there are little to no inventory for us? So has the receivables been decreasing?

Kanishka Sethia: So basically, there's been an increase in payment cycles. this is a large acquisition of new businesses in the MSME cycle. So that's led to an increase in the payment cycles for us. And the debtor days are also slightly higher. So we are working with our customers to try to remove it. There were some imbalances towards the end of the quarter due to the GST ratification, etcetera., which led to some delays in receiving of payments. But that hopefully in H2 we should be able to see a drop in both debtor days as well as the working capital cycle. We are quite confident.

Preeti Agarwal: Understood, sir. Yes, that was it from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Subham Agrawal from Subham A & Associates. Please go ahead.

- Subham Agrawal:** Yes, sir. I just wanted to ask why the employee benefit expenses have grown up by 40% if we compare it from year-on-year, whereas the sales revenue has only increased by 2%.
- Kanishka Sethia:** So it's a fair question. Basically this is driven by new talent acquisition that we have done quite assiduously over the last two to three quarters in keeping in alignment with our new facility that we've opened. It requires a lot of more manpower, a lot of more people on the ground to do the marketing and management since it's MSME business. It's not a large corporate business and that's why it has come in. It's more or less going to now stabilize at this level. It shouldn't increase more, but whatever increases happened has already happened over here, basically because of that.
- Moderator:** Thank you. As there are no further questions and in the interest of time, I now hand the conference over to Mr. Aryan Sumra from MUFG for closing comments. Over to you, sir.
- Aryan Sumra:** Thank the management for taking your time out and to all the participants. If you have any further questions, 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 and you may now disconnect your lines.