



WESTERN CARRIERS (INDIA) LTD.

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Date: February 20, 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

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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 nine months ended December 31, 2025.

In furtherance to our earlier communication dated February 09, 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, February 16, 2026 at 01:00 PM (IST), with regard to the discussion on the Operational and Financial Performance of the Company for the quarter and nine months ended December 31, 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**

Enclosed: As above



“Western Carriers (India) Limited
Q3 FY ‘26 Earnings Conference Call”
February 16, 2026



**MANAGEMENT: MR. KANISHKA SETHIA – CHIEF EXECUTIVE OFFICER,
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 Western Carriers (India) Limited Q3 FY '26 Earnings Conference Call hosted by MUFG Intime India Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Sumra from MUFG Intime India Private Limited. Thank you, and over to you.

Aryan Sumra: Thank you. Good afternoon, everyone. I welcome you all to the Q3 and nine months FY '26 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 their opening remarks, and then we can open the floor for Q&A. Thank you and over to you, Kanishka sir.

Kanishka Sethia Thank you, Aryan. Good morning, everyone, and thank you for joining us on the Q3 earnings call of Western Carriers (India) Limited. It's a pleasure to me to be joined by my colleagues Ashish, Sapna, and Surya. We truly appreciate your time and continued interest in our journey. Over the course of this call, I will walk you through key developments and financial and operational performances for the quarter, and before opening the floor for questions.

I would like to begin with a small global snapshot, which I think is very important. What I will do is while we talk about global and India, I will interject with, our company-specific information and how it relates to the whole matter. So let's begin with the big picture, the global economy in 2026.

According to the latest forecast from IMF, world growth is holding steady at around 3.3% this year, with a slight dip to 3.2% expected in the next. Inflation is cooling all across most advanced economies, thanks to coordinated monetary policy efforts, but it's returning to target levels more gradually in places like the US.

Advanced economies are chugging along at a modest one and a half to 2% pace, while the emerging markets, powered by tech investments, fiscal support, and private sector, are providing the real engine of growth, averaging about 4%. The World Bank echoes this cautious optimism, projecting global expansion to 2.6% for 2026, with resilience amid trade tensions but downside risks from potential inflation surprises.

Of course, this global backdrop isn't without its risks. Escalating trade frictions, geopolitical hotspots, and a re-evaluation of tech expectations could tilt things downward. On the flip side,

policy makers are focused on building fiscal buffers, maintaining price stability, and pushing structural reforms forward.

Now zooming into our own industry, the global logistics outlook for 2026 and beyond. We are witnessing profound transformation as an industry, driven by increasing supply chain complexities, rapid adoption of AI and digital platforms, and a heightened focus on sustainability. The 4PL market, which is all about orchestrating end-to-end networks rather than just moving goods, is booming.

According to Precedence Research, current estimates peg the global 4PL market at around USD75 to USD82 billion, with projections showing it climbing to about USD130 to USD150 billion over the next decade. This means a growing CAGR of 7% to 8% from here onwards for the next decade.

What's fueling this is rising e-commerce penetration demands, which is demanding seamless multi-provider execution and real-time data integration. There is a major push for green logistics to meet emission targets, and the need for resilient networks in a world prone to disruptions. North America and Europe still dominate adoption, but Asia Pacific is exploding, thanks to manufacturing hubs and digital commerce growth.

Overall, the broader logistics outsourcing market is a massive 1.4 trillion in 2026, and expected to reach 2.2 trillion in the next decade. Technology, like in every other industry, is a game changer here. AI for predictive analytics, machine learning for route optimization, cloud platforms for visibility, control towers that integrate everything. these are all norms now. Sustainability is a differentiator, with companies prioritizing low-carbon solutions to meet global and customer demands.

The global shift towards strategic, integrated supply chain orchestration is creating enormous opportunities in our country and abroad. Businesses aren't looking for siloed services anymore; they want partners who can manage these complexities, mitigate these risks, and deliver efficiently across borders. That's exactly where 4PL providers like us come forward. We coordinate multiple carriers, optimizing multiple networks, and leveraging data to drive decision making, better decision making.

India continues to stand out as a beacon of growth in an otherwise uneven world. Projections for India's real GDP are strong, forecasts ranging from 6.5% 7.5%, supported by robust domestic consumption, steady investment inflows, and ongoing policy reforms. IMF sees us at 7.3% for the fiscal, while Moody projects us at 6.4% for fiscal '27, placing us among the fastest growing G20 economies in the world, driven by strong consumer demand and a very stable banking system.

Goldman Sachs has upgraded its views to 6.9%, factoring in recent trade developments, which I will touch on shortly. Structurally, India has powerful advantages, a young skilled workforce, massive infrastructural expansion, accelerating digital adoption, and reforms that are making it easier to do business. Inflation is easing towards the Reserve Bank of India target, creating a supportive monetary environment even as the global uncertainties persist.

The Indian logistics sector is riding this economic wave and evolving very rapidly. Market estimates project the overall freight and logistics industry to reach between USD380 to USD450 billion by '26-'27, growing at a CAGR of anywhere from 8% to 10%, fueled by e-commerce, industrial freight, and export growth.

Government initiatives are actually supercharging this. The PM Gati Shakti for multimodal integration, the National Logistics Policy for efficiency gains, and platforms like the ULIP for real-time visibility and transparency are game changers. These efforts are already improving India's global logistics performance. We've climbed rankings and are on track to reduce our cost from the current 13%-14% towards single-digit benchmarks.

Last mile delivery is a huge frontier with customer expectations from speed and affordability driving innovation at breakneck speed. Technology is transforming our operations. AI is being used for tools like demand forecasting, predictive maintenance, route optimization, blockchain for secure tracking, and sustainable practices like electric fleet and green warehouses are becoming more and more standard.

What really excites me are the industry tailwinds now and growth opportunities from major recent developments. First, the landmark India-EU Free Trade Agreement, which concluded just weeks ago and is being dubbed as what people say the 'mother of all deals'. This pact covers nearly all tariff lines, eliminating or reducing duties on close to 97% of EU goods exports to India and almost 99% plus of Indian goods to the EU. It's set to double EU exports to India by 2032, boosting bilateral trade volumes dramatically.

For key Indian sectors like textiles, chemicals, engineering goods, pharma, leather, gems and jewellery, marine products, it means super sharp competitiveness in Europe through simplified customs and better market access. For logistics providers like us who have a large share in the EXIM trade, this translates to surging container volumes, more balanced trade flows, smoother cross-border processes, and heightened demand for end-to-end logistics.

We'll see increased multimodal coordination, compliance management, and efficient freight execution along the India-EU corridor, opportunities that integrated 4PL players like us are perfectly positioned to capture. Similarly, the recent India-US interim trade deal announced, again just a few weeks ago, is another major boost.

Under this framework, the US tariff on Indian goods have been reduced to 18%, down from the earlier 50%, and in exchange for eliminating or reducing duties on US industrial goods and agri-products like tree nuts, fruits, soybean, etcetera. India has also committed to purchasing over USD500 billion in US energy, tech, agri and other products over five years, which improves market access and pricing for Indian exporters in textiles, leathers, gems, jewellery, engineering goods, marine products and beyond.

This result would be stronger EXIM cargo movement both ways, incoming as well as outgoing, better container utilization at broad trade lanes, more balanced back hauls, and fresh demand for sophisticated supply chain management, especially in multimodal and cross border. These deals

align perfectly with India's export ambitions, creating tailwinds for India's logistics and volume ramp up, and these align perfectly with your company's vision and business.

For Western Carriers and our customers, these favourable 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 for reliable, cost-effective logistics execution to ensure customer delight.

Your company has already completed a capex of more than INR30 crores in this year, mostly into heavy equipment, specialized containers, and road assets in line with our business policies as well as in line with the trade agreements.

Now, speaking of Government support, I would like to dive shortly into the Union Budget, which truly places the logistics and trade facilitation sectors at the very heart of India's infra and economic growth. This isn't just about big numbers, though numbers are obviously very impressive with the public capex hiked to a record INR12.2 lakh crores and nearly INR5.98 lakh crores allocated specifically to transport and logistics ecosystems including roads, railways, ports, waterways, and multimodal connectivity.

What makes this budget stand out for us in the logistics world is the bold transformative reforms in customs and cargo clearance processes. First, these changes are designed to shift from an officer-dependent compliance-heavy system to one that's trust-based, digital-first, operator-centric, and powered by tech, ultimately slashing delays, cutting costs, and boosting efficiencies across the board.

Let me walk you through some of the key highlights that will directly impact how we operate, partner, and serve our global and Indian clients. First, in the spirit of a whole of the government approach, the government agencies are being encouraged to leverage Authorized Economic Operator, AEO accreditation, for preferential treatment in clearing their cargo.

I am happy to inform that your company is AEO certified, has been certified for years, and this builds on the existing AEO framework by extending benefits like longer duty deferral payments from 15 to 30 days for tier 2 and tier 3 AEOs as well, and eligible manufacturer-importers giving trusted players more cash flows, flexibility, and faster processing.

For integrated providers like Western Carriers, this means smoother, more predictable flows when handling shipments for accredited clients or government-linked cargo, which is the bulk of our customers.

Next, the customer warehousing framework is undergoing a complete overhaul into a warehouse operator-centric system. We are moving away from the old model of heavy officer-dependent approvals to one on self-declaration, electric tracking, and risk-based audits. This will dramatically reduce transaction delays and compliance burdens, allowing operators to manage bonded facilities more efficiently, turn inventory faster, and integrate warehousing seamlessly into broader multimodal networks.

The current budget proposes an infra risk guarantee fund aimed at mitigating construction phase risks for private developers, which should prove a boon for attracting private investment into logistics infrastructure. This can prove a boost for the multimodal logistics parks, which are key enablers of government's logistics national plans.

MMLP's success depends on high cargo throughput, seamless last-mile connectivity, performance-linked incentives, and above all, land parcels and their development. Under the Gati Shakti Yojana, several current MMLPs are newly launched or advancing towards operationalization in this year and the next.

This includes our very own Devaliya MMCT, which is near Morbi, which we discussed in detail last time, and spread over 32 acres, is a state-of-the-art facility proving to be a boon for the local industry around it, including tiles, chemical, agri, etcetera. Well-run parks like ours can help unlock major cost savings as well as substantially improve the TAT, thereby providing a major advantage to customers in its hinterland and subsequently to the end customers.

Again, Budget '26-'27 envisages a new East-West Dedicated Freight Corridor linking Dankuni outside Calcutta in West Bengal to the East in the East to Surat in Gujarat in the West. This crossing the entire breadth of the country with more than a 2,000 kilometer span, and this will greatly complement and enhance the service offerings of the two existing corridors which are near completion and running efficiently, the Eastern and the Western corridors.

The freight corridors by design allow for far lower transits and far greater efficiencies than using passenger corridors, thereby proving to be a game changer for multimodal logistics. The budget earmarks INR10,000 crores for domestic container manufacturing, a fledgling sector in India which will be and should be a shot in the arm and turbocharge local production, weaning away from our import dependence mostly from Chinese container suppliers for both our domestic and EXIM needs.

In short, I feel the Union Budget isn't just allocating funds; it's delivering a comprehensive forward-looking blueprint that makes India's logistics ecosystem far, far faster, smarter, more trusted, and globally competitive. For us and our partners, these are the kind of structural tailwinds that turn challenges into sustained growth.

For Western Carriers, I would like to now delve into, the numbers, the boxes that we've delivered this year, and look at how all of these positive tailwinds are helping us move in our container movement and what the numbers are. So giving you guys a feel of the numbers and I'll deep dive into it as we go ahead, is the comparative numbers for quarter three '25-'26 compared to quarter three '24-'25 year on year.

So if you see the domestic numbers that we've done is 23,565 for quarter three this year compared to 20,516 for last year. This translates into 3,049 additional boxes, which is a growth of 14.86% in the domestic business. Similarly, for EXIM, our number stands at 38,638 containers compared to 33,787 last year. This translates into a growth of 4,851 boxes, and percentage-wise is about 14.86% and 14.36%.

If we add both of them, we get an absolute increase of close to 8,000 boxes in the quarter and a net growth combined of over 14.5% quarter on quarter, showing the growth that your company has managed to do.

To begin with, our operational momentum remains strong like I said in quarter three. Domestic containers continued to gain traction. EXIM containers, as you can see, continued to gain traction. And if we look at diving in further, or delving in further into both the sectors, which is EXIM and domestic, we can see that in EXIM, EXIM business is showing signs of, sustained growth in quarter three.

The growth was over 14% like I said, which is excellent sign for your company. And this trend is expected to continue as I will explain further going forward. The Western DFC is expected to be complete by March 2026, that is the end of next month, to JNPT, which is expected to give a very big boost to EXIM business on the North to West corridor. It's a very positive sign for the country as well as for your company.

We also have a very strong order book for rest of the year and for the years going forward, giving us additional confidence and comfort in growing our EXIM business. Realization is also expected to improve as we grow back our EXIM business after what has been three or four quarters of, very hard geopolitical situation as you are well aware. There is a decrease, a slight decrease in EXIM lead by about 2% due to the less demand primarily in North India, but we are seeing that the demand is now starting to pick up in this quarter.

Similarly, talking about the domestic business, your company has shown excellent growth: quarter on quarter to stand at 38,638 TEUs versus 33,787 TEUs in quarter three FY '25. We are seeing very robust customer demand for general containers as well as for shipping specialized TEUs. Your company has procured a substantial amount of specialized containers to meet client requirements.

(Note: Q3FY26 volumes were 23,565 TEUs and Q3FY25 volumes were 20,516 TEUs)

Our current fleet of specialized containers owned by the company is over 1,000 TEUs. Total capex for the H1 was over INR30 crores, purchase of which has gone into the purchase of these specialized TEUs, specialized handling equipment like reach stackers and of course, in commercial vehicles.

Capex is obviously being driven by our long-term commitment with large customers including the INR1,089 crores of work order that we got from Vedanta earlier last year, as well as the other mega orders like Jindal Stainless for both their domestic as well as EXIM business. Our service offerings from our own MMCT at Devaliya, like I touched on, at Morbi continues to expand with our fixed services Pan India including CMLK in the North, Bangalore in the South, as well as Calcutta and Guwahati in the East.

Devaliya gives us a lot of scope on growing business from Western India, which fits very well for our long-term vision. Looking at some of the new businesses that we have done in this year, obviously I touched on ICD Devaliya, which is a leading MMCT which we launched in July of

last year. Specially designed heavy duty containers made for carrying metals is a mandate basis of what we've received. This capex has gone into a major boost for our company's growth.

We have also commenced EXIM rail services to Mundra, which is something which we started this financial. We have some good increase in PPD as well as import TEUs at various ports in the country. We have seen a lot of demand, hence the major capex that we planned last year, and intention of further capex for the remaining financial is there.

The MMCT is giving us a lot of focus on growing businesses from Western India, this financial, which is fitting very well with our long-term vision of getting more business from the Western part of the country. As you know, we are getting long-term commitments with large customers PAN India, which we have already talked on, and both these projects are now in full steam and gathering further pace going forward. So, as you can see, on the operation side, things are looking very very good.

Coming to the numbers, I wanted to touch on them. Western Carriers has delivered a resilient performance and grown quarter-on-quarter. Revenue from operations for quarter three FY'26 is INR478 crores. EBITDA stands at INR24 crores. Profit after tax at INR11 crores. If we compare quarter-on-quarter, which is a good key sign given the geopolitical situation, you can see that the revenue from operations from quarter two to quarter three has expanded almost 9% at INR478 crores compared to INR440 crores the previous quarter.

Similarly, the EBITDA has expanded from INR19 crores in Q2 to INR24 crores, giving a quarter-on-quarter growth of 27%. EBITDA margin, which has also grown with the numbers, has grown from 4.3% in the last quarter to about 5% in this quarter. PAT has similarly expanded 22% from INR9 crores in quarter two to INR11 crores in quarter three. And similarly, we see that our PAT margins have also improved from 2% to 2.3%.

So these are all good signs. It shows that we are making progress in the right earnest. Our asset-light multimodal model once again is proved to be resilient. It is enabling us to deliver high service reliability across all customer segments. We are seeing great scope going forward. The volumes are growing and expanding during the quarter, and looking ahead to quarter four and remainder of the year, our focus remains crystal clear.

It's consistent execution, tech-driven operational efficiencies, and continued enhancement of our capabilities to deliver customer delight. These priorities help us cater effectively to our customers' evolving needs, while continuing to generate sustainable long-term value for our stakeholders. Thank you once again for your continued trust in Western Carriers. We can now open the floor for Q&A.

Moderator:

Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Prateek Shah from Investing Alpha. Please go ahead.

Prateek Shah:

Yes. So my first question is on the P&L side. Sir, the gross margins have declined from 14% to 12% year-over-year. So which cost components drove this drop?

- Kanishka Sethia:** Yes so Prateek, there is, like I pointed out, there is a slight decrease in the EXIM lead by about 2%. So the volumes have grown up, the EBITDA margins have improved, the PATs have improved, so we are on the right track now to regain the margins and profitability of earlier years and quarters.
- Prateek Shah:** Okay. And another question is, as the largest Platinum Associate partner of CONCOR, are there any changes in rake allocation, tariff structures or even volume commitments that may affect FY'27 economics?
- Kanishka Sethia:** No Prateek, we, we maintain and have received all support from CONCOR being their largest business associate and AP over the last several years and decades. And we don't see any hindrance in the relationship going forward. In fact, it is getting better as the volumes keep growing, and it's a win-win relationship for both us and CONCOR. As we work very closely with them in trying to increase our service offerings both for domestic as well as EXIM cargo. And so we don't see any major headwinds in that regard at all.
- Prateek Shah:** Okay. And sir, with 16 leased warehouses in 12 states, what is the plan for expanding warehouse capacity or even automation to support higher margin 4PL operations?
- Kanishka Sethia:** So Prateek, our warehousing play is completely dependent on the customer. Basis the customer's requirement, we create, a customized solution of which warehousing is a part and parcel of it. We do not build or operate warehousing as a business per se, but rent out or rent out warehousing as per requirement for 4PL as well as first mile and last mile of the customer.
- Automation is something which is a key focus for us, so we've been working on large warehousing play and automation including the best WMSs to ensure the FIFO terms etcetera that the customer needs. And our warehousing play is very well aligned to what our customer needs. It's close to the market that they need to service. The size depends on the requirement of the customer and so forth. But it's a very flexi play and we don't build, a large warehousing play and then look for customers. We actually get customers and then do it.
- Prateek Shah:** Got it sir. So one last question. Do you plan to explore any acquisitions?
- Kanishka Sethia:** There are no current plans Prateek, but you know, we are neither actively looking nor actively dissuading. If something comes up, we will always take a look at it obviously from a business perspective, but we are not in the market currently scouting for something actively.
- Prateek Shah:** Understood sir, got it. Thank you.
- Kanishka Sethia:** Thank you Prateek.
- Moderator:** Thank you. Our next question comes from the line of Kaustav Bubna from BMSPL. Please go ahead.
- Kaustav Bubna:** Yes, hi. Hi Kanishk, how are you?
- Kanishka Sethia:** Good morning Kaustav, I am good. How are you?

Kaustav Bubna: I'm good. Thank you. So I had a few questions. First on, on the latest con-call of CONCORs, they spoke about intensifying focus on multimodal logistics parks, enhancing first mile last mile connectivity, and their own integrated logistics offerings. So how does this, I mean, could this pose a risk to our business model? Or is this, I mean, could you, could you tell me what this really means, what they're trying to do? Had they had conversations with you? That's the first question.

Kanishka Sethia: Sure. So Kaustav, it's actually complimentary. It's not something that as a policy they do not compete with their own business associates. We work with them in getting further businesses. So it's not that CONCOR is competing with us or any other business associate for that matter of fact. They are wanting to expand their service profile which is absolutely fine. They are well within their rights to do that.

It doesn't really affect us directly nor does it really affect our relationship with them as we do -- rail part is one part of the business that we do. We do basically complete supply chain management. So we are absolutely aligned with them, and we are well aware of the service offerings that they have offered. Because whatever they offer is basically a pass through to the business associates itself. So it's not a major concern for us. It's actually a helpful thing.

Kaustav Bubna: Okay. And now, so we speak about the DFCC getting commissioned, and you have repeatedly said, the market will, market conditions will get better, once the trade deals or some clarity comes on the trade deals. Now we've got that also more or less clarified. So I mean, now I wanted to understand how do these factors affect the long-term rates in domestic and EXIM?

Because that would then be the main factor to helping our overall profit profitability apart from volume growth. So now that these things are falling in place, I wanted to understand, not really, I mean, I know it's won't be accurate to give guidance, but I mean, how do you see all of this playing out for the company now?

Kanishka Sethia: It's a fair question Kaustav, and you're right, I've been pointing out and hoping for this for several quarters. As you can see, once the geopolitical situation has stabilized in the last quarter going forward, you can see it immediately reflecting in our numbers, not only in the EXIM numbers, which has completely aligned to the geopolitical situation, but also we've been able to do very large growth in our domestic numbers, which has not much to do with global geopolitics.

That's something that we worked on very hard over the last four, six, eight quarters in growing our service offerings domestically. So we are in a situation where we are seeing a tremendous growth. We, like I said, almost 8,000 TEUs plus is what we've done quarter on, year-on-year on quarter three. And these numbers are tremendous given the situation that it's not still 100% normalized in the geopolitics.

But we can see that the growth is coming, and what happens is when you have growth in both domestic and EXIM, it becomes a perfect tailwind. It improves your margins, it improves your realizations, and more important than that is it improves your service levels to your customers because you have more an abundant service profiles running for them.

The routines become quicker, the transits become more efficient, and we are able to track and trace it much more quickly for the customers than as compared to when the geopolitics is not good. There is less of port delays, there is less of congestions, the transits are better. So it's a win-win both for the customer and for us as a company. And I see this basically surging further in quarter four basis, what we were able to do in quarter three. So this portends really well for us as a company as well as for the country, I feel.

Kaustav Bubna: But could you kind of share some indication on how will, even this East to West connection of the DFCC, the commissioning of the current DFCC which was about, the West line I think, right, which is about to be fully commissioned, how will this have an impact on the rates? Could you?

Kanishka Sethia: Sure. So Kaustav, see, rates is basically just one part of the matrix here. What happens is, I'll give you a simple example. Say you send a train which is running on the regular, not one of your dedicated freight corridors. The concept of a dedicated freight corridor is defined in its name. That means the freight corridor is dedicated for freight. A non-freight corridor DFC movement is something which is competing with passengers or passenger trains on that rail line.

That means, by design, it is going to be much, much slower than a DFC. What happens with a DFC is your movement is far quicker, far more efficient, and far more guaranteed. What it does is you are able to get more and more business to be hived off from pure road transportation. It increases competition, it reduces price for the customers. So it's a win-win for the customer, for the country, as well as for companies like us that we are able to get more business opportunities from areas which had not looked at railways as a serious requirement so far.

When it comes to margin, margin Kaustav depends completely on the route at the time, the seasonality and the amount of volumes that you are able to generate. The higher the volumes, the better the frequencies, and the more the operations efficiencies that you can bring around, the better your margins are. So it's, it's hard to give a holistic answer, it's not a simple answer to give, but I would like to say, if you are able to generate better and better volumes and run your supply chain more efficiently, your margins will tend to go up.

Kaustav Bubna: Okay, just on your point, if you could just let me ask my last question. Basically, if I'm not mistaken, most of your volumes come from bulk commodity like steel etcetera, right? Currently?

Kanishka Sethia: We have a mix of products Kaustav. We have metals, we have industrial chemicals, we have FMCG, Pharma etcetera. So we are quite spread out in our material and customer offerings.

Kaustav Bubna: Because what I was going to ask was is that, as the DFCC gets commissioned and more industries look towards rail transport, how do you see this mix changing to what other industries etcetera? That's what I was going to ask?

Kanishka Sethia: Yes so Kaustav, metals remains a large focus area for us primarily, because they are custom suited for large multimodal supply chain operations. But our offerings over the years has changed. If I give you an example of my multimodal cargo terminal at Morbi, you will see that it's not at all getting much revenues from metals, but is more focused on industrial products like tiles, chemicals, food grade products etcetera. So, it depends on what business you are doing.

And so a business which was almost not existing is now growing rapidly for us, especially in the domestic business. So our focus remains on growing our business holistically. We don't look at growing our business only in the metal sector. Wherever there is an opportunity to add value to the customers and run a supply chain efficiently, we try to track it. Our, our considerations are very simple that we should be able to add value to our customers. If we are not going to add value or improve their supply chains, we don't waste our time on it.

Kaustav Bubna: All right. Thank you so much for the detailed answers. Best of luck and talk to you soon.

Kanishka Sethia: Thank you Kaustav. Thank you for your time.

Moderator: Thank you. Our next question comes from the line of Sunidhi Joshi from NM Capital Advisors. Please go ahead.

Sunidhi Joshi: Thank you for the opportunity. So just wanted to understand since the operating cash flow remains subdued, what structural changes or billing cycle improvements are planned to restore positive operating cash flow?

Kanishka Sethia: Yes Sunidhi, fair question. So the cash flow, is due to, the situation is due to the increase in working capital requirements as the business has been growing. Like I pointed out, we've grown about 9% to 10% quarter-to-quarter. So that basically for us, the raw material in our industry is basically working capital, so that's where it is, you know, gone in. It is expected to improve very dramatically and quickly as our realization increases. So that's what it is Sunidhi. We expect our realizations to improve in this quarter and the next, and we hope that the cash flows then will start turning.

Sunidhi Joshi: Okay, understood. And with the metals forming 55% of the FY'25 revenue, how exposed is the company to volatility in metals demand, and what diversification roadmap is planned ahead?

Kanishka Sethia: Fair question Sunidhi. So even though 55% of our metals, of our business is coming from metals, I want to point out that it is quite well hedged in itself that we do metals of all types. We do aluminium, we do zinc, we do steel, we do other aggregates etcetera. And all of these metals have a very different cycle. If you track LME, the aluminium prices or the steel prices are not all moving up and down at the same time.

So the metals itself creates a hedge because we work on all the metals across the spectrum in the country. Similarly, the 45%-50% odd of our cargo which comes from non-metals is something which is growing and growing exponentially. You will see those numbers tracked in our domestic business. Like I said, businesses like tiles, food grade products, and industrial chemicals etcetera are growing leaps and bounds. It's a business which has been growing very fast for us.

So these industrials and chemicals etcetera is a business that going forward will sort of, the growth will outpace the growth of the metals industry. So we are basically growing towards a 50-50 mix going into the next two or three years.

Sunidhi Joshi: Great. Thank you so much and all the best.

Kanishka Sethia: Thank you Sunidhi. Thank you for your time.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for today. I would now like to hand the conference over to Mr. Aryan Sumra for closing comments. Over to you.

Aryan Sumra: Thank you. 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 questions, feel free to contact us. We are MUFG Intime, Investor Relation Advisors to Western Carriers India Limited. Thank you so much. Thank you sir.

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.