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Date: 14th February, 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

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 Financial and Operational Performance of the Company for the third quarter & nine months ended December 31, 2024.

In furtherance to our earlier communication dated February 04, 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 February 10, 2025 at 10:00 A.M. (IST), with regard to the discussion on the Financial and Operational Performance of the Company for the third quarter and nine months ended December 31, 2024.

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

SAPNA KOCHAR
Digitally signed by SAPNA KOCHAR
Date: 2025.02.14 12:52:28 +05'30'

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

"Western Carriers (India) Limited

Q3 and 9M FY25 Earnings Conference Call"

February 10, 2025

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

MODERATOR: **MS. PRIYANKA BHAGAT –ADFACTORS PR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Western Carriers (India) Limited Q3 FY25 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 call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Ms. Priyanka Bhagat from Adfactors Investor Relations. Thank you and over to you, ma'am.

Priyanka Bhagat: Thank you. Good afternoon to all the participants joined on this call. A very warm welcome to our Quarter 3 and 9 Month Financial Year 25 Earnings Conference Call. To guide us through the results today, we have the senior management team of Western Carriers (India) Limited headed by Mr. Kanishka Sethia, Chief Executive Officer. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors.

With that said, I would now hand over to Mr. Kanishka to share his comments. Thank you and over to you, sir.

Kanishka Sethia: Thank you very much, Priyanka and good morning and thank you everyone for your time on this Monday morning call. I'm glad that all of you are here with us when we talk about our company's Q3 FY25 and going forward as well. So, let me start the call by thanking you all for joining us today. This is our second earnings call. This is for the third quarter of FY25. I would first of all like to take this opportunity to express my gratitude for your continued interest and trust in Western Carriers.

It has been a very rewarding journey since our listing in September end and we are delighted to share the progress that we have made during this quarter and the first 9 months of the financial year with you today. So, I would like to start by providing an overview of the logistics and supply chain industry in India and give you some of the key numbers.

So, just to refresh our memories, India international trade in H1 was $213 billion which was at a growth of 1%. The India international trade for import for H1 was $350 billion which was a 6% growth. Add to that the numbers that we have now for the India international trade, it has grown another 1.6% in exports to $327 billion and in import by 5.1% to $522.8 billion.

Let me also give you a brief overview of the logistics and supply chain industry in India today. As all of you would know and appreciate, the sector is undergoing a significant transformation driven by strong infra development, massive technological advances and great shifts in the market dynamics. With a projected growth of over 10% CAGR for the rest of the decade, it's clear that logistics will play a critical and crucial role in India's economic development.

As you know one of the major pillars of the infra development that we have seen over the last decade or so is the expansion of Indian railways, DFCs, the dedicated freight corridors. The dedicated freight corridors are expected to greatly enhance the freight efficiencies and reduce transportation costs. One of the factors in which railways has always been behind road has been the speed.

Now with the dedicated freight corridor, the speed of the movements is dramatically increasing. I will give examples, deep dive into this on a later point. But with the development of the DFCs, there is a huge expectation of freight efficiencies and cost reductions. We anticipate the full commissioning of the DFCs to be done by December of 2025, which will be a game changer for the sector.

On the road transportation front, full truckload FTL remains dominant, but the faster growth of the less than truckload LTL offers promising opportunities and this gets exacerbated by the massive GST reforms and tech-driven solutions. The rise of 3PL and multimodal logistic parks further signals a significant shift towards a more sophisticated and efficient logistics landscape as we move forward.

As sustainability and e-commerce integration becomes priorities, WCIL is well positioned to benefit from these trends by leveraging technology, sustainable practices and the huge amount of practical experience that the company has in creating complex and efficient supply chains.

Just to give a small company overview for people who are maybe joining us for the first time and since this is only our second earnings call. Our company was founded in 1972 and has now built a legacy of over five decades as a trusted provider of seamless multimodal logistic solutions encompassing the entire country. We operate on a scalable asset-light model and specialized in customized end-to-end supply chain solutions for key sectors which includes metals, FMCG, pharma, etcetera.

80% of our revenues come from clients who have been with us for over three years. Several have been with us for decades. This is a testament not only to the trust, but also the confidence that they place on us and with great trust comes great responsibility. It is our company's leading guide to ensure that we deliver on the customer's trust. So, if you look at our logo, at our motto, it's not on-time deliveries or just in-time deliveries.

It's “Delivering Trust” because we are in the business of delivering trust, ensuring that we meet our customer's trust is our guiding light, is our north star. Under the leadership of our founder, Sri Rajendra Sethia, we have remained dedicated to innovation and long-term partnerships, positioning ourselves as a preferred logistics partner in India for complex supply chain. We have built a repertoire of services. We have built a strong team and we are very focused and future-focused on creating solutions for our customers. Now, I would be remiss if I didn't talk about some of the highlights since our last call and the biggest highlight has actually come over this weekend when your company was able to secure a landmark INR1,089 crores order from Vedanta Limited, which we feel is one of the largest orders in Indian multimodal and supply chain solutions. This four-year contract which will go on till 2028, covers the entire gamut of transportation and logistics of their several products such as aluminium ingots, billets, wire rods, pig iron and EXIM shipments from their plant in Jharsuguda to the major ports as well as the major domestic hubs. We will run the entire supply chain for them and this is a legacy for us.

This is a proof of our commitment to our customers that they have again given this order to us. So, this is a marquee achievement for your company. We also received about a month ago an order of INR170 crores from the world's largest and India's only integrated zinc, lead and silver producer, which is Hindustan Zinc Limited. This is also for logistics of their finished goods, which includes zinc and lead ingots for a period of four years.

Another contract that we have which is corollary to the INR1,089 from Vedanta is the materials handling contract from them for both their import and domestic, EXIM operations, again at the Jharsuguda plant. And the order value of that is INR139 crores. So, these are three very large orders. I think it roughly adds up to around INR1,500 crores worth of orders. So, you can see that our order books are very strong, are very healthy.

And unlike many other transportation organisations, which get contracts for a much shorter period, 3 months, 6 months, a year, we have very long-term contracts, which gives us the time to build up and ramp up our efficiencies and improve our performances. So, that is some of the facts on the key achievements that we have done. I also wanted to before diving into the financials, give you guys a bit of the market outlook that we have seen so far.

So, if you remember, in the first half we had talked about that the domestic loading had been also very badly affected due to heavy rains in North India and Gujarat. North India and Gujarat are the major origin of loading in our country as you know. But this post H1, in Quarter 3 we saw that this sector has picked up and we are seeing very good growth here in the domestic business. If you remember, international supply chains we had pointed out in H1 as well has remained very adversely affected. The vessels schedules have been very erratic. There's been massive congestion seen at trans-shipment ports and very little or less availability of space for exports. The Red Sea has been a huge disruptor and so the supply chain for international cargo which is EXIM remains or remained under a lot of stress. This led to congestions, piling of containers at the time of import as well as exports.

And this situation is slightly eased off, but it is not back to normal as yet. So this - this is where we stand with regards to the situation in the domestic and international markets. This is the update with regards to the company overview as well as the logistics overview. I would now like to give some financial performance highlights and then talk about the steps forward.

So in this quarter, we've seen your company had a very stable 9 months of revenue. This has been primarily driven by the very strong surge in domestic demand. So it has helped us have a very stable 9 months. And despite a lot of ups and downs, especially in the EXIM trade, we've been able to stay steady.

We've seen that in the 9 months, our container throughput has been 158,119 compared to almost the same 158,569 in the first 9 months of the year. The Q3 container throughput has been 54,303 as opposed to 55,805 for Q4. This is a very stable number for us. And the financial performance revenues from operations in Q3 FY25 stood at 443 approximate crores compared to 456 a dip of about 2.5%- 3%.

EBITDA was 233.93 compared to 373.49. EBITDA margins stood at 5.28% for Q3 FY25. PAT numbers were 131.96 million for Q3 FY25. The console numbers for the first nine years of FY25 are as revenue from operations 12971.41 million compared to 12841.29 million, a slight growth of about a percentage and a half. EBITDA was 949.91 compared to 1022.27. EBITDA margin was 7.32.

In 9 months FY25, the PAT is at 510.52 million. So, my whole assessment is that the revenues remain stable over the first 9 months of the year, despite major global political challenges, which affected our EXIM volumes. The domestic volumes at the same time have shown a growth of 24% which has successfully offset this about 15% decline in EXIM container volumes for the first 9 months.

We feel that the situation has now improved quite a lot and we are anticipating double-digit growth in Q4 on a year-to-year basis. The numbers for January, the bookings for January were very robust. We have good bookings in February and we are hopeful that in the remaining 50 odd days of this quarter, we will be able to continue with this growth focus and maybe deliver double-digit growth in Q4 of year-on-year.

Our integrated multimodal business model continues to make very steady progress, guided by a clear vision to become the leading logistics partner of choice in complex supply chain. Despite industry challenges, our strong client relationship, our razor-sharp customer focus and making customers our True North has helped us create a very strong foundation of partnerships and has created the right impetus for a strong foundation for future growth.

I would like to extend my heartfelt gratitude to the entire Western Carriers team for their unwavering dedication, strategic approach which has been instrumental in navigating industry shifts and capturing new opportunities. We also deeply value the trust and support of our stakeholders. Looking ahead, we remain focused on achieving greater operational excellence and are confident that the momentum we are building will drive even greater success.

With that, I would like to hand over the call to Priyanka.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from Aniket Kulkarni from BMSPL Capital. Please go ahead.

Aniket Kulkarni: Good morning and thank you for taking my question. I have a couple of them. In your DRHP, I think it was mentioned that Western Conglomerate was suspended from trading on the Calcutta Stock Exchange in 2014. So, if you could explain why did that happen and how can you ensure investors that such promoter irregularities will not happen again in the future?

And secondly, again in the DRHP you had mentioned another risk citing that Indian Government Rail Logistics Provider which I am assuming this CONCOR if that goes private then it can be...

Kanishka Sethia: Aniket, one second. I am actually not able to hear you. Could you please just repeat what you were saying? Your voice is, I am not very clear in what you are saying.

Aniket Kulkarni: Is this better?

Kanishka Sethia: Much better, Aniket. Please go ahead with your question.

Aniket Kulkarni: Yes. So, firstly in your DRHP, it was mentioned that Western Conglomerate was suspended from trading on the CSE in 2014. So, if you could explain why did that happen and how can you ensure investors that such promoter irregularities will not happen again in the future?

Kanishka Sethia: So, Aniket, Calcutta Stock Exchange, Western Conglomerate was suspended. We have actually rectified everything. The entire incident is fully covered in our DRHP. It was a documentation lapse which was cleared and completed. And as on the date of filing of our DRHP, it was all the paperwork was absolutely completed and corrected. All other details on it are already mentioned in our DRHP.

Aniket Kulkarni: Okay. Understood. And secondly another risk on the DRHP, you have mentioned that if the Indian Rail Logistics Provider which I am assuming is CONCOR goes private, it can be a big risk to the business. So, if you can explain the potential impact on financials and business operations, just in case CONCOR happens to go private?

Kanishka Sethia: Sure. So, Aniket, we work exclusively with Container Corporation as our container train operator. We do not work with any private container train operator as on date. And so in case the business shifts to a private hand, we look at it more as a change in scenario for us and not more as a business risk for us. We are customers for Container Corporation. We are providing the traffic to Container Corporation. So, we are customers.

So, even in the small chance of CONCOR changing hands to a private party, we would still remain in a position of being the customer for whoever the owner is. Obviously, the terms and conditions might change, the business relationship might change, as would happen in any change in ownership and management, but otherwise, I think this is our business model of working with CONCOR. We've delivered very good growth as well as very good results for our customers. But I hope I answered your question.

Aniket Kulkarni: Yes, will it have any effect on your margins I mean, so will there be any substantial financial impact on the numbers is what I was looking at?

Kanishka Sethia: So, if you ask me my opinion personally, I don't think so. But we are working on happenstance and conjectures of things which have not happened, does not seem to be happening. So, it's very hard to actually give a very strong answer on this, but my gut feel is I don't think there should be any issues at all because a customer is a customer, be it a Government of India or a private hand, we will remain a customer.

And we are the largest customers of Container Corporation. So, we expect to be treated fairly with whoever the owner is. I hope that answers your question Aniket?

Aniket Kulkarni: Yes, it does. And lastly, if I can squeeze one macro question. So, just wanted to understand how the overall shift from road to rail affects the company's overall business given that we have a strong railway business. So, if you can explain broadly, how will that benefit our company's growth prospects?

Kanishka Sethia: Excellent question, Aniket. And this I briefly touched upon. This I briefly touched upon, Aniket and the fact that if you look at our business in our country and I'm just spit balling approximate numbers, 75% to 80% of business is dependent on rail, 25%, 30%, 35% on road etcetera.

So, now what happens is railways has historically failed or been worse off than road in one aspect very clearly that is transits. Road transits have dramatically improved over the last 10 years, 15 years, railways have not. So, the one major benefit that the road transportation network provided to customers was speed.

Now, if you look at the other benefit, if you talk about the economies of scale, the volumes you would expect that railways should be cheaper than road when it comes to long hauls because it's economies of scale 2,000 tons, 2,500 tons compared to 35 tons. So, if rail could improve its transits that would mean that it would be in a position to start getting more and more business away from road. This is exactly what is happening with the DFCs.

You are seeing the DFCs are giving a throughput almost three times to four times more than the average rail throughputs on a daily basis. So, where a normal Indian railway, and again I am just giving you an approximate number, runs about 120 to 150 kilometres, a DFC can very easily cover three times that distance in a day. So, what are you doing?

You are actually making railways compete more efficiently with road on running the DFCs. As more and more of the DFCs in the business gets consolidated, you have the ancillary industries like the Multimodal Logistics Parks which are completely set up, you will find a key shift in logistics away from road transportation to rail. The rail coefficient right now, if memory serves me right, is around 17% to 18%.

This rail coefficient, the government would like to see at around 40%. My gut feel is in the next 10 years or so, we should achieve around 25% to 30% easily. We have already improved about 200 basis points in the last four years. And these are all data which are readily available. So, you will see that there is going to be a seismic shift, I would like to say from road to rail. As that happens, your company remains in pole position to actually get the benefit out of it.

We remain the largest 4PL asset-light company in the space. So, we are at a good starting point. And I feel that is a great opportunity not only for us, but for rail transportation overall.

Aniket Kulkarni: Understood. Thank you so much for the detailed answer and best of luck for the coming quarters.

Kanishka Sethia: Thank you. Thank you so much, Aniket. I appreciate your time. Thank you.

Aniket Kulkarni: Thank you.

Moderator: Thank you. Next question is from Aniket Redkar, who is an Individual Investor. Please go ahead.

Aniket Redkar: Thank you for the opportunity. So, sir I have some few questions. So, recently, we got the 170 crores order from the Hindustan Zinc. So, how it aligns with the company's long-term object? Can you elaborate on that?

Kanishka Sethia: Aniket, what I am sorry, I am losing you Aniket. Can you repeat what aligns with what?

Aniket Redkar: So, recently we got the INR170 crores order from the Hindustan Zinc, right?

Kanishka Sethia: Yes.

Aniket Redkar: So, how are we going to align with the company's long-term objective?

Kanishka Sethia: Okay, fine. Fair enough. So, Aniket, this INR170 crores order from Hindustan Zinc, which is the largest integrated producer of zinc, silver and lead in our country. This is for the movement of the finished goods and is spread over four years. We will run the entire supply chain for them, for both their domestic movement to their major hubs as well as to their export hubs.

And this aligns completely with our goal because we will be providing to them end-to-end solutions in running their supply chain more efficiently by trying to reduce whatever redundancies that come up into their system, either in terms of detention, demurrage, by ensuring that they meet their quarterly targets and monthly targets of dispatches for both products, domestic as well as export.

So, the idea is to create a solution which not only provides the best service to the customer, but at the same time remains cost-effective and something on which they can depend. They do not have to work with several vendors in trying to run their supply chain. I hope that answers your question.

Aniket Redkar: Yes. And sir how do they influence that company's operational capacity?

Kanishka Sethia: Can you repeat that, Aniket?

Aniket Redkar: I mean; how do they influence the company's operational capacity? Suppose if we are getting, recently we got this order and in future also we are getting some other orders. So, how are we planning to execute such orders in future?

Kanishka Sethia: Okay, fair enough. So, Aniket, what we do is we believe in creating teams of Scrum. Everywhere that we work, we create our own teams. We do not depend on external resources. We definitely do not depend on external manpower. So, we create our own pool of talent and whenever we launch a new product, Aniket, we try to create a team of Scrum which is basically we pull the best of the lots that we have and create a fresh team.

So, we create a system in which we have hierarchy. Every place you will find a system of hierarchy in our organization which is not to do with what your position is, but to do with your operations. So, if I have, for example, if I have a lead shift supervisor at plant A, I will also have a deputy lead at plant B below him.

So, when the deputy is fully trained, he will become a leader in another country, in another company. So, what we do is we train our people to get into positions of responsibility and ownership by training them internally. So, we do not really have to work very hard in creating new systems.

We keep building our resources accordingly and the main resource is to create our trained manpower. It is much easier to get infrastructure in place; it is not very difficult. So, our main goal and main objective is to train our manpower to be in a position that we can very quickly replicate new supply chains for our customers. Now, what happens, Aniket, is each of our supply chain solutions is customized to the customer's need.

So, for example, the solution that we are giving for Hindustan Zinc is not exactly the same as what we are giving to Vedanta. So, our people are cross-trained in making sure that we meet the customer's need to the exact requirement of their products and projects. And that is one of our core competencies, Aniket, that we are able to create very customized solutions for our customers and we try to ensure that the supply chain becomes very efficient by having this very good, trained manpower with us.

Aniket Redkar: So, can we say for every contract, we have the different kind of risk?

Kanishka Sethia: For every contract, we have what?

Aniket Redkar: Like for Vedanta, I think it is the impact of…

Kanishka Sethia: Aniket, I am sorry, I am actually losing you. I am not able to hear what you are saying.

Aniket Redkar: So, I just wanted to understand for every contract, we are having a different kind of risk depending on the contract or the agreement?

Kanishka Sethia: Yes. So, every contract is unique for us, Aniket. I would not call it a different kind of risk. I would call it a different kind of opportunity to basically operationalize and improve on the logistic solution that our customers have. So, each one is a unique opportunity to grow. We go very deep with our customers. We enter into the DNA and try to sort of mix into it and create a solution which is a perfect fit for them. So, you are absolutely right. Each individual large contract that we get is a great opportunity for us to also learn and improve further.

Aniket Redkar: So, sir, given the current economic environment, what is the management outlook for the remainder of this FY25 and can you give us some revenue guidance for FY26 and 27?

Kanishka Sethia: So, I feel, Aniket, it is a fair question given where we are, but despite these geopolitical challenges, our revenues for the first 9 months has remained very stable. And this has been primarily driven by the growth in our domestic business. I feel that the situation now is improving. We anticipate double-digit growth in Q4 this year. So, we are expecting strong double-digit growth in Q4.

We have seen good growth in January. We are seeing good order size in February. And we are hopeful of a stellar March as well, which is a year-end for us. So, we are hopeful of a double-digit growth for the rest of the year. For the remaining two years, I will give guidance maybe at the end of the year in April or May whenever we talk next.

Aniket Redkar: Okay. Got it. And, sir, one last question. What is the current status of our debt level?

Kanishka Sethia: One second. For that, I have my team with me which is Ashish, Surya, and Sapna. I am just giving the phone to Ashish. He will give you the exact numbers.

Management: As on 31st December, the total outstanding debt is INR164 crores.

Aniket Redkar: INR64 crores. Thank you, sir. This is from my side and all the best for the future.

Kanishka Sethia: Thank you, Aniket. I really appreciate your time.

Aniket Redkar: Thank you, sir.

Moderator: Thank you. The next question is from Rajiv Agarwal from Sterling Capital. Please go ahead.

Rajiv Agarwal: Thanks for the opportunity and a very good introduction to your business. My two or three questions are regarding this quarter 3. So, why was there a drop in sales and margins? Can you give some reasons and then my second question is regarding Vedanta's order? So, when will we start executing this order?

And can you give me some sense of how much volumes – how much increase in volume this order can lead to in the coming years because this is quite a big order and also a sense of how much business in terms of volume you were doing earlier and now how much volumes due to the recent receipt order you will be doing?

Kanishka Sethia: Rajivji, thank you for your question. First of all, your question was with regards to the dip that we have seen in the profitability. I would like to address that, that the overall dip in this quarter has primarily been driven by the international supply chain constraints. So, the international supply chain as you know has been very adversely affected straight through this whole year.

For India specifically, the erratic vessel schedules of incoming as well as outgoing and the congestion at trans-shipment port has created a small crisis for us. What happens is when at the trans-shipment port, you have vessels which are not regular, your containers sort of get clubbed together. For imports, what we have seen is that instead of a lot of 300, 400, 500 containers we have 800 or 1000 containers which have come, for example, at the port of Vizag. Now, if you have double or more than double the size of import of containers which come in, see your infrastructure throughput remains the same, Rajiv ji. So, if you have at Vizag two lines and you can place two rakes a day, you are not going to be able to do four rakes because that is your infrastructural constraint.

But where you had earlier 400 containers which you could have cleared in a matter of three days, now you have 800 containers which takes about six to seven days despite the rest efforts. So, when you take longer to clear your imports or take longer to clear your exports, it leads to a situation in which the costs go up either in terms of detention, Demurrage, handling or double handling. So, that is the reason why we have seen a dip in our quarterly profits this time. It is really nothing to do with our own efficiencies, but more to do with the geopolitical situation.

Rajiv Agarwal: So, these detention and demurrage charges are reimbursable by the client, I understood?

Kanishka Sethia: No. So, not all of it, Rajivji. What happens is if you have to meet a vessel schedule, if you have to make the handling, if you kept it at one berth, the ship you have not been able to catch because the ship has come, there is detention and there is congestion. So, it is not a straight pass through to the customers. It depends on your order booking and the terms of your contract. So, not everything can be passed on to the customer.

Rajiv Agarwal: Okay. And my second question is regarding this Vedanta's order, like how much volumes you were doing earlier and how much extra volume are you doing now? So, like you must be doing X volumes two or three years back and now this is your order?

Kanishka Sethia: So, Rajivji, the whole contract is a long-term, a mega long-term contract, sir. It is any contract over three years, I call it a mega long-term. So, it is a four-year contract, sir. And so what it does is it gives us an opportunity to actually in the next one, this and the next quarter basically streamline our operations, put in place the assets and the equipment's to further improve the operations.

This Vedanta plant is the largest integrated manufacturer of aluminium in our country. And it has very lofty goals of capex. They have done a lot of capex. They are doing a lot of capex. So, the volumes are expected to grow. Now, Rajivji, I want to mention here that we are a derived industry. So, by derived industry what I mean is whatever the manufacturing that my principles will do is the additional volume that I will go.

So, to get an exact idea of the amount or the quantum of work that will increase for me, actually we need to refer to my principles. Since I am the sole supply chain partner here, whatever additional capex and product movement will happen will all happen through me. I would like to say that in the next three to four years, Vedanta expects very robust growth year on year in this plant.

Rajiv Agarwal: Okay. And one thing I want to understand further is that in last, I was going through your prospectus. So, in last three years, your throughput volume, total throughput volume has remained more or less constant, but your sales have increased in the last three years?

Kanishka Sethia: Sir, what has increased in the last three years?

Rajiv Agarwal: Sales, while sales have increased in the last three years, if I see the sales figure, but throughput volume has more or less remained the same. So, what is contributing to this increase in sales? I just want to understand?

Kanishka Sethia: So, sales sir this is a good question. So, sales have increased definitely. The reason is that there is a major shift, especially if you look at this year's numbers as well that you will find that the revenues we in till 9 months of this year, we are slightly ahead of last year by maybe a percent or a percent and a half, but the shift you will see is in the business pie.

So, domestic businesses actually surged 24%, but the EXIM volumes because of the geopolitical reasons has shrunk by about 15% and I'm giving you approximate numbers. Now, what happens is the product mix completely change and what happens is because we are in bed with our customers, what happens is that volume gets shifted for us,

So, for example, Vedanta doesn't do as many rakes of export, it is trying to pump up as much of domestic. So, for us while the EXIM number drops, since we are working on both sides of the business, we are actually able to buffer it up with our domestic numbers. And that is why you are seeing the change. So, what that means Rajivji and it's not a prophecy, but what that means is, as this global situation gets more and more settled, that means there is a tremendous opportunity for the EXIM numbers to at least go back to where it was.

I'm not even talking about, you know, I'm not even talking about major growth forecast, but if we can even make up the 15% of the dip in our EXIM numbers, you can see the kind of opportunity that lies.

Rajiv Agarwal: Okay, but one thing is not clear to me that in last three years, if I see the total domestic numbers for this F66, it is around 60,000 TEUs and EXIM is around 150 TEUs and in domestic it has been stable around this number for last three years. So, for this year, it's what you're saying, I understood, but for the last three years why even though the domestic revenues, domestic volumes were the same, but why did this sales increase because this logic what was the logic in last three years?

Kanishka Sethia: It's a fair question, Rajivji. And though I don't have, unfortunately, the numbers of the previous years with me, what my gut feel is sir what happens is, a lot of the movement of the domestic is slightly of the longer haul. When you're doing domestic and you're reducing EXIM and EXIM is a shorter haul, sir. So, one rake of domestic might actually book higher revenue than one rake of EXIM. And that's my gut feels. Unfortunately, I don't have those numbers in front of me. I can't tell you with certainty, but that's what my gut feel is.

Rajiv Agarwal: Okay. And how much progress have we made on the receivable days? So, what can we expect at the end of the year?

Kanishka Sethia: So, on the receivables, sir, we are working very hard. Since you know what happens in our business, we've had two or three very large new orders. Whenever we do new orders, we do Proof of Concepts. Obviously, the initial part, the capital deployment is large till the work order is settled in and the payments start coming in. So, since we've had a lot of new orders that have come in, the receivables are slightly higher. We are working very hard on actually reducing its quarter-on-quarter. And I think the benefit of that will be visible from next year more than this year, sir.

Rajiv Agarwal: So, this Vedanta order, does it carry the same margins as the overall company margins or it is similar?

Kanishka Sethia: I do not know, sir, actually to be honest with you, because we don't salami-slice margins like that. We look at the overall profitability of our business and it depends on various sectors. It's not just looking at individual businesses separately, but looking at businesses holistically. So, I don't know the answer to that, sir.

Rajiv Agarwal: Okay. Thank you, sir, for the opportunity.

Kanishka Sethia: Thank you, Rajivji. Thank you for taking this time out on a Monday morning.

Rajiv Agarwal: Thank you.

Moderator: Thank you. The next question is from Utkarsh Maheshwari from Reliance General Insurance Company Limited. Please go ahead.

Utkarsh Maheshwari: I just want to understand, you mentioned that you will be doing double digit growth this year. I mean, this is for the F25 or for the quarter you are speaking?

Kanishka Sethia: Double stack you are saying, sir.

Utkarsh Maheshwari: No double digit growth it will happen in revenues?

Kanishka Sethia: Yes, for this quarter itself.

Utkarsh Maheshwari: I just want to understand, I mean, after this large gain from Vedanta, what could be a turnaround time for us to start booking revenue? I mean, it's a four-year long contract. What should be a transition time for you to start looking from the perspective of when you will start booking the revenues?

Kanishka Sethia: Sir, already revenue booking has started in this, and it will ramp up further as we go ahead.

Utkarsh Maheshwari: Okay. And I believe it will be for both import and export both the ends for the Vedanta?

Kanishka Sethia: Yes, sir for both, sir. So that's why I am very, very confident that we should be in a position to give double digit growth in Quarter 4 for sure, sir.

Utkarsh Maheshwari: Okay. And I mean, it is fair to assume that you should at least do a like-to-like if I compare with the last year, there should be some nominal growth in the overall revenues?

Kanishka Sethia: Yes, sir. I am very, very confident that we will be able to give revenue growth this year, sir.

Utkarsh Maheswari: And probably some improvement margins could be also anticipated?

Kanishka Sethia: So margin improvement it's too early to say, sir, because all of these new projects and work is in progress, but margin improvement should happen in the long term for sure, sir.

Utkarsh Maheshwari: Yes. Over the next course of, say, once the teething troubles are over, once you…

Kanishka Sethia: Yes, absolutely, sir. Utkarsh ji as we build up on our efficiencies, as our efficiencies get better and the volume movement becomes better. So what has happened in this year is because the EXIM trade is so hammered and there's so many erratic schedules which are happening there, the programs in the customer’s end are also changing dynamically, sir. So once there is a better clarity on the functioning of the logistics, we become more and more profitable, sir.

So as these situations get normalized, you will see that our efficiencies and hopefully that will lead to better margin improvements, sir.

Utkarsh Maheshwari: Any specific industry or sector which you believe should contribute more, I mean, though, I mean, your job is more like it's spread across industries, three, four categories largely. So what are, I mean if you can highlight the areas where you believe there is a pain or where you believe there is a possibility of a gain in that sense, just name wise category-wise industries?

Kanishka Sethia: So, Utkarsh ji this is a very good question. I honestly feel that all categories would gain by the consolidation with rail movement. Industrial chemicals are one, MSME is one, metals also have a huge scope to improve, and so does pharma and FMCG. So I think universally all sectors will improve in this, sir.

Utkarsh Maheshwari: And in current 9 months, which is the one sector which has been the biggest pain area for us? And which is one of the best areas for us as a sector?

Kanishka Sethia: So, pain area, sector-wise, I don't see any pain areas as such, sir. The pain has been the scheduling and the conversion from EXIM to domestic, etcetera. The areas of opportunities remain MSME and industrial chemicals as well as growing business in metals also, sir. So these are three areas in which we see great growth opportunities.

Utkarsh Maheshwari: How about the pharma and FMCG, I mean, they are firing as desired or there is a decline over there also?

Kanishka Sethia: There is not much decline, sir, but they are not firing also. I would say they are stable right now. And we are hopeful that we will be able to make some growth there. We are working on some large proposals which hopefully we should be able to fructify in the next quarter or so, sir.

Utkarsh Maheshwari: Okay, fair point. Thanks a lot.

Kanishka Sethia: Thank you, Utkarsh. Thank you.

Moderator: Thank you. Next question is from Jonas Bhutta from Birla Mutual Fund. Please go ahead.

Jonas Bhutta: Good morning, sir. I hope I am audible.

Kanishka Sethia: Yes, sir. Good morning. You are audible, sir.

Jonas Bhutta: Yes. So, firstly, congratulations on a decent show in a challenging environment. A couple of questions. Firstly, for the 9 months in the roughly INR1300 crores worth of sales that we have booked, what would be the share of new business that was sort of not present in the last year's base, but we have sort of procured through the year and sort of executed it?

Kanishka Sethia: Fair question, Jonas, sir. Unfortunately, I do not have this data with me. I will be happy to share it with you later on. So, let me prepare this. I unfortunately do not have this data with me right now.

Jonas Bhutta: Sure. And the second question was on the Vedanta order. So, it is an existing client for us that gives us significant business. So, this order is an incremental win over that or it is just renewing of the old contract with some growth. So, how should we read into this INR250 crores thereabouts of annual revenue potential from Vedanta? Will it sort of help you double contribution of Vedanta or just sort of provide a nominal inflationary growth on it?

Kanishka Sethia: No, sir. Actually, this being an all-encompassing contract, we expect it to give us a good incremental growth, sir because their projects as well as their throughputs are also increasing. And as their throughputs increase, we will be in a position to actually back the entire the logistics for it. So, we are the sole supply chain partners. So, we are hopeful that this contract will not only strengthen our position, but also actually give us a large incremental volume, not only at Vedanta, but at Hindustan Zinc. And we are very hopeful that this will actually help us get into the other sectors of the business and industry in the group as well, sir.

Jonas Bhutta: That's it from my side. Thank you.

Kanishka Sethia: Thank you, sir. Thank you so much.

Moderator: Thank you. Next question is from Ashish Shah from Business Match. Please go ahead.

Ashish Shah: Hello, good morning, sir. Thank you for allowing me to ask a question. I'm slightly new to the company, so please pardon my ignorance. Sir, my question is two of them and both slightly long term, which is, let's say, two to three years out. So, can you help us understand how should we look at growth for a company like ours?

And what are the levers really available for you to meaningfully grow two, three, four years out? So, is new customer acquisition a lever? Are new segments a lever, new geography is a lever? What are some of the levers available for us or are you going to go deeper into the pockets of customers? What are some of the levers available with us to meaningfully grow two to three years out?

Kanishka Sethia: It's a wonderful question, Ashish ji. And I actually spend a lot of time as a key person in the company in trying to answer exactly what you're saying, sir. So, your question is, you know, very well taken. And we work on both sides of it, sir. Not only do we look at mining of our current customers deeper, we also look at trying to do more business with the customers.

For example, I'll give you an example of one of our customers which is Tata Steel, where we started working in one of their plants which is Jamshedpur. And over the last few years, we've also started working in their other plants, which is Kalinga Nagar, as well as Angul. So, you know, that is basically getting a deeper business share with the same customer. At the same time, we are focused on creating new customer acquisition.

Ours being a complex supply chain business, we have to work that much harder in explaining our business models and creating a new solution to our customers. We, unlike road transportation are not working on the model of replacing one vendor with the other, but with one solution which is more efficient than the other. So, that takes slightly longer.

But the good side of that, flip side of the slightly longer is that mostly our contracts are sticky and it helps us to remain with the customer. And the customer remains loyal to us, if we are able to provide that customized solution to them. So, it is an opportunity on both sides, not only to expand with our current customers.

And here, Ashish, I would like to tell you something which I am very proud about that if you look at our list of clientele, the marquee clientele that we have in metals, in pharma, in FMCG, in industrial, is, I feel one of the best in the industry. Our customers give us that opportunity to actually grow with them in their newer businesses or in their expansion. At the same time, we target large corporate customers where we feel that we will be a good mix.

We never target customers where we can only give them a very small incremental benefit. So, we try to create solutions and that is where we are able to excel, sir. We are into problem solving more than trying to just get incremental revenues.

Ashish Shah: Sir, is there a way for you all to share anything with us, like in terms of either new customer acquisition or how much deeper you've gone in the pockets or new geographies you've entered or new verticals over the last 3 years, 5 years, it's either now or on a future conference call or adding up in your PPT, would just help us to at least understand how much more levers do you have to grow this business?

Kanishka Sethia: Sure, sir. So, Ashish ji, I would like to tell you that there is a huge amount of scope of growth. We do very little business on the Northern Dedicated Freight Corridor which is running from say Delhi to Bombay. So, there is a huge opportunity to actually consolidate that business. There is tremendous opportunity on the western side of our country. Though we work Pan-India, sir a large portion of our contracting is happening from the East, because that's where the metal manufacturing is. That means the rest of the country also, where we are present, we have an opportunity to grow our footprints, sir – South, West, North -East and those are the areas in which the businesses are growing also, sir. So, if you see the North-East, we are a dominant player. East, we are a very dominant player. South, North and West remain areas in which we can actually consolidate and improve our footprint. We've been working on that, sir.

So, we've increased our footprint in the West and we are very focused on the West as well as North and South over the years. I would say in the last 3 years, 5 years, we've actually grown our revenue Pan-India, everywhere, sir.

Ashish Shah: Okay. That's very helpful. Sir the second question I had is you have mentioned more than one place that you're an asset-light business. So, at the same time, for a previous participant who was asking when you bid for a contract, what kind of margins you have, you said you take a very holistic approach.

So, when you bid for a contract, how do you want us to look at it in terms of either a payback period, considering if you're an asset-light model, so how should we look at that, that you have a return on capital matrix or how do you bid for a contract?

Kanishka Sethia: So, sir, the way we bid for a contract. A first is that the customer's requirement is my True North, sir. Once as a company we take a project, Ashish ji, I do not look at anything aside from the fact that I have to meet the commitment to my customer. I am very true to our motto, which is "Delivering Trust". He's trusted me to make his exports end of the year, end of the month. I will move mountains to try to do it. Everything else accrues and follows from it.

So, what happens in the asset-light model; so, we remain extremely asset-light compared to the kind of business that we're doing. We do capex exactly in areas in which we need to run our supply chain. So, for example, if I need a small Tata Ace to carry goods from, say, Bombay to Thane, I will not invest in that Tata Ace if I can get it from the market.

But if it's a specialized Container Reach Stacker or is a special design container which cannot be gotten into the market, I will do the capex for my customer's needs, sir. So, my capex is only where I need them to run my supply chain. My capex is for no other reason at all, sir.

Ashish Shah: Sure, sir. That's helpful. So, large part of your capital when you bid for a contract is working capital. So, you would be trying to look at return on capital for the money yet invested in working capital. So, is there a number you have that, like, typically, is it three years, four years, like, how do you want us to look at it? I think if you're unable to give a number on the margin front, then how should we look at it this way?

Kanishka Sethia: So, it's a very fair question, Ashish. I will tell you as a company, we have a principle that we don't do business for the sake of doing business. That is the mind-set of a cancer cell that I want to grow for the sake of growth. I want to grow organically and at the same time, I want to grow profitably. So, I do not try to undermine or undercut competition and just try to do the business and get that top line. Unless the business is profitable, A, for my principle as well as for me we avoid those businesses. So, we have our internal benchmarks and matrices and when we try to (A) pitch for business and (B) take new business. So, then I can proudly tell you that there is a lot of businesses that we forsake, we do not even participate in which are plain vanilla in nature, homogenous in nature where we feel we cannot add any value to it.

So, for example, Ashish ji, if the father is driving a truck and the son is cutting his payment, I will not be able to meet in those cost centres that that small business has because I have a cost overhead, I have to run an establishment. So, I will not bid for businesses like that, sir.

Ashish Shah: Okay, sir, thank you very much for your time. All the best.

Kanishka Sethia: Thank you, Ashish ji, and you are saying that you are new in this business, but your questions are razor-sharp, sir. And thank you for that.

Ashish Shah: Thank you very much, sir.

Kanishka Sethia: Thank you, sir.

Moderator: Thank you very much. That was the last question. I would now like to hand the conference back to Mr. Sethia for closing comments.

Kanishka Sethia: Sure, thank you everyone for taking time out on a Monday morning. My job becomes that much harder on a Monday morning and a Friday evening than any other time. So, thank you, everyone for your patience and hearing me out. I'd like to take a moment to thank, first of all, all our clients, our vendor partners, our employees, stakeholders for their unwavering support and trust.

It is because of this teamwork that we've been able to create what we've created. And I am very confident that together we are shaping a future of innovation and efficiency for the Indian logistics sector. I think it is an opportune time to be in this industry. I feel that this is an industry which is going to give tremendous returns to our country.

And I think we are in a very good position to actually partake of this. We are very optimistic about the opportunities that lie ahead of us. And I look forward to building value with you all as we go ahead. Thank you so much for your time and have a nice day.

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