Management Discussion

Aagam Shah - Investor Relations, XP4 Advisory
Thank you. Uh, good afternoon everyone and welcome to the Q2 and H1 FY27 Earnings Conference Call of Blue Water Logistics Limited. Today on this call we have with us Mr. Lalit Panda, he is the Managing Director of the company and Mr. Praveen Kunder, he is the Chief Financial Officer of Blue Water Logistics Limited. This conference call future performance and involves risks and uncertainties. With this, I now hand over the call to Mr. Lalit for his opening remarks. Over to you, sir.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, good afternoon everyone. Uh, thank you for joining us for Blue Water Logistics Limited Q2 and H1 FY27 earnings conference call. Q2 FY27 has been our highest revenue-generating quarter since listing, marking an important milestone in our growth journey. We are encouraged by this performance and remain focused on sustaining this growth momentum in the coming future. During the quarter, we recorded revenue from operations of INR 272.1 crores, taking our H1 FY27 revenue to INR 483 crores, which already represents nearly 125.2% of the INR 386 crores of revenue we achieved during the entire FY26.

Alongside this strong financial performance, we also achieved several important strategic milestones during the quarter. These include the launch of our dry container NBCC division and establishment of our first overseas entities in Thailand, Tanzania, and Vietnam. These developments mark an important step in strengthening our international presence and broadening our growth opportunities. This strong financial performance is also supported by healthy growth in volumes across our key business segments.

Ocean freight volume rose to 6,820 TEUs in Q2 FY27, nearly 2.5 times the 2,750 TEUs handled in Q2 FY26, a 148% year-on-year increase and 18% higher than Q1 FY27. NV OCC volumes grew to NVCC volume grew to 1,595 TEUs, up 113% year on year and 21% sequentially. Our air freight business handled 1,201 tons, almost 5 times the 250 tons handled a year ago, an increase of about 380% year on year and 29% over Q1 FY27. This growth came from more business with our existing customers and from several new customers added during Q2 FY27, including Atul Limited, RDB Liners, Indus Petrochem Limited, Anupam Rasayan India Limited, Vacmet India Limited, Pranam Kraft Paper Private Limited, Hindustan National Glass and Industries Limited, Gaurav Steel Limited, Anvil Little India Private Limited, DR Agro Impex, and Suntara Cosmetics Private Limited.

Together with the gradual ramp-up of branches set up over the past few quarters, this has further strengthened our business volumes and revenue visibility. Quarter 2, FY27, has also been a quarter of strong strategic execution, and I would like to highlight the key developments. First, we commenced our NBCC dry container division with an initial fleet of up to 2,000 dry container boxes. In our last call, we had spoken about our plans to diversify into dry container logistics, and I am pleased to share that this is now operational together with our ISO tank container fleet.

This takes our NBCC offering beyond specialized liquid cargo into general containerized cargo, significantly expanding our addressable market and allowing us to survey larger shares of our customers' freight requirements. We have deployed 3,000+ dry containers, uh, 3,000+ TEUs dry containers, which is equivalent to 2,000 dry container boxes, and we expect the division to ramp up over, uh, H2 for year '27. Second, we have made decisive progress on our international expansion. We have established an associate company, Blue Water Logistics Company Limited, in Thailand.

During the quarter, we also incorporated BWL East Africa Limited in Tanzania, giving us a foothold in

East Africa trade corridors and Blue Water Logistics Vietnam Company Limited as a wholly owned subsidiary. In addition, we have established a branch office in Indonesia, further strengthening our presence in Southeast Asia. Together with our existing Dubai branch, these international operations will allow us to originate and control cargo at both ends of key trade- key trade lanes, rather than depending entirely on overseas agents.

We believe this expanding international network will strengthen customer relationships, improve operational control, and support higher volumes and realizations over time. To support this expanding international footprint and the growing scale of our operations, we continue to strengthen our asset base. As of H1 FY27, our fleet comprises 1,708+ ISO tank containers, 150+ container trailers, and our newly launched dry container fleet of 3,000 TEUs. This growing asset base will enable us to exercise greater operational control, enhance service reliability and efficiency, cater to the evolving requirements of our customers across domestic and international markets.

A key strength of our business lies in the long-standing relationship we have built with our customers. We serve leading domestic corporates and multinationals across chemicals, pharmaceuticals, textiles, confectionery, engineering, and industrial manufacturing, most of whom have recurring logistics needs and have worked with us for many years. Our consistent focus on service quality, compliance, and timely execution has translated into high-repeat business. And this diversified, long-standing customer base gives us good revenue visibility while supporting healthy realizations and operating efficiencies.

We pair this growth and a prudent approach to risk, a disciplined customer onboarding process, rigorous credit evaluation and consistent follow-through on collections have allowed us to keep receivables quietly healthy with negligible bad debts even as the business has scaled, scaled rapidly. In terms of segment performance, Ocean Freight continued to be our largest revenue contributor, accounting for 67.9% of H1 FY27 revenue, supported by established relationship with leading global shipping lines and sustained cargo volumes.

Air freight contributed 20.3%, reflecting the growing scale of our air cargo operations and increasing demand for time-sensitive logistics solutions. Our NBOCC business accounted for 8.2% of revenue, highlighting the gradual expansion of our container-led operations. Surface and railway freight contributed 3%, while customs house clearance contributed for 0.6%. Together, these segments strengthen our integrated logistics offering and enable us to cater to a wider range of customer requirements. As we continue to pursue our growth priorities, we remain mindful of the evolving global logistics environment.

During Q2 FY27, Geopolitical tensions in West, West Asia, continued disruption across the Strait of Hormuz and the Red Sea corridor, and elevated fuel costs impacted shipping routes, transit times, and operational operating expenses across ocean and air freight. While container freight surges moderated during the middle of the quarter, they stabilized at elevated levels towards the end of September. Remaining significantly higher than corresponding period last year. Despite these challenges, global air cargo demand remains resilient, uh, with volume growing 7.7% year-on-year in September 2026, as per IATA.

These developments have reinforced the importance of flexible capacity, alternative routings, and reliable logistics partners. Creating opportunities for organized players like us. In India, the logistics sector continued to benefit from healthy trade activity and infrastructure development. Merchandise exports grew 18.5% year-on-year to US$259.89 billion in H1 FY27, while cargo handled at major ports increases increased 8% year-on-year to 472.75 million tons during the same period. JNPA

also recorded its highest-ever monthly container throughput in September 2026, reflecting the strength of domestic cargo movement.

Continued investments in port infrastructure and development of national waterways are expected to further strengthen India's logistics ecosystem. With our expanding international network, growing asset base, and diversified service offerings, we believe we are well positioned to capitalize, capitalize on these industry opportunities and remain focused on delivering sustainable and profitable growth in FY27 and beyond. Looking ahead, our priorities for the remainder of FY27 are clear. Scaling the dry container division, operationalizing our entities in Thailand, Tanzania, and Vietnam while progress- progressing on Indonesia, Malaysia, and China, adding airline partnership to strengthen air freight, progressing our diversification into project cargo, and expanding our asset base in disciplined manner to improve fleet utilization.

With a strong first half, multiple new growth levels now in place, and promoter capital committed, we remain confident of delivering sustainable and profitable growth in FY27 and beyond. I would like to hand over the call to our CFO, Mr. Praveen Kunder, who will take you through the financial performance for the quarter and half ending 30th September 2022. 26. Over to you, Praveen.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Thank you, sir. Uh, good afternoon. During Q2 FY27, the company delivered a strong operational and financial performance, with the revenue from operations increasing by 211.2% year-on-year to Rs 272.1 crores as compared to Rs 87.42 crores in Q2 FY26. EBITDA for the quarter stood at Rs 70.4 crores, registering a robust 292.0% year-on-year growth over the corresponding quarter last year. EBITDA margin improved to 13% compared to 10.3% in Q2 FY26, reflecting an improvement of 270 basis points. Profit after tax increased by 13.8% year-on-year to Rs 16 crores compared to Rs 5.1 crores in the same period last year.

PAT margin stood at 5.9% during the quarter as against 5.8% in Q2 FY26. For H1 FY27, the company continued its strong growth trajectory with revenue from operations increased by 249.5% year-on-year to Rs 483.3 crores compared to Rs 138.3 crores in H1 FY26. EBITDA for the first half to date 15% post registering a significant 278.4% year-on-year growth over the corresponding period last year. EBITDA margin improved to 12.2% compared to 11.3% in H1 FY26 representing an expansion of 92 basis points. Profit after tax increased by

Aagam Shah - Investor Relations, XP4 Advisory
2,247.4%

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Year-on-year to Rs 30 crores compared to Rs 8.6 crore in H1 FY26. PAT margin estimated- PAT margin remains stable at 6.2% during the first half of FY27. This strong performance during the period reflects the strength of our business model and the progress we have made in expanding our operations. Our continued focus on increasing business volume across key logistics segments, strengthening our presence in new markets, enhancing our service capabilities, and improving operational efficiencies has supported our growth momentum.

Going forward, we remain focused on scaling our business, strengthening our market position, and creating sustainable long-term value for all our stakeholders. With that, I would now like to open the floor for question and answer. Thank you.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and 1 on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, to ask a question, please press star and 1 now. Ladies and gentlemen, you may press star and one to ask a question.

First question is from the line of Preet Shah from Blue Star Capital, please go ahead.

Kush - Analyst, Nikunj Stock Brokers
[Foreign Speech] audible, sir?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Voice is clear.

Kush - Analyst, Nikunj Stock Brokers
Yeah, good afternoon, sir. First of all, congratulations for good set of numbers.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Thank you. Good afternoon.

Kush - Analyst, Nikunj Stock Brokers
So my question was, uh, so what was the reason for the margin improvement, and are these margins sustainable for, uh, coming quarters and year?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, yes, actually we have increased our sales volume. Uh, last 3 months has been very good, uh, in terms of the sales. That is why the margins has increased, because the expenses are fixed, like the staff numbers are fixed, the office, everything is fixed. So whenever the, um, the sales is increasing, then definitely the profit will increase.

Abhi Jain - Analyst, AJ Capital
And

Lalit Panda - Managing Director, Blue Water Logistics Limited
We, we will continue this growth. Uh, our whole aim is to continue this growth, and in fact, we are trying to do better than this.

Kush - Analyst, Nikunj Stock Brokers
Oh, okay. So we can expect, uh, [Foreign Speech] sir.

Lalit Panda - Managing Director, Blue Water Logistics Limited
It will improve only, it, this margins we are going to improve only.

Kush - Analyst, Nikunj Stock Brokers
Okay, [Foreign Speech] my next question was as you can see as we have done a very good growing QoQ so as per my understanding we will surpass the guidance Or would you like to revise your guidance a little bit?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, look, actually, when, when this financial year started, uh, we had a call and we, we promised that we'll try to, um, do the same what we did the last financial year. So we, we promised a, um, year of around Rs 650 to Rs 700 crore. So we are almost, uh, almost on that to achieve the feat, and, um, definitely we'd like to continue so that in the next coming years.

Kush - Analyst, Nikunj Stock Brokers
God, it's, God, it's, God, it's. thank you sir.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Okay.

Operator
Thank you. next question is from the line of Darshak Zaveri from Crown Capital. please go

Kush - Analyst, Nikunj Stock Brokers
Ahead. hello. Firstly congratulations [Foreign Speech] generally great set of results [Foreign Speech] debt [Foreign Speech] Uh, so just wanted to know, I think the way the earlier participant was also asking, right? So we've already done, you know, I think Rs 480 crores in like, uh, H1. So H2, can we expect like, uh, in H2, I, I don't know, is seasonally better. So can it be higher than H1 revenue? Like we can do Rs 500-600 crores revenue in H2 search?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look, in our industry always H2 is better than H1. So we are expecting that we, we can do better numbers than H1. So that we can exactly tell you when the next quarter results come.

Kush - Analyst, Nikunj Stock Brokers
Okay, fair enough. So that, that's helpful, sir. And so just wanted to know, like, you know, we've started getting, you know, more operational, you know, uh, you know, leverage and everything. So

Abhi Jain - Analyst, AJ Capital
With that, you know, what will be our, you know, debt strategy? Will we try to reduce the debt a bit? Like, how do we

Kush - Analyst, Nikunj Stock Brokers
Go ahead? Because we have a decent chunk of debt right now because for the CAPEX. So any debt policies, or what would you like to do in that?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look, our, our business is a credit business, okay? We need funds to do more and more business. So according to the business, what we are, we are planning, we are planning to take, take limits from banks. So, uh, and as we have already informed in the call that we have, we are expanding the branches. We have already expanded the branches and we have started a new dry container division. So all- for, for all the operations we needed funds. That is why we have taken the limits from the banks. So, uh, as we are in a growth phase, so this is bound to happen.

But going forward, in coming, uh, maybe next year onwards or after that, we can try to reduce the debts.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, so first the near term debt will be there because we are expanding into multiple new jobs. yes yes yes whenever somebody's

Lalit Panda - Managing Director, Blue Water Logistics Limited
Expanding it is bound to happen but it's a healthy expansion which is already showing in the numbers and this numbers we expect to rise in

Kush - Analyst, Nikunj Stock Brokers
The come With that rate, like, I don't know if, uh, I think next year can we do like around Rs 2,000 crore revenue? Because that's the trajectory that at the current growth rate we are looking at, sir. So is that a fair way to look at that, sir?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look, that is a very ambitious numbers what you are telling. We, we have that in mind, but, uh, we may expect in next 2 years that we'll be reaching that figure. But of course, we'll try to do what best possible, and we will definitely try to increase on the performance what we are giving this financial year compared to next financial year.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay. Also, this last question from my answer. So I think Q4 is usually the best quarter, right? So there also we can, like, if you can just, you know, highlight, like, uh, with You know, I think, I think a bit rising rates also, you can touch Rs 350-400 crore revenue. That's what I'm getting based on your current, you know, trajectory. So is that a fair assumption? Like, I don't want you to commit anything, but if we have to look at it sequentially, we can see it going in this favor, right?

We can expect sequential growth also, right?

Lalit Panda - Managing Director, Blue Water Logistics Limited
QOQ. Yeah, maybe it might be possible. We can't say it is too early for that, but as you told Q4 is always bigger in our industry, that is true. So we may try to make a better Q4, but again it depends on the market situation and conditions and the orders that the exporters and importers are having. So maybe it is possible, man, means depending on the situation.

Kush - Analyst, Nikunj Stock Brokers
No, no, sorry, sir. And just, sir, any risk like to our high growth? Like, you know, we've been growing in such a good manner, sir. So What would be if there was a risk, you know, that can be a speed bump to our growth? What would you think of that as well?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look what happened now. We have, uh, like, with the promoters are having more than 20-25 years experience in this industry. And what the growth you are seeing now is because of the experience what we have in the markets, what we have been learning from all these years. So, uh, the growth is according to it, uh, and it's not that we are running into some risk. It is a planned, executed growth only. Because of this growth only we came to the IPO so that we can get a good mileage for the growth. So there is, uh, for us, uh, we don't see any risk factor.

It's only we can grow further. We have more potential to grow and definitely we'll grow further and further in this.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, that's fair enough. So, and so just as you said, you know, this business is a bit working capital intensive, so Now the rate that we are growing, will we need to do a capital raise also for this? Or, you know, thinking that, you know, or else banks will only suffice, sir? Because look, currently growing exponentially, we need funds, right?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Yes, yes. Actually, currently what we are getting from the banks are sufficient as of today, or maybe as of next year also it may be sufficient. But yes, if we plan to grow more, like we want to start offices in USA, in Europe, and, uh, maybe we can- like, we have 2,000, 3,000 TUS dry boxes, 1,708 ISO boxes. If we want to make it 3 times, 4 times than the current volume, then we might require the fundings.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay. So not in near future, but if we have some major CapEx plan, then we can. So

Lalit Panda - Managing Director, Blue Water Logistics Limited
Yeah, if, if, if we need, we need to expand ourselves exponentially, we may require that.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, fair enough. Yeah, that's it from my side. All the best. Thank you.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Thank you. Thank you.

Operator
Thank you. Participants, to ask a question, please press star and 1. Next question is from the line of Kush Bantia from Nikun Stock Brokers. Please go ahead.

Kush - Analyst, Nikunj Stock Brokers
Hi, very good afternoon, sir. So yeah, good afternoon. maybe in the last and the last call you mentioned that the target target and our debt is going to stay below 200 crore for 2027 so it has crossed 300 crore side of now and we are only halfway of this financial year so in second half are we planning to reduce debt and it's

Lalit Panda - Managing Director, Blue Water Logistics Limited
Go Uh, look, um, this depth has increased because we have taken the containers. The, the tanks we have, uh, but I, I have, I have already, uh, earlier explained the lease purchase models to you. If you remember,

Kush - Analyst, Nikunj Stock Brokers
Uh, the lease

Lalit Panda - Managing Director, Blue Water Logistics Limited
Purchase models, we have around 458 ISO tank in lease purchase model and 2,000 containers or 3,000 TEUs in the dry boxes model. So what happens, the debt you are seeing, that 300+ crores, it includes the ISO tank component, which is, uh, Praveen, how much it is for ISO tanks?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Uh, it is, uh, around 100 crores for ISO tanks and 50 crores for container trailers. Uh, that becomes 150, and the rest of the things for business loans.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Yes. So the figures for the ISO tank container which is in lease purchase mode and the vehicle loans, it is, uh, getting degraded day by day. Means it is getting, uh, means we are paying monthly EMIs day by day from the operational cost that already we are, we are getting from the running business. So it's, it's, uh, technically it's not a debt increase for us for the ISO tanks and the vehicles. The remaining around Rs 200 crores, it is still intact and it is used in the working capital.

Kush - Analyst, Nikunj Stock Brokers
Okay, so, uh, so our long-term borrowings So this lease liabilities is shown where in the balance sheet? Can you point it out in the long-term, short-term, or other liabilities?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Oh, it's in long-term, sir.

Kush - Analyst, Nikunj Stock Brokers
Excellent. So the whole Rs 100 crores of long-term borrowings is for the lease liabilities, correct?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yes, yes, yes, yes.

Kush - Analyst, Nikunj Stock Brokers
And the short-term borrowings is around Rs 200 crores, so it's totally for the working capital.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yeah, working capital and the current maturities of the long-term levends which includes both.

Kush - Analyst, Nikunj Stock Brokers
Okay so hundred crore of lease liabilities is for the for the NBFC and fifty crore for the for the tanks embedding take container

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Trailers

Kush - Analyst, Nikunj Stock Brokers
Container trailers container trailers so out of 303

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Right,

Kush - Analyst, Nikunj Stock Brokers
Sir. Okay, so, so these short-term borrowings can still go up by 50-60 crores in the second half, or it will stay on the same level?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
As of now, there is no plan to expand it till, till this end of the financial year.

Kush - Analyst, Nikunj Stock Brokers
Okay, uh, and these liabilities can still go up, or are we done with acquiring?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yeah, with the dry containers, it will go up.

Kush - Analyst, Nikunj Stock Brokers
[Foreign Speech] still go okay and and what is a current utilization rate of our lease assets it can be expensivity and a

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Utilization 75 percent

Kush - Analyst, Nikunj Stock Brokers
So okay and for other products other other containers

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Both in both in in tanks as well as in drive including

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, sir. And utilization,

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, sorry, sorry, I just want to complete this. Utilization means the assets that are already in use and the non-utilized, that which is ready to use. So, uh, a utilization ratio which is more than 65% is very healthy because we need the balance assets to be utilized so that we can continue running the business. So 75% is actually very high in our business, so we aim to keep it like that only. And 25 to 30% assets are required to carry out the running business. Without that, the business will stop.

Kush - Analyst, Nikunj Stock Brokers
Yes, that's- I, I get it, sir, because, you know, if you get order tomorrow for, for next month and you don't have containers, then you get stuck. So you have to keep that 25% for margin of safety. Yes, yes,

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yes, correct, correct.

Kush - Analyst, Nikunj Stock Brokers
Yeah, yeah. Okay, I had one more question, but I think I just forgot it. Okay, I will join with you. Thank you. Okay, thank you.

Operator
Thank you. Next question is from the line of Abhijay from AJ Capital. Please go ahead.

Abhi Jain - Analyst, AJ Capital
Hi, good afternoon.

Kush - Analyst, Nikunj Stock Brokers
Hi, good afternoon.

Abhi Jain - Analyst, AJ Capital
Uh, so my first question is that, uh, the amount of capital that you have committed in the form of warrants, that gives us a lot of confidence, uh, in terms of, you know, your belief in the business. Uh, obviously, you know, the logistic industry and the freight industry has, uh, sort of benefited from the wars that have been going on and from the geopolitical tensions. But this is starting to normalize now. So I wanted to understand that you have committed a lot of capital this year in the fleet through your own warrants issuance and even the borrowing and the lease liabilities have gone up.

Just want to understand if the growth slows and if the freight rates soften to what they were in January, February of this year, how do you see that affecting your business? Can we see a certain slowdown in growth? Is there something that you know you are also building in, or what are? Just want to understand the downsides of freight rates normalizing, given that so much capital has gone into the business in the last six months.

Kush - Analyst, Nikunj Stock Brokers
Yeah, what happened now?

Lalit Panda - Managing Director, Blue Water Logistics Limited
As everybody knows, since February to 28th, 28th February, the Gulf War is running on.

Kush - Analyst, Nikunj Stock Brokers
And before that,

Lalit Panda - Managing Director, Blue Water Logistics Limited
The Russia war is still active and some other frictions are going on.

Kush - Analyst, Nikunj Stock Brokers
So because of

Lalit Panda - Managing Director, Blue Water Logistics Limited
All the issues, what happened now, Gulf is almost paralyzed. Means there is only essential goods that is going into Gulf. Other than essentials, non-essentials are not moving from almost last 8 months. Okay. Once the war is finished and the routes are normalized, we are expecting huge surge of business to Gulf region and nearabout countries which have been stalled from last 8 months. So next one year, once the war is finished, Gulf region is going to be very, very busy in terms of volume, which will be very, very difficult to handle for all the shipping lines or freight forwarding companies because of the surge in business.

So we don't expect any problems, any issues in business relations in those areas for at least next one year. Then, then second is like you asked for other things. I will, as we have already mentioned, that we have increased our presence globally. We are into Vietnam, into Thailand, Indonesia, Dubai already there, and Tanzania. These offices we have strategically planned according to the business what we are running now. Many customers we are doing end-to-end logistics, and by opening this of these branches we started handling ourselves the destination services and the delivery there.

And also we are getting new customers, new nominated cargo coming to us. So this is again going to increase our volume. And most importantly, we have started the dry boxes services. We have taken 3,000 TEUs of containers for the dry boxes, which is just getting started now. It's- it started one month before But it takes some time to take up. So we are again planning to add another 3,000 TEUs in the coming month. So it will be close to 6,000 TEUs going ahead, which we have not

accounted also in this growth what we are seeing in this last 3 months growth.

It is- these factors are not even accounted. In future, it is going to add on to the growth what we are having right now. So there is as of BWL, there is no question of slowing down for next year coming years.

Abhi Jain - Analyst, AJ Capital
Sir, what I am able to gather from this comment is that you know with the things normalizing and with more you know with Gulf being accessible, the growth that you have been doing, it seems Is that what I can take away from this comment?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Exactly. The growth is going to sustain and it will be growing again in future.

Abhi Jain - Analyst, AJ Capital
That's tremendous, sir. Uh, so second question is, uh, technical, and I think even in the last call last year with the CFO, I had this, uh, I had this question, uh, in terms of the lease liabilities and the assets. And again, I'm seeing, you know, I'm not able to make out on the balance sheet this time. So you have all- you have just explained that Rs 150 crores of lease liabilities and trailer debt has come in, Rs 50 crores of short-term debt and Rs 100 crores of lease liabilities for the, for the NBCC.

Now I can see that your fixed assets have gone up by Rs 70-80 crores in H1, but the balance Rs 70 crores of assets, the leased assets that should show on the balance sheet, I'm not able to figure out where they are. so you can the CFO help me understand best or or or 70 crore set or I

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Would explain sir or or C lease continuous lease terms it has been accounted in the balance sheet in ROU asset in the asset that is 70 crore going to write and we have booked depreciation against it

Abhi Jain - Analyst, AJ Capital
Quarter. So these are advances given but you have not received the deliveries, is that- Yeah, yeah, we have not.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yeah, it is- we have delayed. We have received the container in the month of October. We have started the business in October now. Yeah.

Abhi Jain - Analyst, AJ Capital
Okay, okay, fine. So second question, again on the financial side only. Can you help me understand the short-term loans and advances that have gone up? Uh, where have these- for what have these gone up? Uh, are these to suppliers? Can Which provides some, uh, you know, detailed understanding of it.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yeah, yeah, it's advance to suppliers only, uh, for the freight charges. And, uh, on the freight charges, we have to make some advances to shipping lines to book the containers. About 70

Abhi Jain - Analyst, AJ Capital
Crores that has gone up this year, is it?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yeah, exactly. Shop and wholesale is adjusted 33 crores, right, in the books? Gone up by 23 crores, 21 crores.

Abhi Jain - Analyst, AJ Capital
So Radha current assets are also gone up so total is about 70

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Crore. or there is yes there is TDS also in that if you will see in Radha current assets and around 30-38 crore is advanced supplies.

Abhi Jain - Analyst, AJ Capital
Fine,

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Fine.

Abhi Jain - Analyst, AJ Capital
Second question I third question was on the volume so H1 last year? Because I think air cargo has shown a phenomenal growth in this H1. And is air freight booked at full freight value, or do you only book the commission that you receive as the revenue?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Uh, full freight value, full freight value, air freight value. Uh, air freight in Q1, it was 938 tons, and it is increased to 1,200 tons. In terms of, uh,

Abhi Jain - Analyst, AJ Capital
Uh, 938 tons was in Q1.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Q1, right?

Abhi Jain - Analyst, AJ Capital
And Q2A, you're saying, is 1,200?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
1,200.

Abhi Jain - Analyst, AJ Capital
And last year, this was- this must be abysmally lower, right? Q1, yeah, it would be negligible for last

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Year, right?

Abhi Jain - Analyst, AJ Capital
That explains a lot of things. I know that, uh, you know, the debt and the lease liabilities are looking, uh, quite, uh, quite aggravated. But I understand the business. The only worry is that if any advantage that the company has enjoyed because of freight rate increases and things normalizing, if the freight rates were to go back to January-February level, can it hurt the company because the growth has been phenomenal. But as Chairman sir explained, MD sir explained that that will not be

the case.

So yeah, congratulations and all the best for the future. Thank you.

Kush - Analyst, Nikunj Stock Brokers
Thank you. Thank you, sir. Thank you.

Operator
Thank you. Participants who wishes to ask a question, please press star and 1. Anyone who wishes to ask a question may press star and 1 now. Next question is from the line of Kush Bantia from Nikun Stock Brokers. Please go ahead.

Kush - Analyst, Nikunj Stock Brokers
So my, uh, next question is, what is the credit period right now? So

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
[Foreign Speech] 90 days

Kush - Analyst, Nikunj Stock Brokers
Sir, 90 days and can you share a number like what is if there is any outstandings which has been which has been outstandings from the more than last more than six months.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
It's only one and one point five percent of the total receivables. It's

Kush - Analyst, Nikunj Stock Brokers
Around And, uh, are we planning to bring this number down or we have to give 90% credit figure to our customers?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Uh, usually it is 90 to 120 days. We are just- it will not come down. It is the average credit period in our industry.

Kush - Analyst, Nikunj Stock Brokers
Okay. And one more thing I wanted to understand on the business side. So as we are acquiring new CC containers on a big scale. So, uh, do we expect Indian exports to be increased more on the chemical side, for which MV OCC is used mostly?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, look, uh, containers we take or anybody takes, it is not only considering Indian market, it, it is taken considering the international market. So exports are increasing globally. In fact, India also, uh, their exports are increasing, including chemicals

Kush - Analyst, Nikunj Stock Brokers
Oils. Okay, so chemicals export is, uh, firstly the, the first country is China, and China might be having- not might be, but obviously they would be having their own fleet of containers, and maybe we might not even able to match their prices as well.

Lalit Panda - Managing Director, Blue Water Logistics Limited
No, look, China doesn't have containers. Containers are with the shipping lines and NBCC people. They provide the containers.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, sir. Got it. Okay, thank you.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Thank you.

Kush - Analyst, Nikunj Stock Brokers
Thank you.

Operator
Thank you. Next question is from the line of Krishnan Sada from Samriddhi Funds House. Please go ahead.

Kush - Analyst, Nikunj Stock Brokers
Hi, I just have one question. I think you mentioned it in the opening remarks, but it would be great if you can repeat it. What is the volume growth in the ocean freight and air freight segments? If you can mention that year-on-year and QOQ.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Sure, sure. Uh, QOQ, it's in ocean and MUCC. Uh, in ocean it's 18% and year-on-year it is 148%. In MUCC, uh, QOQ is 21%. And on year-on-year, 113%.

Kush - Analyst, Nikunj Stock Brokers
Okay. And air freight?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Air freight, Q-on-Q, it is 29% growth, and year-on-year, it is 381%.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, got it. Thank you so much.

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Thank you, thank you,

Operator
Thank you. Next question is from the line of Aditya, an individual investor. Please go ahead. Aditya, please go ahead with your question. Your line is unmuted. Aditya, may we request you to please go ahead? As there is no response, we'll move to the next question, which is from the line of Abhijay from AJ Capital. Please go ahead.

Abhi Jain - Analyst, AJ Capital
Uh, just one suggestion to the management, uh, Could you show the, you know, leased assets as a separate line item as right-of-use assets? Because I think as per IndAS, that is the correct representation. Because when you show it, it doesn't, it doesn't, you know, we are not able to make out. So can you show it as a separate line item as right-of-use assets?

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
Yes, sir, we will show it in next financials. Okay. And the next thing is that we are not obliged for the- yes, thank you. Uh, and next thing is that we are not obliged to IndAS. Uh, no, no,

Abhi Jain - Analyst, AJ Capital
I know, I know, that's why. [Foreign Speech] in debt, [Foreign Speech] we will show it. [Foreign Speech] practice, if you start showing, [Foreign Speech] the company is already doing so much as per IndAS in your quarterly report, [Foreign Speech] will just make it look more robust,

Praveen Kunder - Chief Financial Officer, Blue Water Logistics Limited
[Foreign Speech] thank you, thank you for selfishion, we will show it, sir, [Foreign Speech] th

Operator
Anyone who wishes to ask a question may enter star and 1 now. Next question is from the line of Kush Bantia from Nikun Stock Brokers Limited. Please go ahead.

Kush - Analyst, Nikunj Stock Brokers
Sir, I also wanted to understand one more thing. So right now, because of the war, the cost has gone up for the transporting and for the logistics. So are we getting benefits and benefit out of that. Our realizations has gone up because our volume growth has been around 24, 25, or 29% of numbers you shared, uh, in previous questions. So the growth is coming from the increase in prices or it's only about the volumes?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Now what happens now, as you mentioned, you are right that the cost has gone up, or the rather the logistics cost has gone up in the Gulf region. But what happened now, because of the rise in the logistics cost, the cargo volume has dropped significantly. Like suppose there is a monthly queue of 1 lakh containers going to Gulf every month before the war. Now it is around 15,000 going every month during the war. So there is a huge gap between the logistics exports to Gulf right now. So if, if we take out the war, or after the war is finished, again it will be slowly coming back to the normal level of 1 lakh or maybe more.

So there is no direct benefit from that. The logistics cost has increased, but the volumes has significantly gone down for the war region. So it is not giving any benefit to us or to anybody else.

Kush - Analyst, Nikunj Stock Brokers
Okay, so, so the So we are not going to see any, uh, any significant growth, uh, the growth due to, uh, maybe due to the end of the war, once the war ends. So that benefit we are not going to see in future.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Now look, um, yes, sir, prices will

Kush - Analyst, Nikunj Stock Brokers
Come down and the volumes will go up.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Exactly, the volumes will go, go up and the numbers will remain intact. Anybody increasing the business, or like we are increasing the business and volumes month-wise, they will see the rise in business, not because of the war or without the war.

Kush - Analyst, Nikunj Stock Brokers
Okay. And, uh, one more question, sir, I have. Uh, I, uh, the only reason to ask is I wanted to

understand the business, and, uh, and I'm not raising any questions on the management or anyone. I just am not able to understand that why other logistic companies are not being able to even replicate what you guys are doing, because the growth has been phenomenal. So what is the boat or something which we are doing differently?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look, our management is always on the road. We are working directly, we are visiting offices, we are visiting customers. We have, as I told you, 25 years of experience. So we are accounting everything now, whatever experience- experiences we have, whatever the market capture we have. We are expanding it because of the hard work, dedication, and the quality team what we are having, and the right way development that we are doing. Like we started NBCC, we increase the vehicle numbers, we increase the strategic locations.

Because of all the well-planned and well-executed things only we are seeing the growth.

Kush - Analyst, Nikunj Stock Brokers
And is it really tough to to replicate these things Like to acquire the NBCC containers, the financing and all those things?

Lalit Panda - Managing Director, Blue Water Logistics Limited
Look, getting containers and running is 2 different things. Like we can, we can buy trailers, people can buy trailers, but, but to run it on a day-to-day basis is not that easy. So many people buy trailers, many people get into NBCC, but they are not able- somebody not able to run them, they are unable to grow or they are unable to sustain also. In our case, like we started NBCC last year, we started with the ISO tank containers. We have been performing very well. We have been growing in that industry from last 1.5 years.

Now we started dry boxes and we have started very well. Our movements has gone very well for last 1 month and we are expecting it to increase every month. So buying assets is a thing and running assets to a proper utilization is the second thing. So we have, we have been able to do the both things, uh, in term. That is why you are seeing us growing.

Kush - Analyst, Nikunj Stock Brokers
Okay, okay, okay, got it. Thank you,

Lalit Panda - Managing Director, Blue Water Logistics Limited
Thank you, thank you.

Operator
Participants who ask a question, please press star and 1. Anyone who wishes to ask a question may press star and 1 now. Ladies and gentlemen, you can press star and 1 to ask a question. As there are no further questions from the participants, I now hand the conference over to Mr. Lalit Panda for closing comments.

Lalit Panda - Managing Director, Blue Water Logistics Limited
Uh, thank you all for joining us today on today's earning call. We hope we have been able to address your questions and provide clarity on our operational and financial performance. Should you have any further queries or wish to know more about Blue Water Logistics, please feel free to reach out to our investor relationship partners at XB4 Advisory. We appreciate your continued interest and

support Thank you once again and take care.

Operator
Thank you, ladies and gentlemen. On behalf of Blue Water Logistics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.