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August 07, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001
Scrip Code - 526612

To,
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
NSE Symbol - BLUEDART

**Sub: Transcript of analyst/ investors earnings call - Disclosure under Regulation
30 of the SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015**

Dear Sir/ Madam,

We refer to our intimation dated July 29, notifying on the schedule of 'Investors Call' organised through M/s. Motilal Oswal Financial Services Limited on August 01, 2025, to discuss the corporate performance for the quarter ended June 30, 2025 and audio recording of the same submitted on August 01, 2025.

Pursuant to requirements of law, please find enclosed herewith, transcript of the Investors call which is also made available on the Company's website viz; www.bluedart.com.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For **Blue Dart Express Ltd.**



Tushar Gunderia
Head (Legal & Compliance) &
Company Secretary



“Blue Dart Express Limited Q1 FY 2026 Earnings Conference Call”

August 01, 2025



MANAGEMENT: MR. SAGAR PATIL – CHIEF FINANCIAL OFFICER
MR. TUSHAR GUNDERIA – HEAD OF LEGAL &
COMPLIANCE AND COMPANY SECRETARY

MODERATOR: MR. ALOK DEORA – MOTILAL OSWAL FINANCIAL
SERVICES



Alok Deora: So, good afternoon, everyone, and welcome to the interaction with the Management of Blue Dart Express.

So, firstly, I would like to thank the Management for giving us the opportunity to host the call.

So, today, we have with us Mr. Sagar Patil, CFO; and Mr. Tushar Gunderia, Head of Legal & Compliance and Company Secretary.

I would now hand over the call to the Management Team to provide some 'Opening Remarks' on the performance and then we can start the Q&A session. Thank you, and over to you, sir.

Tushar Gunderia: Yes. Thank you, Alok. And good afternoon, all. A very warm welcome to all of you. I would like to inform you that Mr. Sagar Patil – Interim CFO, has since been appointed as Chief Financial Officer with effect from today i.e. 1st August, 2025. And most of you may be aware, Sagar is already associated with Blue Dart Express for last more than eight years.

As you are aware the Board of Directors of the Company in its Meeting held on 29 July 2025 approved the financial results of the Company for the quarter ended 30 June, 2025, and the Company declared the financial results for the quarter ended 30 June, 2025, wherein the Company posted revenue from operations of Rs. 14,419 million and profit after tax of Rs. 469 million.

Blue Dart continues to build strong momentum, driven by substantial traction across both B2B and B2C products. Blue Dart marked a major milestone with the launch of India's largest integrated operating facility at Bijwasan in New Delhi further enhancing our operational capabilities in the service efficiency. Additionally, the Company recently announced the expansion of its network with the introduction of Guwahati last year as a direct flying location. This strategic move was driven by Blue Dart's vision to empower Northeast India, a zone that plays a pivotal role in the country's economic growth.

Furthermore, Blue Dart was awarded the Best Express Logistics Provider 2025 by the Institute of Supply Chain Management. In addition to this industry recognition, Blue Dart was also certified as a Great Place to Work for the 15th consecutive year and acknowledgement of our unwavering commitment to fostering a culture of trust, inclusivity and excellence. By consistently investing our infrastructure and people, Blue Dart continues to strengthen its position as both the Logistics Partner of Choice and the Employer of Choice.

The Results have already been uploaded on the Stock Exchange websites and also posted on the Company's website. I now hand over the call to Mr. Sagar Patil – CFO, for further proceedings. Thank you.

Sagar Patil: Thank you, Tushar. Good afternoon all. Sagar Patil here.

So, we have closed another quarter with healthy growth on revenue backed up by good growth in kilos as well as shipments. We have closed the quarter at a consolidated level with an EPS of

Rs. 20.5 per share. And yes, this is the normal business or results for the quarter and we are looking forward for the rest of the year.

And yes, we can start with the questions.

Alok Deora: Sure. Thank you. So, we will take the first question from Mr. Gopal Shanker. Please go ahead.

Gopal Shanker: Hi. Good evening, and thank you for the opportunity, sir. First of all, a bookkeeping question, if you can share what would have been the tonnage for the quarter, as well as the number of parcels transported?

Sagar Patil: Sure. So, the number of parcels was 94.1 million, and the tonnage was 340,068 thousand tons.

Gopal Shanker: Got it. So, yes, one follow-up question on that. So, as you can see that on a sequential basis the tonnage has improved, and also the total parcels have increased quite well. But if you look at the margins, the decline has been quite sharp. What was around on a consolidated basis about 15% and on a standalone basis about 8% to 9% has dropped to about 7% and so it goes 13.5%. So, just wanted to get some sense on, what are the key reasons why the margins are weaker? And if there's still any one-off related cost in this profitability what you have reported?

Sagar Patil: The EBITDA margin has been 15.63% in same quarter last year which is now 14.15%. So, there is a drop of about 1.5% there. No one-off, and also all the products are trending the trajectory. What we see is more of a change in the product or the customer mix. Some products going faster. As you can see also last few couple of quarters, we have been growing faster in kilos as compared to the growth rate in shipment, so we see a heavier parcels coming more. So, with the heavier parcels, the element of, I would say, the freight as we see goes higher as compared to the service when it comes to the smaller parcels.

So, we see that shift, typically. So, there is no major business loss or gain for any specific customers, I mean, beyond the materiality's threshold. However, we see that shift happening within the customer and the product, or the lane mix that we see, weight mix as well. So, yes, it's a complex network with multiple locations, multiple modes that we operate in. So, sometimes the customer mix may cause a percent here and there in terms of the profitability as it derives. So, yes, other than that, there is no one-off that has impacted the profitability.

Gopal Shanker: Understood, sir. So, nothing to do with the recently commissioned facility in Delhi, because there should be some ramp-up cost attached with it. So, is that something which is potentially dragging your margins until the ramp-up reaches an optimal level? That's not a reason.

Sagar Patil: That's not the reason. I mean, yes, there is a new investment that has come in, but in the overall scenario, it is not as significant as it will impact the margin as a percentage.

Gopal Shanker: Understood. One more question, which I had was with respect to growth, what you have reported on the B2B as well as B2C, if you can share that, that would be really helpful.



- Sagar Patil:** So, yes, I mean, we do not have segmented results as such, but from the point of view of products per se, B2C is the e-com or e-tail segment that we say, I mean, as we call. See, growth is largely driven by both in B2B as well as B2C. But yes, B2B also includes products like air parcel or documents. In B2C, we see revenue growth of about 20% and in B2B, it's about 2.4% for the quarter.
- Gopal Shanker:** That's quite material. But in the previous comment, you also mentioned that there is a higher growth in heavier shipment parcels as well.
- Sagar Patil:** Yes.
- Gopal Shanker:** This is on a YoY basis we are talking about, right, sir?
- Sagar Patil:** Yes.
- Gopal Shanker:** So, we are getting higher portion of heavier shipments in B2C as well. Is that understanding correct?
- Sagar Patil:** Within B2C, if you look at it, there is no significant change in the kilos per shipment profile both ground as well as air segment of e-tail. Within B2B surface, which is a higher KPS as compared to air or documents, so that is where the KPS would go up. But as far as B2C is concerned, there is no significant change in the profile.
- Gopal Shanker:** Got it. Thank you, sir. I will get back in the queue. Thank you.
- Sagar Patil:** Okay. Sure.
- Alok Deora:** Thank you. Anyone have any question, can please raise your hand or put it in the chat box below. Sir, we will take next question from Mr. Achal Lohade. Please go ahead.
- Achal Lohade:** Yes. Good afternoon, sir. Thank you for the opportunity. Sir, if you could help us understand in terms of the freighters, the number of freighters, how many of these are owned or leased? And if I look at the tonnages, what we report in the annual report, that seems to be fairly similar for last four or five years. If you could just clarify as to how it works in terms of these tonnages, how do you compute that? Is that only for the owned, or is that that owned plus leased, or is it the tonnages even what you ship through the other passenger lines?
- Sagar Patil:** Yes. Sure. Achal. So, we have a total eight freighters. We have six 757 and two 737. Of this, one 757 is leased, whereas the rest of the seven are owned ones. So, that's the profile of the freighters. In terms of tonnages, what we report as tonnages is including all the products as we build to the customers. So, whether we fly them on our own aircraft or our trucks or the commercial airlines, these include all the products. In fact, just to add also, they are all build kilos. So, for example, if there is a shipment going from place A to B, these are essentially multimodal moments from door to door. So, partly, we may also move on road the same



shipment, but when we report, these are reported as we billed kilos because customers will be billed only once for the total weight of the shipment.

Achal Lohade: Understood. And if you could help us understand in terms of the aircraft utilization for the quarter, how do you see it growing? And if you could help us understand in terms of the growth in surface versus air for the quarter in terms of revenues?

Sagar Patil: Yes. So, what the first question was about?

Achal Lohade: Surface. Yes, in terms of the revenue growth in surface v/s air.

Sagar Patil: Okay. Yes. So, the surface growth, which includes both e-tail as well as the surface B2B, the growth has been 13% in sales, whereas in air, it has been 2.2%. Yes, your first question was about the capacity utilization of the freighter. So, there has been consistent around 85% plus or minus. So, our capacity utilization is in terms of how do we fill our aircraft in terms of the way that we carry on the pallets and not in terms of the number of hours that we fly for. So, essentially, these are the flights that fly essentially at night to carry the daily picked up shipments, etc.. So, there can be different ways of looking at aircraft utilization for us. It is supporting our express movement. So, we calculate based on the loads that are being loaded on the aircraft when it flies and also the way we operate our network is that we ensure, unless there is a load available be it weekend or holiday or weekday, we would not fly the aircraft, because we also have a good amount of network on the commercial airline the belly loads that we carry.

Achal Lohade: Got it. And if you could just clarify on the lease arrangements, so out of eight you said, one is leased, everything else is owned. Have I understood, right?

Sagar Patil: Right yes.

Achal Lohade: Okay. So, if you could help us understand in terms of these cost, how does it work for the owned versus leased? And how do you make the decision between whether to purchase aircraft or take it on lease?

Sagar Patil: So, we had most of our aircrafts leased some point of time. I think few years back, we converted them into from lease to buy. Essentially, even when we lease the aircraft, the requirements related to maintenance approvals, statutory approvals, these are all to the account of the lessee. So, we found them more beneficial by owning rather than by leasing, because the interest element was growing out to be better from balance sheet point of view also. Even if you lease, they are accounted as a ROU asset in the balance sheet. So, it doesn't make your balance sheet light as such. So, from that point of view, we converted them from lease to buy sometime back.

Achal Lohade: Understood. And just one last question.. In terms of fundamentally between air and surface, is there a difference in terms of ROCE profile? I understand, last time you said margin there isn't a big difference between the two, but how about the ROCE?



Sagar Patil: From ROCE point of view, I mean there are two elements, one is return and then the capital employed. So, capital employed for air would typically be higher because of the captive assets that we have. So, the ROCE would be relatively lower as compared to surface. You had also one question as, in terms of the kilos or the weights have been little more or less on the same lines since last few years.

Achal Lohade: For past few years. Yes, sir, yes. Tonnages basically.

Sagar Patil: Yes. One reason is that in FY 2021-22 including FY 2022-23, we had done lot of charters during post-pandemic times. So, that had taken our kilos really on a higher level. It was more of a pandemic impact where we could fly large number of kilos across the countries as well as within the countries. And now after '23-'24 onwards, it is a normal business that we are in.

Achal Lohade: Sounds good, sir. Thank you so much for the clarification. I will fall back in the queue for further questions. Thank you.

Alok Deora: We will take next question from Mr. Dhruv Jain.

Dhruv Jain: Yes, Sir, my first question is that if you could provide the mix between B2B and B2C as a percentage of consolidated sales, how much is what segment?

Sagar Patil: So, for this quarter, it is 71% and 29%. B2B is 71% and B2C is 29%.

Dhruv Jain: And how has that trended over the last few years, sir?

Sagar Patil: Last year same quarter was around 74% to 26%. So, we have seen the share of B2C going up, but it was around the same between 70s and 30s in the earlier quarters.

Dhruv Jain: Yes, Sir, broadly, what would be the margin differential between the two segments?

Sagar Patil: Margin across the products would be more or less same, on the same lines, I would say. The yield would be different, but the margin percentage would be similar.

Dhruv Jain: Okay. And sir, particularly looking, B2B growth seems quite low in this quarter. So, just wanted to understand how should we think about this segment's growth over the next, say, two to three years? And why such a smaller number in terms of growth in this quarter?

Sagar Patil: So, we would have plans to grow the B2B business as well, especially driven by the surface. On air, we have captive capacity and it is also optimally utilized unless we have opportunities for doing daily flights, day flights either for charters. So, I mean, it would be a forward-looking statement, but I would say that we are also looking for growing our B2B segment faster. Surface, B2B, we do not have a very high market share. We are not number one over there. So, there will be plans to ramp up that business along with, of course, B2C on ground, as we used to call it, a Dart Plus. So, I mean, there is plan on the both the segments.



- Dhruv Jain:** And sir, in the B2B segment, if I may, if you could just split, what would be the air mix and the road mix, the surface mix?
- Sagar Patil:** Air would be slightly higher in terms of revenue. So, 71% may include about maybe 35% of air, close to 40% would be air and 30% would be surface.
- Dhruv Jain:** Got it, sir. Thank you so much, and all the best.
- Sagar Patil:** Thanks, Dhruv.
- Alok Deora:** Yes, Sir, we have a question in the chat box. So, the first is on the margin side. So, our margin actually had come down in the quarter as we look at the standalone basis. So, what's the view ahead? Should it improve from here on, or any color you can throw on the margin side?
- Sagar Patil:** Yes. I mean, without making a forward-looking statement, but yes, there is also seasonality that comes in, wherein we have a second half characterized by the peak loads that come in. So, the focus in first half is typically to maintain and plan for maintaining the service quality when the peak volumes come in. So, yes, we would be working towards improving the margin. But this is a normal business that we have had in this quarter, and yes, the effort will be to improve the margins.
- Alok Deora:** Sure. We will take the next question from Mr. Nirmal. Please go ahead.
- Nirmal:** Thank you for the opportunity. So, sir, my question is, in one of the responses, you mentioned that the fall in EBITDA has been the result of change in customer mix. So, if you can elaborate on that, what kind of customer mix are you talking about?
- Sagar Patil:** So, it's a mix of a number of factors, including the, at times, maybe a high margin or a high, I mean, the mix of customers, the product mix, as well as lane mix. So, if the customers who provide you good volume and enjoying better pricing, if they ship more, or if the customers who ship with you a higher kilo or KPS product versus the lower kilo product, so the service element in the product involved, if that goes up and down, then the margin can also move accordingly in the short-term.
- Nirmal:** Okay. And sir, my question is, what was the reason for the rise in other expenses this quarter? There is a rise of about 25% in the other expenses.
- Sagar Patil:** So, other expenses would include, say, rentals, wherein we had implemented, or we had added Brijwasan last year, around I think this quarter part of the quarter that spend was not there. So, that will be one small reason over there. Communications, there will be some increase, but not a big number we have implemented some automated tools for call bridge where we have invested some amount there. Yes.
- Nirmal:** Okay. So, should we see this going ahead next quarter also?



Sagar Patil: So, in terms of absolute, this may not go down, but this will support the incremental volumes as the business goes up with continued growth as such. So, as a percentage to revenue, it can improve.

Nirmal: Okay, sir. Yes. Sir, one last question on number of shipments. If you look at the growth in number of shipments and also for the past years while growth has been positive, the growth rate YoY has come down from about 24% to 5% in shipments and 24% to 11%. What would be the reason behind it?

Sagar Patil: Yes, that is where if the higher kilos per shipment heavier parcels go grow faster. These are characterized by more of a freight element, I would say, that the customer look at it. So, that is where the rates become more competitive. Whereas the smaller, lighter shipments would have more of a service component from a door to door efficient, timely delivery point of view. So, that is where the value pursued and paid for by the customers would be higher for lighter shipment. So, if your kilos go faster, as compared to shipments in a given period, there can be some dilution in the margin, again depending on along with that comes the lane mix, customer mix, et cetera.

Nirmal: Okay. Thank you so much, sir. I will fall back in the queue.

Alok Deora: We will take next question from Mr. Anshul Agrawal. Please go ahead.

Anshul Agrawal: Hi. Thank you for the opportunity. One clarification, sir. What is our B2B and B2C growth numbers for the current quarter YoY? I missed that number.

Sagar Patil: Yes. So, for B2B, the revenue growth was 2.4% and B2C was 20.2% in revenue.

Anshul Agrawal: Okay. Got it. I understand that we don't break down our revenues in terms of air and surface. But in general understanding, would B2C see a larger share of surface, or is it more restricted towards air only?

Sagar Patil: So, the share of air has been more in B2C, but our ground B2C also in fact has been the growth driver. So, the share of ground has been also growing. The ratio is between now 16% is to 11% between air and ground on B2C in revenue.

Anshul Agrawal: Okay. So, just the way you suggested that 40% to 30% is the breakup of B2B in air and surface. In B2C it is 16% and 11%, is that correct?

Sagar Patil: Yes, yes, yes. That's the ratio, yes.

Anshul Agrawal: Got it. The second question was in terms of understanding, sir, when you mentioned that when kilos grow faster than shipments, wouldn't that also imply that when surface grows faster than air? Because I would suspect the lighter shipments go via air versus the heavier freight goes via surface. Would that understanding be correct?



Sagar Patil: Largely, yes, so we do have heavier shipments going on air. We have the air parcel business catering to that, but yes, the surface shipments would typically be heavier than the air shipments.

Anshul Agrawal: Got it. That's it from my end. Thank you.

Sagar Patil: Yes. Thanks.

Alok Deora: We will take next question from Ankita. Please go ahead.

Ankita: Hi. Thank you. Sir, we were doing investment in our ground network, so largely the focus here is to handle more B2B parcels or B2C parcels? And where can we see this improvement in network? Because if I see the annual report, the facilities two years back was approximately 2,347, which is now 2,284. So, where are these investments happening?

Sagar Patil: So, largely the investments also happen by consolidating smaller facilities. And that is what we have done in Bijwasan last year for air from e-tail facility. Even what we are doing now for ground facility is also consolidation of about 10 facilities. So, typically, as the business grows, we do not do a big bank, big investment, but then in pockets wherever the demand is increasing, that is where we add the facilities. But then when it reaches to a good volume, then we consolidate.

So, that is where the reduction in the number of facilities will be a mix of both consolidation as well as closing down the smaller facilities, remote facilities where we do not see a significant utilization. These will be very smaller small facilities 100 square feet, 200 square feet also would come in air, where we may consolidate or even close sometimes when there are no significant business or shipment going to that location.

Ankita: And between focus area more towards B2B volumes or B2C?

Sagar Patil: Yes. So, our growth drivers are both in B2B as well as B2C. In terms of volumes, we see the growth coming from surface B2B and also from the surface B2C, which is the e-tail business.

Ankita: Also, sir, you were earlier giving the figure for the tonnage handled on old owned aircraft in the annual report, I didn't find the number this time for FY '25. So, how much would that be?

Sagar Patil: Okay, I do not have that number handy right now.

Alok Deora: We will send it to you, Ankita. Yes.

Ankita: Got it. And sir, where is the two new aircrafts that we had added?

Sagar Patil: Yes.

Ankita: On which routes are they deployed currently? And what is the utilization of those two aircrafts specifically?



Sagar Patil: So, we run our network. So, these are not catering to any point to point, but then both the aircrafts are touching Guwahati. So, while Guwahati is one of the stations for them, they also touch, Delhi, Bangalore, as well as Mumbai in their route at night.

Ankita: And utilization?

Sagar Patil: Utilization, again, it's a normal, it will be about 85%. There it would made up of sectors, which are weak and strong, but overall, utilization would be at about 85%.

Ankita: Got it. And sir, just one last thing again on the annual report, where the we have our overnight capacity. Earlier, it was 500 tons per night even after the addition of the two aircraft also, it still shows 500 tons per night. Has it not gone up our capacity?

Sagar Patil: You are comparing 500 tons from which year we have mentioned in annual report?

Ankita: Sir, I have numbers. this number is showing 500 tons per night till FY '25 annual report.

Alok Deora: We will check.

Sagar Patil: We will check and come back to you. Ankita.

Ankita: Okay. And sir, last one, if we say that our profitability both on the B2B and B2C segment in percentage term, the profit markup on both the segments is similar. then why change in mix is impacting margins?

Sagar Patil: So, when you look at the profitability, we have a network that is interconnected when it comes to product. So, the smaller parcels will have a same first-mile and last-mile, but it will get mixed up with the middle-mile, whether it is air or ground, depending on whether it is going on air or ground. So, there would be some allocations in play.

Especially when your ground is growing faster as compared to air, the variable margin on the air, because there is a largely fixed capacity will be relatively lower as compared to ground, so I am talking about variable margin, not the actual margin as such. So, when the business grows and when it goes more on ground in a quarter, then at an overall level, the margin can grow slower, or it can be lower as compared to the earlier quarter as such. But at the same time, having said that air is a limited resource, we are the only freighters who are consistently buying aircraft on a daily basis.

So, with the same capacity and with the business volumes growing, there can be a better possibility of getting better yields over there. So, that again opens up an opportunity when we look at the movement in margins happening. So, as a business, we keep on looking at what mix of products or mix or customer mix or the lane mix that is being applied and work towards reaching to a better number of yield, improving the margins at an overall level.



Ankita: So, I understood this on the ground and air side. But on the B2B parcels and B2C parcels, if there is the profitability even on the B2B parcels and B2C parcels also has this variability, like the way you said between ground and air? And if that is the case, which one is better for you, in terms of profitability? Is it B2B parcels, which are higher weight parcels, or is it B2C, which are low weight parcels? Which yields better profitability?

Sagar Patil: Even in case of B2B and B2C, so at a standalone level of for us or a static level of margins, they are comparable not very different than each other. But depending on, the variability in the volume, so if your ground grows faster, it grows along with the variable cost. So, in a quarter if the air is not growing as fast as ground, the impact of variable margin would be less beneficial in that quarter as such.

Ankita: Got it. So, effectively basically it is not the type of shipment, whether it's B2B, B2C, it is more mode of the movement of the cargo, which impacts the margins.

Sagar Patil: Yes.

Ankita: Am I correct?

Sagar Patil: Yes. Yes. The variability would be more on air where we have a largely fixed kind of network. Though, it is optimally utilized, but at the same time, the incremental volumes coming on a variable, but lower cost commercial airline over there will yield more margins for the air product.

Ankita: Got it. That's it from my side. Thank you. And I will get back in the queue.

Alok Deora: Sir, just one question is there in the chat box. So, any color on the volume growth for this year and next year?

Sagar Patil: Sorry, I couldn't get it.

Alok Deora: Any color on the volume growth trajectory for this year and next year?

Sagar Patil: Maybe it would be a forward-looking, so we will not be able to comment. There will be seasonality, and there will be, of course, running growth that is happening. And we will, as a Management, we will try to improve the numbers, but no view from the Company point of view.

Alok Deora: Sure. And just one more question is there on the capacity utilization.

Sagar Patil: Yes.

Alok Deora: If you can just provide some capacity utilization on the new aircrafts, or where it has reached? And any sense on the existing aircrafts as well?

Sagar Patil: So, the new aircrafts have also reached the normal capacity utilization, which comes to about 85%.



Alok Deora: So, on the aircraft, yes.

Sagar Patil: Yes. So, there basically, we don't fly point to point. It's a part of an overall network. And even the new aircraft have been kind of merged into the existing network, adding only Guwahati as an additional station. So, overall network utilization is about 85% and that is more or less standard across the flights.

Alok Deora: Got it. Yes. I think those were the questions. Anyone have the question can please raise their hand or we can now close the call. Yes, I think we will just take the last question from Mr. Achal, please go ahead.

Sagar Patil: Yes, sure, Achal.

Achal Lohade: Yes. Thank you for the follow-up, sir. Sir, if you could give us a sense in terms of the demand situation or the business, how it is trending? Because we hear that consumption is weak, there is fair amount of slackness. So, just wanted to check, are you seeing any improvement in the volumes, as we speak? And B, any structural change you are seeing in the industry in terms of competition or in terms of pricing or anything on that front, sir?

Sagar Patil: So, our volume growth trajectory, you can see that, I mean, it remains stable, not significantly going up or down. And we also have a very stable base of the customers. Even when we hear about slowdown in certain industries or at times in e-commerce, we don't see that because we are not very big player, but we service the very niche set of customers. And given the premium that we have with the service quality, customers could use us for their critical shipments where they are willing to pay a good price given their service requirements or their customer requirements as such. So, we don't see a very significant up or down in the numbers that we have.

Achal Lohade: Understood. And out of your total expenses, sir, would it be possible to know what the fixed cost, as in, is if the volumes go down 10%, you still incur the same cost, if you could give us a sense. Let's say, of the quarter's expense, how much would be fixed, let's say, of the total employee cost and the other expenses? We have roughly about Rs. 400 crores quarterly expense, right? So, how much of this would be fixed cost according to you? Because I presume the freight and service cost and all that will be fixed before we calculate the gross profits.

Sagar Patil: So, yes, employee costs would be largely fixed in a short to medium-term. Within freight handling, we have a mix of both fixed and variable. The aircraft cost will be largely fixed as far as the cost of the aircrafts, but the running cost of the ETF would be variable with the number of flights we would have. And largely, we try to variabilize that by ensuring that we fly only when we are sure of the capacity being utilized. But now, with the increasing growth in the ground, we also are increasing the variable costs, for the middle-mile. Last-mile, also, largely, our deliveries are outsourced with our vendor, with our partners. We still have 50%-50% variable and fixed element. So, it's a mix. If you ask me at a quarter level looking at the expenses,

how much will be variable and how much will be fixed? It will be close to 50%-50%. 50% would be variable.

Achal Lohade: That's massive. Operating leverage, actually, if the growth, picks up. If the growth is substantial, let's say, a double-digit growth, you can have a reasonably large delta on the margin. Is that understanding right?

Sagar Patil: Yes. That is one yes and no because, with the capacities being largely optimally utilized, we also cannot add a very big volume because the capacities are all across.

Achal Lohade: Okay. Sorry, I couldn't hear you, sir.

Sagar Patil: Yes. So, the first-mile, last-mile capacities would take time to ramp up, be it facilities or even manpower for pickup and delivery. So, when peak season also happens, we start ramping up the capacities, which are variable. So, for a one or two months of peak also, they would be more or less, like, fixed in nature because we would hire the vehicles as well as manpower for that period and some facilities here.

Achal Lohade: Understood. Great, sir. Those were my questions. Thank you so much.

Sagar Patil: Yes.

Alok Deora: Yes. So, we will just take one last question from Mr. Vinod from Meena. Please go ahead.

Sagar Patil: Hello, Vinod. You are on mute.

Vinod: Yes. So, thanks for the opportunity, sir. I mean, on I like to hear the strategy question. Like, how does, Blue Dart plan to, strategically balance its focus on expanding the market share, especially, let's say, particularly in the surface segment where the competition is growing much faster, while simultaneously driving the margin recovery as well in the coming years through operational efficiency as well as the end of the premium service differentiation?

Sagar Patil: Yes. So, our prime focus is always on service differentiation i.e. the service quality. So, while we also work towards increasing the volumes, the market share that is without giving up on the margin. Yes, it's a mix of different products with different variability with margins going up and down with the increasing volumes depending on the customer mix, as well as the product mix. But the prime motto is to have the differentiator in service, which will help us to grow with without giving up the profitability. Strategically, that is how we look at moving forward.

Tushar Gunderia: Profitable revenue is the key.

Sagar Patil: Yes.

Vinod: Okay. So, basically, you don't want to sacrifice just for the sake of increasing the volumes.



Tushar Gunderia: Yes.

Sagar Patil: That's right.

Vinod: Got it. Thank you, sir.

Sagar Patil: Thank you, Vinod.

Alok Deora: So, we are done with the questions. So, sir, any closing comments from the team then we will close the call.

Sagar Patil: We see the growth trajectory being consistent and stable. And we are also working towards improving the business further with improvement in both i.e. taking care of the peak volume adding to our profitability, as well as margin that is going to be the way forward for us.

Alok Deora: So, thanks, everyone, for joining in. And once again, thank you to the Management of Blue Dart for giving us the opportunity to host the call. Thank you. Thank you, everyone.

Sagar Patil: Yes. Thank you all. Thanks a lot for organizing. Thank you.

Tushar Gunderia: Thank you.

