

August 21, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

Scrip Code: 532345

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Symbol: ACLGATI

Dear Sir/Madam,

Sub: Transcript of the Analyst/Institutional Investor Meetings/ Earnings Call

Ref: Intimation under Regulation 30 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations)

This is in continuation to our earlier letter dated August 6, 2025, regarding audio recording of the Earnings Conference Call held on August 6, 2025, at 02:00 P.M. (IST) on the performance of the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2025. Please find attached herewith the transcript of the above Earnings Conference Call.

The aforesaid Transcript will also be uploaded on the website of the Company at www.allcargogati.com.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Allcargo Gati Limited**
(Formerly known as “Gati Limited”)

Shekhar R Singh
Company Secretary

Encl.: As above



**“Allcargo Gati Limited
Q1 FY '26 Earnings Conference Call”
August 06, 2025**



**MANAGEMENT: MR. KETAN KULKARNI – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – ALLCARGO GATI
LIMITED AND GESCPL
MR. DEEPAK PAREEK – CHIEF FINANCIAL OFFICER –
ALLCARGO GATI LIMITED
MR. SANJAY PUNJABI – INVESTOR RELATIONS –
ALLCARGO GATI LIMITED**

MODERATOR: MR. SUYASH SAMANT – STELLAR IR ADVISOR

Moderator: Ladies and gentlemen, good day, and welcome to Allcargo Gati Limited Q1 FY '26 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suyash Samant from Stellar IR Advisors. Thank you, and over to you, sir.

Suyash Samant: Thank you. Good afternoon, everyone, and thank you for joining us today. We have with us today the senior management team of Allcargo Gati Limited, Mr. Ketan Kulkarni, Managing Director and Chief Executive Officer of Allcargo Gati and Gati Express and Supply Chain Private Limited; Mr. Deepak Pareek, Chief Financial Officer; and Mr. Sanjay Punjabi from Investor Relations, who will represent Allcargo Gati Limited on the call.

Management will be sharing operating and financial highlights for the quarter ended June 30, 2025, followed by a question-and-answer session. Please note, this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions, and expectations as of today.

These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

I now hand over the conference to Mr. Ketan Kulkarni. Thank you, and over to you, sir.

Ketan Kulkarni: Thank you, Suyash, for your opening remarks. Good afternoon, everybody, and a warm welcome to our Q1 FY '26 earnings conference call. I thank you all for joining us today. Our financial results and earnings presentation for the quarter ended June 2025 have been uploaded to the stock exchanges. We do hope you have had the opportunity to review that material.

I will begin by providing an overview of the broader economic environment, industry trends and our business performance. Following this, I will hand over the call to our Chief Financial Officer, Deepak Pareek, who will present the financial performance for the quarter.

India remains the world's fastest-growing economy with the IMF raising its FY '25-'26 GDP forecast to 6.4 in its July 2025 update. This reflects a very resilient domestic demand, sound macroeconomic fundamentals and generally a very, very stable economic policy, even amidst so much global uncertainty.

The decade of structural reforms that we have had spanning infrastructure, digitization, financial inclusion continue to drive themselves and the momentum of the economy. This is a very, very positive outlook and our role as the trade enabler of the country will augur very, very well and the position will be to benefit from that as the economic upswing continues.

Against that economic upswing, our sector, the logistics sector, is experiencing substantial structural trade wins. Over the past decade, significant investments have been made towards enhancing multimodal connectivity, road, rail, port, inland transport, etcetera.

Apart from that, the government has launched various strategic initiatives like the National Logistics Policy, the Prime Minister's Gati Shakti, Make in India, etcetera, which kind of are further reshaping the logistics ecosystem along with Bharatmala, Sagarmala, the tech backbone and the efficient framework. Inflation has also been easing into low-single digits, and we are all experiencing a favorable monsoon. The operating environment hence remains very stable and supportive for the logistics industry.

Moving to industry updates. The e-way bill generation under GST declined by 2.6% in June 2025 to 119.5 million as compared to May, but still remains 19.3% higher year-on-year, wherein the GST for June stood at INR1.85 lakh crores, showing a 6.2% increase year-on-year despite a monthly drop to INR2.01 lakh crores in May. This reflects very strong economic resilience amid, of course, some short-term challenges like the geopolitical uncertainties that we are all experiencing and also a little softening in the consumer sentiment reflected across some industry verticals.

Coming to Allcargo Gati, logistics being the trade facilitator and also the trade enabler. In FY '26, we are building up our operational strengths to deliver profitable and sustainable growth. With the upcoming festive season, we expect traction across B2B express services, our focus will be on network optimization, cost efficiency and service reliability, leveraged by tech and data-driven decision-making so that we take the opportunity of the festive season that's coming in.

Also, going towards that season, currently, we are experiencing improving utilization, a reduction in transit time. We are running our trucks faster, thereby enhancing the customer experience. We remain confident that a disciplined execution, which we have started and an agile approach will continue to create long-term value for our customers in this dynamic environment, and we will continue to be the preferred choice for their Express logistics movements.

This concludes my business overview for Q1 FY '26. I will hand over to Deepak Pareek to review the financial numbers. Thank you so much for your attention and your participation today. Over to you, Deepak.

Deepak Pareek:

Thank you, Ketan. Good afternoon, everyone, and a warm welcome to all of you for our Q1 FY '26 earnings call. I'll take you through the financial results of the quarter ended 30th June 2025. So I'll now move on to the highlights of Gati Express and Supply Chain Limited. During Q1 FY '26, we handled a total volume of 2,99,000 metric tonnes, which is similar to the volume more or less, which we handled during the last quarter. In the similar quarter last year, we handled a volume of 3,04,000 metric tonnes.

Our client mix for Q1 FY '26 stands at 67% for KEA customers, 14% for SME and 19% for Retail. The mix has largely remained same as compared to the previous quarter. Realization per tonne stands at INR11,961, which is up by 2% on a year-on-year comparison. Revenue of the Express business stood at INR357 crores versus INR358 crores in Q1 FY '25. And for the previous quarter, it was INR385 crores.

Gross profit is INR88 crores for this current quarter. Our gross margin stood at 25% in this quarter compared to 23% over the previous quarter, which is Q4 FY '25. This shows an improvement of around 170 basis points on the overall margin. EBITDA for the Express business stands at INR14 crores versus INR20 crores during Q1 FY '25. And for the previous quarter, it was INR12 crores. The EBITDA margin in the current quarter is 4% as compared to 3% of Q4 FY '25, which again shows an improvement of 100 basis points.

A couple of other key metrics, which I'd like to touch upon is reduction in provision for our doubtful debt in the current quarter. That's backed by strong collection efforts done by the company. That impact is around INR2 crores. On the deductions, there is an improvement in terms of reducing that deductions from customers, which is an impact of around INR1 crores. We have covered a separate slide on the demerger progress, which we feel in this quarter, we will be able to conclude.

On the non-core assets, on the consolidated front, there was a large fuel station asset, which the sale has been concluded and the realization we expect to achieve in Q2 FY '25. Cash flows have improved in the current quarter, marked by collection from IT refunds, which are scheduled in this quarter. On the cost side, there's a reduction in employee cost and also on administrative costs in the current quarter.

So with that, I would like to now open the floor for question and answers. Thank you. Back to you, Suyash.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chirag from Keynote Capital.

Chirag: Sir, I just wanted to take a highlight from you, like we have some guidance that we have mentioned about the company related to gross margins and EBITDA margins in Q4. Just wanted to check, the EBITDA margin guidance that you have given is just related to the Express logistics business or it is a mix of both Supply Chain and Express logistics?

Deepak Pareek: Yes. Deepak here, I'll answer. So the gross margin guidance, which we discussed on last quarter call was for Express business. Supply Chain, once the demerger order materializes, we'll factor in that margin component later on.

Chirag: So we are expecting to do 6.5% to 7% EBITDA margins for the quarter -- for the entire year for the Express business? Are we still sticking to that target?

Deepak Pareek: Yes, you're right.

- Chirag:** Sir, secondly, I wanted to understand any particular reason that we are not seeing any kind of growth taking place in volume terms for the Express logistics business on a Y-o-Y basis? Are there any challenges that we are facing currently, which you expect that the festive season is expected to get over with?
- Ketan Kulkarni:** Yes. So Ketan here, I'll take that question. And of course, Deepak can definitely come in. So we saw that the growth was negative in terms of Express volume on a Y-o-Y basis. And 2 reasons essentially there, if you saw the drop is about 6,000 tonnes Y-o-Y. And 2 reasons here, essentially.
- One is that we consciously took a call on some of the customers who are not trading in a profitable manner with us because against that volume drop, you'll also see on a Y-o-Y basis, improvement in the yield. So that is why the volumes kind of tapered down marginally. And we're kind of regrouping now and the coming quarter essentially will be a much better quarter than the quarter of last year.
- Chirag:** Fair enough, sir. Sir, could you just highlight what kind of cost efficiency or network optimization decisions that we are taking, which will help us to enhance our margins?
- Ketan Kulkarni:** Definitely. I will give you a brief understanding of the measures we are taking on cost and Deepak will also kind of come in. If you look at the numbers on employee expenses, you would see about 10% reduction from Q1 FY '25 to Q1 FY '26. This reduction has already factored in the increments and the variable pay already factored. So this is substantially more than what the numbers will reflect.
- Apart from that, you will see the other expenses also, we have kept them at similar levels in spite of the inflation, which we experienced on all the input costs, which I would average at between 7% to 8%. So in spite of that, we have maintained our other expenses where they are.
- Measures we took in terms of the other expenses and keeping them where they are with a lot of data analytics in terms of the transit time and costs on our linehaul vehicles, on the facilities that we run, the rental costs therein, the volume that each of our Gati associate channel partner picks up or delivers and how does that correlate to his earning potential.
- So interventions have happened on various fronts in terms of the general and admin costs. They will continue. The run rate that we have created on employee expense and other expense will kind of gain further traction in the coming quarters. Would you like to add anything, Deepak?
- Deepak Pareek:** I think you covered it.
- Chirag:** Fair point, Ketan, sir. So it means that with increasing volume growth, everything will rationalize to the bottom line, which will create the operating leverage effect. Perfect. Sir, next question, I wanted to understand, once the supply chain business gets integrated, could you just highlight a few pointers which will help us understand how the synergy is expected to play out between both the divisions?

Based on my understanding, it was like both the entities of Allcargo, anyhow there has to be cross-selling taking place from the initial per se only. But if you could just highlight a few points which can add on to our understanding for the same?

Ketan Kulkarni:

Definitely. I'm sure you have studied the group and apart from the Express business, which Allcargo Gati runs and the consultative logistics. That's the word I use for contract logistics that Allcargo Supply Chain runs. We also have 2 other businesses, the sea freight and airfreight business, where we operate less than container load and full container load.

And we also have a company that builds large warehouses and -- builds, operates, transfers called TransIndia. So out of these 4, two under me currently. We run cross-BU programs where we go to customers to upsell, to cross-pollinate the various businesses which customers may not be using. So that program is already on.

But particularly, if you look at Allcargo Gati and Allcargo Supply Chain, I think the synergies have already started kicking in. There are customers in automotive, in quick commerce, in e-commerce, in consumer durables that currently consume both our services. That list is growing.

Most customers prefer to work with a single point of contact when they want to consume logistics services. It enables them to manage their business much better. It enables them to kind of look at other areas which will need their focus, knowing at a particular time that this aspect of the business is taken care of.

So whether it is Express business that we run under Allcargo Gati, which is shipment of brown boxes with an average weight between 17 to 25 kgs, which are day definite deliveries or it is the consultative logistics where we run in-plant operation, where we run full truckload, where we run sort centers. I think all this is kind of knitting in very well. Both the businesses will complement each other.

We are already leaders in chemical logistics on the consultative logistics side, which gives us a very high pedestal in terms of the quality, the process excellence that, that business has because chemical logistics is all about handling hazardous material in PESO certified warehouses. So all the right tick boxes have already been kind of looked at when the 2 businesses merge together when we finally get the regulatory clearance to do the same.

Chirag:

Sir, my next question is, we have been facing some issues in the challenges for the volume growth in SME segment for last few quarters. Just wanted to have your view, have things been changing? Any signs of revival on that. Are we expecting some volume coming into picture from here on?

Ketan Kulkarni:

So there are no challenges. But if you saw the overall tonnage of the business kind of declined and the SME has kind of remained flat. But we have programs that we have drawn up, which we'll be rolling out or rather have rolled out in the month of July itself, and we are seeing some good traction in our MSME and SME business currently.

We are very confident of growing that business. We are very focused on that business, servicing 19,000 pin codes and kind of, "being the logistics facilitator for Bharat." We are very, very cognizant that MSMEs, Tier 2, will play a very, very important role as we build our tonnages going ahead.

Chirag: And our internal target for volume growth remains similar, around 8 percentage to 9 percentage or 8 percentage to 10 percentage roughly?

Ketan Kulkarni: Absolutely. As we have been saying in the calls previously too, that we will grow at a percentage point above the market. That guidance remains.

Moderator: The next question is from the line of Ashwin Kumar, an Individual Investor.

Ashwin Kumar: I just wanted to understand, when you -- when Gati, when you're having discussions with clients, what exactly prevents you from getting the contracts? Can you maybe elaborate on where the discussion doesn't go through in winning new contracts?

Ketan Kulkarni: Perfect. Let me give you -- Ashwin, right? Ashwin, did I get the name correctly?

Ashwin Kumar: Yes.

Ketan Kulkarni: So let me give you an overview of how any customer conversation will go when he wants to consume Express Logistics or for that matter, any logistics depending on the KPIs that he looks at. But in terms of Express, I think the 4 areas that a customer will look at is, number one, pricing; number two, reach; number three, transit time, how fast can you reach? And number four, the overall service quality, which is how do you move a shipment? Does it arrive in the same sent condition as it was picked up? So this is a conversation they will have with an Allcargo Gati or with any of our competitors.

We measure on all the parameters against competition. Quarterly, we do the NPS, the Net Promoter Score, and that score has been consistently improving over the last 3 quarters. We do this NPS across 250-plus customers that covers about 85% to 90% of our revenue. So we get a very, very good indicator. All that comes through, through the NPS, then gets into our business excellence team who draw programs in terms of what the interventions will be to work on each of the parameters. So we find that we are very, very strong when it comes to the value that we charge customers for the service that we give currently.

And there are a few weak spots, which we are working on, but our strength primarily today, and I'll focus on that, is pricing. Our pricing to customers is, for the sake of repetition, very, very value for money is the feedback. Our transit times are best in the industry -- and match the best in the industry for 85% to 90% of the lanes. Our reach is 100%. We have started covering all the 19,120 pin codes of the Indian Postal Service. So these are the strengths that customers kind of come back to us with. Sorry, Ashwin, okay, you come in. No problem.

Ashwin Kumar: So what I'm saying is, I understand that your current customers are quite happy with Gati's performance and it's all going good there. But I'm talking about the prospective new customers because that's not translating, right?

Ketan Kulkarni: Absolutely right. And this is the answer that I was going to give, and that was the right question. It is 100% translating because when I look at my new business addition that I did, it is 120% more than the same quarter of last year. So a lot of large key customers have been added in the quarter. But against that, we also rebalanced our portfolio to let go of certain tonnages, as I said earlier in my conversation today that the net delta is what you would have seen as the drop in volume.

But our new business addition is accelerating like it has never before accelerated, 120% growth in NBD addition over the same period last year and not just MSME or small customers, but these are in the top 500 of any business list that any magazine would put out every year in terms of revenue and leaders in the industry.

Ashwin Kumar: Okay. My next question is on -- I just want to understand, any new strategies that you have in the sense, are you looking at maybe going asset-light? Or are you looking at maybe quick commerce? Anything in that, anything new?

Ketan Kulkarni: Asset-light has always been the strategy at Allcargo Gati. And also, if I may drop in the line at Allcargo Supply Chain. So it's always been an asset-light strategy. We rely more on our operating model. In terms of -- what's the second half of your question about quick commerce?

Ashwin Kumar: Are you looking at quick commerce as a target market because that's where your peers have done really well. So are you looking at that maybe to add to revenue?

Ketan Kulkarni: So we do a lot of quick commerce on the consultative logistics side. We work with the 3 largest quick commerce companies and the 2 largest e-commerce companies in the country where we run sortation centers, fulfillment centers for them. So that sector is kind of well covered on the consultative side.

In terms of last mile deliveries also, we do a little fledgling business on that side for extra large shipments. But for small packages, we don't do any e-commerce or quick commerce deliveries on the Allcargo Gati side. And that status quo for some time will remain as it is.

Ashwin Kumar: Yes. Okay. And I saw, I mean, in the presentation something about student deliveries. That's not included in the last mile or like student deliveries?

Ketan Kulkarni: Sorry, Ashwin, what -- did you say student?

Ashwin Kumar: Yes, yes. Student in the presentation in other services, I saw some new offering like...

Ketan Kulkarni: Yes. So 2 areas there where we kind of highlighted. One is the Student Express and the other is the Bike Express. So we are moving a lot of material for students when they go from home to

colleges or colleges to home. And also motorcycles, we are the market leaders in moving motor bikes across the country on road. These are, of course, from individual consumers.

And whenever they want to go from the southern, western state to another, shifting of homes or going for expedition, their bikes kind of move with us. And we are working with nearly 100-plus colleges and universities in the country to move student baggage when they move into college or move out.

Ashwin Kumar: Okay. And just one last question. In the dedicated freight corridors that's coming, wouldn't that impact your business because you won't get these long distance deliveries, right? It will be more interzone deliveries. So wouldn't that impact you?

Ketan Kulkarni: Yes. Every regulatory development kind of impacts all industries for that matter. When the GST policy came in, the apprehension was that long-haul will stop and GST will impact it. When e-way bill came in, it was that how will small businesses manage, they are not too tech-enabled, etcetera, etcetera. So whatever the government does to improve infrastructure is only going to impact us positively.

And we welcome any development in terms of dedicated freight corridors. They will only enable long-haul logistics movement and much faster. So we have always been mode agnostic, whichever mode we need to take to move fast and the consumer or customer is willing to pay the value for it, we will use that mode.

Ashwin Kumar: Okay. So you're saying the dedicated freight or these ICDs would not be impacting the hubs that Gati has created.

Ketan Kulkarni: As of now, no. Because - balancing the centers of gravity in terms of consumption and production. And if you mirror the freight corridors, they also follow a similar pattern.

Moderator: The next question is from the line of Brijmohan Sharma, an Individual Investor.

Brijmohan Sharma: Sir, my first question is, if you can just share your perspective on how the overall Express logistics industry is shaping up in terms of demand environment, competitiveness and pricing dynamics, maybe -- so because there is some -- and is there any benefit that has come up through the opportunities from government initiatives like PM Gati Shakti and stuff? So if you can just throw some light on this?

Ketan Kulkarni: Yes, definitely. Brijmohan, right?

Brijmohan Sharma: Yes, that's correct, sir.

Ketan Kulkarni: Yes. So like I said earlier also and in my opening comments, I think the government has laid the playbook in terms of supporting the growth of the economy in which logistics will play a much larger role in the years to come through the various policies like the National Logistics Policy,

Gati Shakti, we heard about the freight corridors from the gentlemen on the call. So I think all these kind of augur very well for us.

Make in India is another story that kind of excites us in the logistics space. And we are a hugely domestic focused or rather, I would say, entirely domestic-focused logistics company on the express side or even on the consolidated logistics side. So our kind of growth trajectory is closely linked to the growth of the economy of Bharat. If you triangulate numbers, the logistics industry grows anywhere from 1.2% to 1.5% of the GDP. So if the GDP is about 7%, you can expect the logistics industry to grow by about 8% to 10%. So we are very cognizant of how the growth will be.

Having been in the industry and operated as a business for over 30 years now, we know where the centers of production and consumption are currently operating. You overlay that with the plans of the government over the next 5 or 10 years on how they're improving the road connectivity, the air connectivity, the focus on inland waterways. And that kind of gives us a strategic kind of picture over the next 5 to 10 years on where we should be and why we should be there. So that planning is always iterative and ongoing.

In terms of the Express ground industry that we operate, we believe the industry is about INR17,000 crores plus/minus a few crores. I would rather err on the side of plus. And the air express industry that we operate is about roughly -- yes, INR3,000 plus/minus crores. These are the 2 key industries that we operate. Apart from the Express on the ground side, there is a less-than-truckload industry. That is about INR1,20,000 crores, which is less than truckload, which is not day definite, what Express would be.

And on top of the LTL is the full-truckload industry that's very, very large. That would be about INR11 lakh crores. So these are the components. We are very, very focused on the express industry at Allcargo Gati, and that's been growing in single digit, trying to nudge double digit, of course, correlated to the GDP, as I said earlier. And we are committed to grow at a percentage point more so that we are consistently improving our market share.

Brijmohan Sharma: Okay. All right. Sir, my next question is regarding the festive season that is approaching where we see a strong period -- which is a strong period for volumes in Express logistics business and also the e-commerce. So how is the company preparing operationally and strategically to capture this demand? If you can just help explain this as well.

Ketan Kulkarni: Definitely. The festive season is not new to us. It's cyclical, comes in every year. We have our drawing board ready, which we kind of replicate year-on-year. And the good thing and positive thing I would like to tell you is that during the last festive season, when most of our competitor hubs were choked and their operations were in disarray, we were the only company that operated in a smooth and seamless fashion.

And we also experienced that this time during the little, little incidences that happened across the country during the monsoon, the geographic festivals that happened like the Kawad Yatra in

the North, etcetera. So we came out very, very strongly with impeccable service quality and a very high NPS score.

So that's the drawing board we kind of replicate year-on-year, and that's the plan to do this year also. Wherever minor tweaks are needed, we will implement them. But guaranteed good service quality festive season from all Allcargo Gati is what I can say at this moment.

Moderator: The next question is from the line of Chinmay Parab, an Individual Investor.

Chinmay Parab: My first question would be along the lines of the merger of our Express and consultative logistics business. Can you, sir, shed some light on the status of this merger and the potential and the growth prospect it will bring to us?

Deepak Pareek: Yes, sure. Deepak here. So we had presented a slide in the presentation also. So this merger, I think we have been waiting for long as even we are seeing NCLT proceedings have taken some time, which we expected in the last quarter also. But now in Q2, we have the hearing scheduled in the month of August, which would actually hear views of all the stakeholders and then the orders are expected in the -- maybe not August, September, and from October onwards, we would be seeing a merged entity.

So if you see the slide, which we have put on is on the Express and Supply Chain combination, which actually the Supply Chain is a 100% subsidiary of Allcargo Logistics. What will happen is that company will be merged with Allcargo Gati and also the operating company, Gati Express and Supply Chain will get merged with Allcargo Gati. So we would have one entity, Allcargo Gati, undertaking business of Express and Supply Chain going ahead post the merger.

So what will happen right now when we have stand-alone and operating company results separately, which would all get merged as one entity? The synergies would be immense. As Ketan mentioned during another question, actually, the opportunity is offered on the Contract Logistics and Express are immense actually. The type of customer set which we engage on both the business are same.

The problems or the kind of solutions we provide under contract logistics has an element of Express also somewhere coming into it. So there will be customer synergies. There would be expansion in our wallet share because we cater mainly to B2B express, supply business and this gives us much more additional product offering in our service capabilities. So that's what I can answer. I hope I have answered it well.

Chinmay Parab: Yes, sir, it was really nice of you. It was a very detailed answer. And my next question would be on the line of our Air Express segment. I can see that the revenue has gone down on Q-o-Q and Y-o-Y basis. So can you shed some light like what is really happening in this segment? And what are we doing to cover this? Are we adding any new clients? And what is our strategy in the segment now?

Ketan Kulkarni: I'll take it, Deepak, thank you. So Air is a growth strategy, point number one. Air is a very strong growth strategy, point number two, because we are a player with very, very little presence in air. So that is the second half of the story. The third point is that to enable all this growth, we have recently formed a dedicated team that will look only on air.

That has happened at the national level and also the 4 zones that we operate. So our go-to-market has strengthened on air. And going ahead, you will see substantial gains in our Air Express revenue and Air Express volumes. There was a slight dip from Q4 FY '25 to Q1 FY '26, but that will also kind of grow at a faster pace in the coming quarters.

Chinmay Parab: And would you have any guidance for the segment?

Ketan Kulkarni: The guidance would be that this segment grows at about 3% to 4% CAGR year-on-year. And unlike the 1% above the market growth that we will do in Surface Express, here, it will be in multiples of 1 because of our limited presence in Air Express. So we'll grow a little more compounded above the market.

Chinmay Parab: And next would be on our MSME sector. Can you just share some light on how is it progressing? And what would be our momentum moving forward?

Ketan Kulkarni: I think I answered this in the earlier half of the call, but I'll kind of reanswer it. So MSME will always be the focus area because MSME, with our coverage and transit across the 19,000 pin codes of Bharat, plays a very important role, point number one. MSME has always been the strength of Gati.

We kind of lost some ground a few years ago, but we are regaining that. Number three, MSME, the yields are much better than on the KEA accounts. So that kind of gives you a much better blended yield, which gives you better margins. So MSME is the focus area, and we kind of have plans to grow very aggressively on that business.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Ketan Kulkarni for closing comments.

Ketan Kulkarni: Thank you for the conference. It was wonderful interacting with all of you all, and I really appreciate the line of questioning. It really kind of made us feel very, very good, me and Deepak, of being on the call and being with such informed participants about the logistics industry.

We will be having these calls regularly. For any questions that you may feel you have even after the closure of this call or for any clarification, please feel free to connect with my colleague, Sanjay Punjabi, our Head of Investor Relations.

Our website is regularly updated with all the information that we want to put out. So please feel free to go there and engage on the website. But overall, very happy with your participation. Thank you for sparing your time and making the effort to come on the call and ask questions. In gratitude, myself, my colleague, Deepak and Sanjay.

Deepak Pareek: Thank you.

Sanjay Punjabi: Thank you.

Ketan Kulkarni: Suyash, thank you so much for organizing. Thank you so much.

Moderator: Thank you. On behalf of Allcargo Gati Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.