TCIEXPRESS

LEADER IN EXPRESS

Dated: August 20, 2025

Listing Department **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street-Mumbai-400001 Scrip Code: 540212	**Listing Department** **National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai-400051 Scrip Symbol: TCIEXP

Sub: Transcript of Earnings Call for the Quarter-1/FY 2025-26
Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is in furtherance to our letter dated August 14, 2025, whereby the Company had submitted the link to the audio recording of the Earning Call held post announcement of the Un-Audited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2025.

Pursuant to the Regulation 30 (6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the said Earnings Call, for your information and records. The transcript of the earnings call is also available on the Company's website at https://www.tciexpress.in/investor-analyst-corner?invid=16&key=c74d97b01eae257e44aa9d5bade97baf

We request your good office to take the above information on records.

Thanking you,

Thanking you,
For **TCI Express Limited**

PRIYANKA
Digitally signed by PRIYANKA
Date: 2025.08.20 16:35:14 +05'30'

PRIYANKA
(Company Secretary & Compliance Officer)
Encl: as above

“TCI Express Limited

Q1 FY26 Earnings Conference Call”

Thursday, August 14, 2025

MANAGEMENT: **MR. CHANDER AGARWAL – MANAGING DIRECTOR**
MR.MUKTI LAL- EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER
MR. PABITRA MOHAN PANDA – SENIOR CHIEF SALES AND MARKETING OFFICER

MODERATOR: **MR. MOHIT LOHIA – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the TCI Express Q1 FY26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participants’ lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Lohia from ICICI Securities Limited. Thank you, and over to you, sir.

Mohit Lohia: Yes. Hi. Thank you, and good evening, everyone. Thank you for joining us today for Quarter 1 FY26 call of TCI Express Limited. First of all, I would like to thank management for providing us the opportunity to host the call.

From the management side, we have Mr. Chander Agarwal, Managing Director; Mr. Mukti Lal, Executive Director and CFO; Mr. Pabitra Mohan Panda, Senior Chief Sales and Marketing Officer. So without further delay, I would now hand over the call to management for the opening remarks. Thank you, and over to you, sir.

Chander Agarwal: Good evening, everyone, and welcome to Q1 FY26 Earnings Conference Call for TCI Express Limited. I would like to thank all of you for joining us here today. I hope you and your families are staying healthy and great.

We have already circulated our earnings presentation on our website and Stock Exchanges, and I trust you have reviewed it. To begin, I will provide an overview of our business scenario and the performance of our service offerings for the quarter. Following that, I will hand over the call to our Executive Director and CFO, Mr. Mukti, who will walk you through the financial performance for Q1 financial year '26.

The first quarter of financial year '26 marked a steady beginning for the company with the company, with TCI Express sustaining its momentum through discipline, operational approach, and continued investments in network expansion. Performance during the quarter reflected balanced contribution from all service verticals, supported by evolving customer requirements, growing demand across industrial segments and the company's strategic focus on multimodal logistics.

The Surface Express division remained the largest contributor to overall business, driven by demand from sectors such as retail, automotive and industrial goods. Operational consistency ensured sustained volumes and service levels.

The Rail Express segment continued to strengthen its network, supported by infrastructure improvements and increased adoption of cost-effective and environmentally compliant railway solutions.

The Domestic Air Express division further expanded its last mile connectivity, while the International Air Express division handled over 100 tons of cargo through multiple Indian gateways, recording a 33.25% year-on-year revenue growth.

The C2C Express segment registered growth of over 14% during the quarter, in line with our focus on diversifying and strengthening revenue streams. During the quarter, we added 10 new branches to enhance last-mile delivery and capabilities to improve customer accessibility in key regions.

In addition, new sorting centers were commissioned in Nagpur, Raipur and Indore, collectively spanning over 2 lakh square feet. These facilities represent a significant step in our infrastructure expansion and will strengthen our processing capacity in Central India.

Our multimodal capabilities remain a core element of the long-term strategy, contributing to operational flexibility and optimized service time lines. Despite industry headwinds such as elevated freight rates, inflationary labor costs and higher compliance expenses, our asset-light model surrounded by agile network management enables stable freight pricing and consistent service delivery. Through disciplined execution and focus on cost efficiency, we maintained stable revenue performance in Q1 FY26. This was supported by steady volumes, improved productivity and an optimized cost structure.

Profit after tax for the quarter stood at Rs. 21 crores. We are pleased to share that TCI Express has been certified as a Great Place to Work for the fifth consecutive year, reaffirming our commitment to employee engagement and workplace excellence. As part of our CSR initiatives, the TCI Express Foundation in collaboration with TCI Foundation established an Archery Academy in Khunti, Jharkhand to support tribal children through structured coaching, quality equipment and regular training sessions.

Looking ahead, we will continue to focus on expanding our infrastructure and strengthening service capabilities. Plans are in place to replicate automation technologies at upcoming facilities, expand our branch and service network and further develop the multimodal segment through targeted sales and business development initiatives.

We are also working to increase our presence in complex sectors such as aerospace and engineering, while scaling the Air Express network beyond metro cities to improve coverage. We remain optimistic about the upcoming festival season, which is expected to result in higher volumes across retail and electronics, auto and lifestyle products.

The company is well positioned to manage the anticipated demand through its expanded network, upgraded infrastructure and strengthened multimodal capabilities. With a clear road map, TCI Express remains committed to sustaining growth through operational excellence, service reliability and strategic execution in the quarters ahead.

With this, I would like to now hand over the call to Mr. Mukti to talk about our financial performance for the last quarter.

Mukti Lal: Yes. Thanks, Chander sir, and good evening, everyone, and thank you for joining us today. I will now take you through the financial performance of the company for this first quarter. And as Mr. Chander has already briefed about the overview of the business and environment and key development during the quarter. So I will focus on financial performance service-wise, my service offerings updates and operational progress and our strategic priorities.

So basically, during the quarter, we have achieved a revenue of Rs. 287 crores. And this is reflecting a sequential decline of 6.7% and 2% is on a Y-o-Y basis. And total income of the quarter is Rs. 290 crores.

EBITDA for this quarter was Rs. 33 crores, and it is the margin level stood 11.5%, which is compared to 10.5% in Q4 FY25 and 12% in Q1 FY25. And profit after tax is again Rs. 21 crores with a margin level of 7.3%.

Despite the revenue moderation our margin profile remains resilient, supported by operational efficiency gain, higher network productivity and improved business mix. The benefits from the automation at our sorting center and disciplined control on direct costs helped offset part of the volume softness.

So now I'm giving like service offering-wise performance. So International Air registered growth during the quarter, supported by higher volumes through key gateways and increased customer adoption. First time in a quarter, we achieved like 100-ton transportation for Air International. Service continued to handle both our outbound and inbound flows, provide 2-way capabilities to clients.

Same way like Rail Express reported stable growth with further expansion of network coverage and customer base alongside a higher proportion of repeat businesses. It remains positioned as an option balancing cost efficiency and delivery time line across key routes.

Again, about like C2C Express recorded also an expansion in business during the quarter, supported by new customer acquisition in core industry sectors and increased adoption of customized delivery solutions. Efficiency in operation was achieved through route optimization and effective utilization of return loads. We continue to provide the expansion of our multimodal portfolio with the objective of increasing its overall contribution to the revenue mix over the medium term.

Apart that, we also like spent Rs. 13 crores on the capital expenditure towards branch expansion, sorting center construction and IT infrastructure upgradation. This is part of our multiyear capex plan under which we have already invested almost like Rs. 200 crores in the last 3 years. We continue to operate with 0 debt balance sheet. Receivable days were maintained at 58 days. Payable days are 35 days. So net working capital cycle is maintained at 23 days, consistent with our historical performance.

Our asset-light model allows us to fund expansion entirely from central accruals while maintaining strong liquidity, we will be maintained for the whole year and time to come also. So our priorities remain focused on expanding multimodal capabilities along with Surface expansion also. So we to increase the contribution of multimodal services in overall pie from current level of 17.5% to 18% to 20% to 22% over the next 2 to 3 years.

The strategy includes widening customer penetration in high potential industrial verticals, scaling International Express volumes and leveraging technology and automation to improve productivity. And also like in that, we also strategize where we earlier thought put like one team for the whole multimodal product now we decided to keep each service offerings have a separate like throughout the ecosystem network from top to bottom. So we're creating that way also. So we're creating for air and international and then Rail and C2C is completely different. From top to bottom, we're creating a separate team and a separate network for that.

So on sustainability, on other sustainability side or you can say like grain logistics, we are piloting EVs for last mile and mid-mile operation in selected cities and implementing renewable energy solution, including solar rooftop at newly built up these three sorting centers, as Mr. Chander has mentioned. So ESG remains an integral part of our long-term strategy approach and business.

So to conclude, Q1 FY26 was a steady start to the year. We maintained stable margin despite a modest decline in revenues, continued to invest in network expansion and automation and upheld our strong balance sheet and cash flow profile. We are confident that our strategic direction and disciplined execution will enable us to capture growth opportunities in the quarter ahead and deliver sustainable value for all stakeholders.

So now thank you very much, and now we can open the floor for questions, please. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask questions can press * and 1 on their telephone. If you wish to remove yourself from the question queue you can press * and 2. Participants are requested to use handset while asking a question. Ladies & Gentlemen we will wait for a moment, while the question queue assembled. The first question is from the line of Krupashankar NJ from Avendus Spark. Please go ahead.

Krupashankar NJ: Good evening, Thank you for the opportunity, My first question is on the tonnage part. So, while you have mentioned quite soft, any number you can provide on what would have been the tonnage for the quarter?

Mukti Lal: Yes, Well, Tonnage is 2.33 lakh tons for the quarter.

Krupashankar NJ: Understood, sir. With respect to improving the existing network on the Surface Express side, just wanted to get a sense on the utilization levels are at around 82%. I want to know how you are trying to improve that in the Surface Express. So any measures taken on that front.

Mukti Lal: Yes. Well, so as you are aware, like the volumes are soft. So, we, last year, we were highest, we touched around 83.5% and then we maintain 15% for the whole year. And this is a good thing in spite of slightly decline in volume, we are able to maintain 82%.

So surely, once we add the volumes, then certainly we will be reached back to 83.5% to 84% for the Surface for sure. But side by side, we also like adding the capacity or network expansion for Air Domestic and Air International product and as well as for Rail. So, for them, we're creating a separate network. So that cost is also adding in my overall direct cost.

Krupashankar NJ: Is it fair to assume that the margins of the Surface business have been higher and it is just because the other businesses are scaling up, the profitability is relatively lower. Is that understanding, correct? Or any other thoughts you can share on what can drive margins from current level?

Mukti Lal: So, if you talk about margin levels, so margins in Surface, Air Domestic and Rail are all more or less equal and slightly less in Air International business because this is a very competitive business and is a high-volume business basically. So that's it.

Krupashankar NJ: Okay. So, what I wanted to know is that going ahead, is the growth expectation in the International Air business going to drive our top line growth over the near term? Is that going to be the key driver?

Mukti Lal: So basically, not only Air international, it will be like all the multimodal products like Rail, Air, Domestic and International and C2C put together, they will be the growth driver also. But we like Surface is our key business. We still have like 82%, 83% businesses Surface. So that has to be also, drive the growth. But we want to be slightly higher growth in these new segments.

That's why we're creating a team. So our target is to strategy supposing we altogether achieving a growth of double digit or like 10%, 11%, then we maybe achieve 8% growth in Surface and then 14%, 15% overall growth in multimodal products. So that's the target. And margin level will be certainly improved once we will get the volumes and revenue growth, and we will be back to normal margin levels.

So, profitability-wise, all products doing very well. But somehow some capacity is unutilized in new network we're creating for first mile and last mile deliveries for these new services like Rail and Air because mid-mile is already decided as a train and flights.

But first mile and second mile, we somehow, we're creating like more network to be reached customer very fast and to service level has to be like very high. So that somehow is slight vacancies there, which will be, once we will be like picking the volume in gradually, then it will also fill up.

Krupashankar NJ: Understood Sir, Thank you.

Moderator: Thank you. The next question is from the line of Dhruvin Kadakia from SKP Securities. Please go ahead.

Dhruvin Kadakia: I actually wanted to understand that with respect to our capex that we have till FY27, it would be really kind if you could give me some kind of a breakup as to how much are we planning to incur in FY26 and FY27?

Mukti Lal: Yes. Well, so we have taken a target to, for the last 3 years and including FY26 and FY27. For the 5 years, we have taken a target of Rs. 500 crores capex plan. Of that, in last 3 years, we spent Rs. 200 crores. Now I think in this year, we will be finished with Rs. 100 crores. And again, in next year Rs.100 crores. So this way, I think we will be finished and out of Rs. 500 crores, we may be like Rs. 400 crores plus. That's, I think we will achieve by FY27. And then once we will be in the mid of year of FY27, then we will finalize again the next 4, 5 years capex plan.

Dhruvin Kadakia: So is it safe to say that the Rs. 500 crores chances are that it will extend beyond FY27, like it can happen till FY28?

Mukti Lal: Yes. That's the high probability, yes.

Dhruvin Kadakia: All right, sir. And any guidance that you would like to give with respect to EBITDA margin, volume growth or realization growth for the next 2 years?

Mukti Lal: In this year, we're targeting volume growth is in single digit, high single digit, like 8%, 9%. And with the price hikes, we will want to be like 11%, 12% in FY26. And then in the next year around volume growth, again, double-digit and then profit margin is around 13% revenue growth and margin would be back to EBITDA will be normal in 15% to 16% range.

Dhruvin Kadakia: Okay sir, That's all from my side. Thank you so much.

Moderator: The next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Yes, Thanks for taking my Question**.** Sir, if you could help us understand in terms of the, so Rs. 200 crores you mentioned in terms of capex, but I presume the opex is also hurting us. Is there any estimation as to what is the extent of the under absorption of these costs, like, or let me put it in another fashion.

If you could help us understand on the Surface Express, which has been our core in the past, what is the margin compression we have seen from a 15%, has it fallen to 10% or 9% or it is still 13%, 14%, but balance 400 bps impact is because of the other verticals?

Mukti Lal: Yes. Well, so you rightly said there is a low margin compression itself in Surface Express because this is the biggest service we are offering here. Margin is slightly like decline in other multimodal product where because we've seen an inflationary pressure or do flow by these airlines and airport privatization in air segment.

And obviously, this increase in Air International is slightly low margin business. EBITDA margin is around in the range of 10% to 12%, but though it is not a big business right now, it will grow. That is our long-term strategy is to be like derisk the revenue stream because we are usually like depending on one segment of business.

So we derisk ourselves by the clientele ratio because we have high clientele in Surface, but we want to derisk ourselves with the diversification on the service level also. So that's why we want to strengthen this multimodal services or other services these offerings also.

So that's why we're simultaneously creating a team for these other services also. So that's why margin is slightly less on the, otherwise, on operating level, we are also like very good margin and other services also, except this one Air International business.

Achal Lohade: Sir, I'm a bit lost if you could elaborate a little bit very clearly. So let's say, you have said 17% is our, the other verticals, right? 82%, 83% is Surface Express. Have I understood the number right?

Mukti Lal: Yes.

Achal Lohade: You've said that your margins are fairly stable for the Surface, which used to be 15% before, right? That alone can give 12% EBITDA margin.

Mukti Lal: Now it is around 13%

Achal Lohade: 13%, okay. So there is a 200 bps contraction there. And that is driven by what? Is that to do with the pricing, competition or simply you're not able to take a price increase? What is it?

Mukti Lal: Yes. So it's a combination of 3 things as we, because we faced this challenge in last year. This year, hopefully, you have seen the numbers are like same cost what we have in the last year. So basically, that was happened due to toll tax increases and labor wage increases, and we were not able to passing on to customers.

So that's why that contraction happened on like 200 basis points in last year only, 150 basis to 200 basis points. This year, we're trying to be like increase the prices, which we have already taken in this Q1, almost 75 basis points in prices. And we will keep continuing this year, we are targeting to increase at least 2% in overall pricing from the Surface segment. So we're working on that. That's our strategy.

Achal Lohade: Right. So let's say, sorry, I'm just trying to clarify for the sake of understanding. So you're saying that 83% is at 13%, that alone gives 10%. So that 17% is at 0 margin. Have I understood right?

Mukti Lal: No, not 0, but they are very less margin because we're creating a network for that. That's why in each month, we're adding the branches, we're adding the vehicle to get more businesses on Rail and Air. So that's why supposing we put, so each month, we're adding the capacity. I think we will be streamlined that one in quarter 2, more or less.

Then after that, we will be like building the capacity and building the customer base, and then we will be further if need some expansion, then we will do after that only. So we will be finished that. And other thing also like we're creating a team for this business also.

So that cost is also adding, that will be, I think we will be finished the hiring by September end and then it will normalize. So margin level would be, again, in that way, EBITDA margin would be come in the range of 14% to 15% for this multimodal products also put together.

Achal Lohade: Understood. And just last question, if I may, with respect to the capex, what we have spent on the automation, right? Of this Rs. 200 crores of the total Rs. 400 crores, what we will end up spending between FY23 to FY27, right? Of this, how much is going for the automation and how much is going for the new branches, new locations, new warehousing, etc.?

Mukti Lal: Yes. Well, so basically, for automation put together, we will be considering like 2 we already did and 2 more will be by FY27. So, total put together, capex is around Rs. 80 crores to Rs. 100 crores in automation and remaining on construction and land buying and all. So this is the ratio for that. So, 25% and 75% because branch expansion, we really don't need much because there's an opex is there for like we're putting the vehicle for additional and all.

But on a branch network, we don't need to put anything much capex for that. For the 1 branch, I think Rs. 1 lakh and Rs. 2 lakh is suffice for that. Sometime like supposing we're opening up the branch for the Rail. So, we might putting in the same location. So, there's no additional capex we need to put there.

Achal Lohade: Understood.

Mukti Lal: We really don't need capex and hardly this basically going into 90% plus is going into this sorting center only.

Achal Lohade: Right. Okay. And just one factual question. Is there any overlap in terms of the operations between us and TCIL, whether it is last mile or mid-mile as in line haul or the warehousing or the corporate office at all?

Mukti Lal: No. Since inception of this division as we are a part of TCIL, since that time, we were not having any kind of operation together, except a few offices we're sitting together because these are the admin offices like regional offices or controlling offices and all. Other than that, nothing we are doing like anything is overlapping there.

Achal Lohade: Totally independent.

Mukti Lal: Independent. And business line is also like completely different because we do air, they are not doing air at all. They're doing shipping, we are not doing shipping. So completely, completely different service offerings and different network and altogether.

Achal Lohade: Got it. This is very helpful sir, Thank you so much.

Moderator: The next question is from the line of Ashwin Reddy from Samatva Investments. Please go ahead.

Ashwin Reddy: Yes. Hi, Good evening, My first question is on regarding the multimodal transportation what we're doing. So, what are the broad time lines by when we believe the margins will come back to the Surface level? Is it like 1 year away, 2 years away? Or like how far are we from when the margins will start to come back to company level margins?

Mukti Lal: Yes. So well, so basically, on multimodal and other offerings, we will be almost done expansion for current time. So, I think by September, we slightly face margin pressure on multimodal. After that, that will be, because we're building up the revenues also in additional network we created.

And we're also putting team for the more businesses. So, I'm hopeful quarter 3 onwards, we will be like normalized in the range of 12% to 14% margin level will be start in multimodal as well because then we will be able to utilize this network fully or in a maximum level. So that will be directly add to our profits.

Ashwin Reddy: Got it.

Mukti Lal: Because our strategy is very clear. We are not putting extensive network, which is creating a loss to us because we are not like a start-up company. So whatever we are doing as a sustainable basis and gradually we're doing. So we at least have to margin on these businesses and we're building up the capacities over the period, so gradually. So we are not putting something in like 1 year and then utilizing that way. So we're going gradually. So whatever we did initially, we did that. And quarter 3 onwards, it will be normalized as a margin level.

Ashwin Reddy: Got it. So just to extend the same question. Now the clients that you get here, are they, what is the overlap with your existing clientele that you have? Is it primarily the same customer? Or are you going out and getting new customers for this business?

Mukti Lal: Yes. So it is basically kind of like almost 50%, 60% of the same client, which is needing a different service like Pharma community you take, so they're also doing Surface they're taking from us. Earlier, they're using continuously Air services. Now we also convinced them to use rail services wherever they fast like kind of mid solution in times of that like Surface and where in between they want. So service offering to same customer is like repletion of this 50%, 60%. So customer base is almost same.

Ashwin Reddy: Got it. And my second question is on regarding the approach to e-commerce segment. Has there been any change in your approach to e-commerce? And has there been any change in the e-commerce industry itself? Is it now more viable to get more addition on e-commerce? Or any thoughts there would be helpful.

Mukti Lal: Yes, that's a very good question. So basically, I just also forget to that for the, like Air International is a completely different customer. I just forget to mention and answer your last question. So there is a customer which is completely different. But other public services like either is a C2C or Air Domestic or Rail is almost like 50%, 60% customer are the same. So I am like now giving an answer for next question.

So basically, for e-commerce, yes, we reposition our confidence on to like restart the business for the e-commerce customers, though we have already for the very few customers. Now we're creating a separate team and refocusing on because we're seeing market stabilize. Whatever we're doing is like visible, whether we will be under profit or not profit. So we're going in small customers because new entrants are also there.

Now brand also like doing direct deliveries to customers. So D2C model is also working here. So we're focusing again, as gradually, and we will go with the profitable approach only. We will not be investing anything which is making loss for the company. So we are very much clear on that.

Ashwin Reddy: But is it more of B2B or B2C is what you're focusing on the last mile delivery, what you're focusing on? Or is it more on the B2B within e-commerce?

Mukti Lal: B2B normal Surface doing since long and is always focused. But now we're focusing more into B2C as well. So we're like employing the team there as well.

Ashwin Reddy: Got it. Thank you so much.

Moderator: The next question is from the line of Koundinya Nimmagadda from Jefferies. Please go ahead.

Koundinya Nimmagadda: Yes. Hi, Thanks for the opportunity, So, starting with if you can a little bit throw some colour on what is on the macro background for the quarter gone by given the volume growth? And what is your outlook for Q2? I mean, 50% of Q2 FY26 is already done. So how is it looking like at this point in time, if you can speak a little bit about it, please?

Mukti Lal: Yes. Well, so a few positives happened in this quarter, like cost visibility is there. So we have stabled the cost and what the pressure we feel on a whole last year for the increase in labor cost or increase in toll cost and other costs. So that is slightly stable. Second, business environment is slightly like more probable now. Earlier it is like more uncertain what customer committed, but until ultimately we will not get that. But now it is slightly certain in some cases.

But still we're facing a few, 2, 3 segments like especially engineering companies are really not, they are kind of having the growth of like moderate growth or like flattish growth continue. And same way, Lifestyle Company is also doing the same way.

But a few segment has grown well like Pharma is upscale and taking shape and like new segment of paint division or kitchenware companies, they're doing very well. So that's where it's like a mixed bag. Basically, a few segment is really doing well and a few segment is still like having a flattish kind of growth.

Koundinya Nimmagadda: Yes, sir. So I mean, if I were to look at your guidance, like you need to do about 8%, 12% kind of growth at least for the balance 9 months vis-a-vis decline in the current quarter. So how do you see this growth recovery part? Is it going to be immediate? Or you think it's going to be back-ended because this year, the festive season is front-loaded, but still you are saying that you haven't seen any recovery on the macro outlook.

And at the same time, if I were to look at our volume growth, for some reason, I mean, one of your peers, I mean, they are reporting really good set of numbers while you are lagging. So just trying to understand, I mean, a difference with respect to the commentary and also delivery part, I mean, what is happening? And how do you intend to achieve your guidance?

Mukti Lal: So well, our key business is, again, Surface and we are focusing on wherever with the high growth like in Pharma and this other segment I mentioned. So we will be focusing more and putting more sales team to achieve the higher revenue growth there. Second, multimodal, as we mentioned, and also given very good numbers in Air International and C2C business.

So these numbers, again, you've seen like 14% growth and 33% growth and kind of numbers. So we're seeing slightly higher growth traction in these multimodal segments and kind of like 6%, 7% growth in, or you can say like around 8% growth with together price hiking, we are hopeful will be achieved because now certainty is slightly higher than last year. That's the only thing I can say.

Koundinya Nimmagadda: Okay. So certainty, as you were saying that at least there will not be degrowth, maybe it's at least bottoming out at least on the negative growth front. Is that what you're trying to highlight?

Mukti Lal: Yes.

Koundinya Nimmagadda: Sir, can you put a number on, I mean, used to give this SME versus corporate customer mix. I mean, how, what is it now? And what was it earlier? Because I think you also in one of the previous calls spoke of increase in the corporate mix SME weakness. So how is it now?

Mukti Lal: That is also like in positive side. So we have improved that earlier, last quarter, I think in the whole year, we maintain 52 corporate and 48 as a Sundry. Now it is 49 in Sundry and 51 corporate because our again target to be achieved 50-50. So that is also going well.

That's way I'm hopeful because Sundry side, slightly, we have very positive signs to, for every customer. So we will be improving on that as well. So ratio would be by year-end would be 50-50, and that is also like directly add to our profit margin. That's why we're very confident to achieve higher profit margin in this year.

Koundinya Nimmagadda: Sure sir, Thank you and All the Best.

Moderator: The next question is from the line of Pravesh from Four Lion Capital. Please go ahead.

Pravesh: Hi sir, Thank you for the opportunity, One quick clarification. You mentioned that the multimodal even today is between 70% to 80% of the revenue. And we have seen very high growth on both C2C and Air International, as you said. So I'm wondering why is that mix not increasing in the overall revenue because this was the same 17% to 20% even in Q1 FY25.

Mukti Lal: So basically, you rightly said. So that number was for the whole last year was around 17%. Now it is near to 18%. But sometimes, like earlier, we have the e-commerce business was around 3% in overall, but now it is almost reduced to 2%.

So this year onwards, we are again focusing on that's the reason the maintain is around 18% because again, numbers are almost, these numbers like we have the growth in Air International business, which is very small business right now, it will grow. So this number is around 18% now.

Pravesh: Understood. What was our growth for the Rail Express business this quarter?

Mukti Lal: It's around 8%.

Pravesh: Understood. Secondly, in terms of branch openings, I think we had a target for 80 branches this year. We've done 10 in this quarter. How much have we done in Q2 FY26 till now?

Mukti Lal: We only opened three branches in this July month because overall our internal meetings and all. So that's why focus was slightly less to open the branches. And maximum branches, I think we will be open in September month. In this quarter, may not be like more than 12 or 13 branches in this quarter as well.

Pravesh: Got it. Understood. And lastly, when are you thinking about the 2% price hike that you mentioned? And what's the confidence that this time we'll be able to get it through the customer?

Mukti Lal: So it is consistent process, as I have taken in quarter 1 is around 75 basis points. And same way we want to be like 60 to 75 basis points in this quarter. So it will be a continuous process because after that, so we're targeting to improve almost 2%. That will be happened by, I think, in Q4 FY26, it is not possible to take hike because that's the business time. So usually, it happened whatever happened till calendar year-end. So by this December, I think we will finish this process.

Moderator: The next question is from the line of Jainam Shah from Equirus Securities. Please go ahead.

Jainam Shah: Sir, I joined the call late if you can give me the volume number for this quarter?

Mukti Lal: Yes. So, volume number is exactly 233,000 tons

Jainam Shah: Got it. Sir, what I see over here is that the volume has degrown by around 1% for the quarter. And when I recollect the transcript of the last quarter, after April and May, the volume is expected to grow in the low single digit during those 2 months. So eventually, can we say that June has been kind of a worst quarter for us, which led to around from plus, let's say, low single digit to minus 1% growth for this quarter. So, has that been the case or something else would say?

Mukti Lal: No, basically, like April was, it is like a journey in a different way. So, June, we were expect a slightly higher volume, but June did not well that way. May was okay. May was fantastic. And April was basically like slightly okay, but June was the biggest like that way. And July is again a good month. So somehow now revenue has stabilized, as you've seen like a decline in the volume is hardly like less than 1%.

So, this is okay. We're focusing more on this quarter 2. And visibility, I can say like visibility is there for the like quarters. Last year, we said visibility was, uncertainty was high. So that we overall basis in our overall customer base, we're seeing certainty is like higher than last year and the visibility is slightly high. So that's it.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Chander Agarwal: Thank you all for joining us today. We have endeavored to address all your questions. Should you have any further inquiries, please feel free to reach out to our Investor Relations team, and we would be happy to assist. We look forward to connecting with you in the next quarter. Wishing you a healthy time ahead and a Happy Independence Day and Krishna Janmashtami in advance. Thank you.

Mukti Lal: Thank you, everyone.

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