"TCI Express Limited

Q2 & H1 FY 26 Earnings Conference Call"

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

**Moderator:** Ladies and gentlemen, good day, and welcome to TCI Express Q2 and H1 FY 26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing Star then '0 'on a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Lohia from ICICI Securities. Please go ahead, sir.

**Mohit Lohia:** Hi. Good evening, everyone. Thank you for joining us today for Q2 and H1 FY '26 Earnings 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, Chief Business Officer.

So without further delay, I would now hand over the call to the management for the opening remarks. Thank you, and over to you, sir.

**Chander Agarwal:** Thank you, Mr. Mohit. Good evening, everybody, and welcome to the Q2 and H1 FY 26 Earnings Conference Call of TCI Express Limited. I would like to thank all of you for joining us here today. I hope you and your families are keeping well.

We have already circulated our earnings presentation on the company's website and the stock exchanges, and I trust you have a chance to review it. To begin, I will provide an overview of our business and operational performance during the quarter and first half of FY 26. Following this, our Executive Director and CFO, Mr. Mukti, will take us through the financial results in detail.

The second quarter showed consistent progress over the previous quarter, supported by stable volumes, network expansion and growing contribution from our multimodal services. Despite moderation in certain industrial segments and global trade headwinds, the company maintained its operational efficiency and margin profile through disciplined cost control and consistent service execution.

The Surface Express division continued to be the largest contributor to overall business, driven by steady volumes across sectors like retail, automotive and industrial goods. We saw improvement in MSME business and demand from lifestyle and garments during the festive season. However, performance was temporarily impacted as supplies paused by manufacturers due to the GST rate cuts and system realignments.

Furthermore, we also added 10 new branches in this segment, strengthening last-mile connectivity. The Rail Express segment delivered another strong quarter from 25% year-on-year growth, supported by 25 new branch openings and growing adoption of appointed-based deliveries that improve planning and service reliability.

The Air Express segment performed well and with growth in both the domestic and international sectors. We continue to expand our capacity by securing direct space with new international carriers, enhancing our customer experience and increasing cargo handling efficiency.

The International Air Express business grew 40% year-on-year, driven by higher import-export volumes across the trade routes. The C2C Express vertical continued to expand, recording 15% growth during the quarter on the back of new customer additions and team expansion across regions.

Our Pharma Cold Chain Express service is gaining steady traction driven by demand from temperature-sensitive shipments, including through rail transport, ensuring faster and reliable logistics for pharmaceutical clients.

During the quarter, we leased a larger sorting center in Mumbai, which is 3 times the size of the existing one. The new facility will improve the operational efficiency, reduce cost and support future growth and expansion in western part of India.

Plans are in place to replicate automation technologies deployed at our Gurugram and Pune facilities, add upcoming sorting centers in Kolkata and Ahmedabad. These upgrades, along with implementation of a new CRM will further enhance operational visibility, customer engagement and efficiency.

Our asset-light model continues to be the foundation of our business, allowing high network utilization, better cost management and consistent service reliability. Capital expenditure of Rs. 28 crores was incurred in H1 financial year '26 towards branch expansion, sorting centers and IT infrastructure upgrades. I'm pleased to share that TCI Express continues to be recognized for its commitment to excellence and sustainability.

During the quarter, we were honoured with the Iconic Brands of India '25, Sustainable Organization '25 and the Rajasthan Business Award '25, reaffirming our leadership in the express logistics sector. Through the TCI Express Foundation, we continue to advance the CSR and sustainability initiatives.

The Annual Blood donation Drive was organized nationwide in September to commemorate our Founder Chairman, Late Shri P.D. Agarwal Ji on his Punya Tithi. Our Jaipur Foot & Rehab Center Lucknow has empowered many beneficiaries this year with artificial limbs and assisted devices while ongoing initiatives at the Archery Academy in Jharkhand.

Looking ahead, the company remains focused on expanding its infrastructure and strengthening multimodal operations. We are also expanding into new verticals such as defense, EV and solar energy, which align with emerging trends and growth opportunities in the logistics space. With a strong balance sheet and consistent investment in technology, TCI Express is well positioned to capture emerging opportunities in India's logistics sector and deliver sustainable value to its stakeholders in the quarter ahead.

With this, I would like to now hand over the call to Mr. Mukti to take you through our financial performance for the quarter and half year. Thank you.

**Mukti Lal:** Thank you, sir, and good evening, everyone. I will now take you through the financial and operational performance of our company for the second quarter and first half of this current year. As our Managing Director has already said the business overview and key developments, I will focus on the financial highlights, service performances, operational updates and our strategic priorities for the upcoming quarters.

So basically, the second quarter reflected a steady financial performance, supported by consistent cost management and balanced growth across our service offerings. Total income for the quarter was like Rs. 312 crores compared to the Rs. 290 crores in Q1 and Rs. 314 crores in last year same quarter.

And EBITDA for the quarter is Rs. 39 crores, translating to a margin of 12.4%, while profit after tax is Rs. 25 crores with a margin of 8.1%. For the first half of FY '26, income is like Rs. 602 crores compared to Rs. 609 crores in the same period last year. EBITDA during the period is Rs. 72 crores with a margin of 12% and profit after tax is Rs. 46 crores with a margin of 7.7%.

Despite moderate top line performance, our disciplined focus on network productivity, cost optimization and improved service mix helped sustain margins within our guided range. Our core services vertical continued to perform steadily during this quarter, supported by the festive demand environment and consistent network expansion.

The Surface Express division remained obviously primary contributor, benefiting from stronger movement in lifestyle, garment and consumer goods, while MSME activity improved across key regions, though not up to that level. But yes, it has improved slightly. Our other services like Air, Rail and C2C segment delivered robust performance as did in quarter 1, driven by network expansion, capacity enhancements and strategic client growth, highlighting sustained operational excellence and business resilience.

Our working capital cycle remains efficient with the receivable days at 60 days, payable at 40 and net working capital requirements 20 days, reflecting strong control over collections and payments. The company continues to operate debt-free, maintaining liquid assets of Rs. 150- crores. Cash flow from operation during this H1 is Rs. 20 crores. It will be improved over the period, obviously.

And in summary, Q2 reflected consistent financial performance with healthy margins, stable volumes and strong operational execution. We remain focused on expanding our multimodal capabilities, enhancing technology integration and maintaining a disciplined approach to cost management and capital allocation. These efforts will ensure continued value creation for all stakeholders as we move forward.

Thank you. And now we can open the floor for question and answer, please. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask questions may press * and 1 on their touch telephone. If you wish to remove access from 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, and thank you for the opportunity So, first bookkeeping question. What would have been the volumes for this quarter?

**Mukti Lal:** Yes. So volumes is 2.5 lakh tons for this quarter. And for the half year, it is almost 482,000 tons.

**Krupashankar NJ:** So when I look at the tonnage growth on a Y-o-Y basis, it's still being quite flattish despite the underlying trend. What would be attributable to the GST-related impact? And if not for that, what could have been the tonnage growth? And have you seen that spill over to in the month of October? Any light on that, please?

**Mukti Lal:** Yes, very well. You asked a very good question. So basically, yes, we could have like post the revenue growth of like 2%, 3%, single low-digit growth in this quarter if we could not in fact, this through this GST impact. And that we also, as rightly said, is the spillover in October month, and we're seeing a good traction in October.

And so October also like slightly impacted because Diwali in mid of that and last year, it was end of the October, so that was not impacted. So if you put together these 2 months, October and ongoing November, put together, we have very

good growth in this year. So we certainly as we guided, we will be certainly put the growth in that.

**Krupashankar NJ:** So you're talking about 10%-plus growth. Is that the number we should read for the year?

**Mukti Lal:** Yes, we guided like 8% kind of growth in volumes and 10% kind of growth in revenue. So we are on that. Hopefully, we will be in next quarter, we will be giving a growth of higher single-digit growth in next quarter.

**Krupashankar NJ:** Got it, sir. I have one fundamental question out here. Now while your press release, it talks in detail about International Air Express growing at 40%, Rail growing quite strong, C2C also growing at mid-teens sort of a thing. Is it just fundamentally the fact that the surface business is the only underperforming business in our entire spectrum, and that is one of the reasons why our revenue growth has been flattish over the period?

Is that how one has to read it? And what has to fundamentally change with our operations to get back because we are seeing that the underlying industry is growing at around 9% to 10%. So what has to change from here on, sir?

**Mukti Lal:** Yes. So well, you rightly said, so my other service other than surface is gaining traction, and we're getting like good revenue growth on these, though it is like a small portion of overall revenue. But yes, so surface, we also did so many efforts like we're adding the new verticals. and what was the main reason to on surface, there is, I think 2 aspects of that. One is like paper and plastic industry is also slightly reduced on that part. So that was the one reason.

Second part, MSMEs really hit. So still, they're like trying to recover from that and they're gradually recovering from that because everybody, if you see industry-wide, everybody has impacted due to this MSME is not like improving. That's the, I think, one-off reason where we also impacted.

And hopefully, in next quarter onwards, we will have the growth in obviously, in surface product as well. So we will be on the right path. Even we were be like flattish in surface if we could have like GST impact of that and growth in other products. So ultimately, that impact will be, I think, gone and now on the right path to be growing this segment also.

**Krupashankar NJ:** So what I was actually looking for is, is there any accretion required from the marketing team? Or is there any requirement of new branch addition? Any change in strategy which has to be implemented to boost up this growth from a flattish sort of a trend is something which I was looking for. So anything which is fundamentally you're planning to implement because you've seen this trend over quite some time now?

**Mukti Lal:** Yes. So it's nothing like permanent there, is like temporary nature. Manufacturing is not increasing. Numbers are there in India is not, whatever kind of segment we are, that is really not increasing. And again, in last call, we also mentioned we are depending on only one product. That's why we're derisking ourselves to putting other services in place.

And we're cross-selling. So each other product is helping to growing together. So that's also a good strategy we're putting. We're also putting additional like marketing team to how to like improve business in Surface segment. And branch expansion, i think, not needed because we already have enough branches.

Obviously, we have a plan to be increased. But once we like to stabilize or getting into a BP point on the surface mode, then now we are also focusing to open the branch in other services. So this put together is a mixed strategy where we need to go ahead with that.

**Krupashankar NJ:** Got it sir, Thank you for your patient answers, all the best.

**Moderator:** Thank you. The next question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.

**Ravi Naredi:** Chander Ji, can we tell now worst is over and we pick up from here?

**Chander Agarwal:** Yes. I also think so because all the dents in the economy and everywhere, it's quite evening out. So looking at that, everything should be in the upward trajectory.

**Ravi Naredi:** Okay. And this Bombay location you have taken on the lease, how many years it will take to start?

**Chander Agarwal:** Already started sir.

**Ravi Naredi:** Started but you will do modernization there?

**Chander Agarwal:** No, because we will do modernization -- sorry, automation in location of where we buy our own sorting center. So this is not on our own land. So we will not probably do automation. And you need a certain scale for automation, like at least 1.5 lakh square feet. So once we attain that only, we go for automation. Yes, Mukti?

**Mukti Lal:** Yes. So basically, this is like on a strategic location and to add that what Chander Ji is saying. So there is a strategic location and ultimately, it will be reduced like turnaround time because maximum movement of where we've taken this new sorting center on like Nashik Road, this is the maximum load is go out from Mumbai or in and out from the Mumbai on that location. So it will ultimately help us to maintain our direct cost for that purpose.

**Ravi Naredi:** Right, Thank You.

**Moderator:** Thank You. The next question is from the line of Anshul from Emkay Global. Please go ahead.

**Anshul:** Hi Good evening, Thank you for the opportunity. Hope I am audible?

**Mukti Lal:** Yes Anshul.

**Anshul:** Great. Sir, first question is on the pending automation at Kolkata and Ahmedabad as Chanderji mentioned. What would be the time lines of this and the capex involved for the same?

**Mukti Lal:** Yes. So well, it is like, it will take time because construction has started on both the locations. So I think it will be take time actually. It's more than 1 year time is still there because construction will be finished in 6 to 9 months, and then we will start to like put an automation. And then I think finish will be, it will not be before like December next year, you can say.

**Anshul:** Okay. So mid-FY 27 we should end and capex involved for the same, sir, for so remainder capex and probably for FY 27, if you could just guide us for the capex?

**Mukti Lal:** Yes. As we've taken like Rs. 500 crores capex in 3 years back, now it's the fourth year running. So we spent almost Rs. 240 crores and remaining, we will be, I think,

spent finished on Rs. 400 crores. So you can say in the remaining 1.5 years, we will be spent around Rs. 150 crores more.

So in against of taken a target of Rs. 500 crores, we will be ending with spend Rs. 400 crores in 5 years. Then we will carve out the new strategy with the wherever location, we will be like want to this implementation of sorting center and all. So we will be, I think, putting into the next year for that.

**Anshul:** Got it. And this plan includes only automating these 2 hubs, correct?

**Mukti Lal:** Yes. As Mr. Chander has mentioned because it is not feasible to have less than that. If we -- like facilities in a size and a smaller in size, like below 1.5 lakh square feet, then it's not feasible to have automation. So that's why wherever we have, like Kolkata is around 1.5 and then Ahmedabad is almost like 2.5 lakhs, which is the biggest one. So these type of facilities is really feasible to have this automation and then everything is suitable there. Otherwise, no meaning to we have this automation. So that's way.

**Anshul:** Got it. Second question that I had was on our revenue trajectory in the Surface Express business. Now if I assume that our new services are contributing roughly 17%, 18-odd % of our total revenue, Surface Express business seems to be sort of declining by 4% to 5%, mid-single digit, that continues.

Do we foresee that despite your commentary that festive season demand sort of has benefited the current quarter as well. How likely would this demand sort of push up Surface Express business revenue trajectory in the coming few quarters? If you could just shed some light or color on this, it would be useful?

**Mukti Lal:** Yes. Well, because it's all depending upon how like economies because it is our biggest contributor on that. So SMEs share increase is very important for us. That's why we're putting effort to expanding branch network and now strengthening team at branch level to knock the more doors to getting more businesses from the SMEs.

And as mentioned in the last call, we're also putting effort to be more businesses in this, usually empty routes like eastern part of India and southern part of India. We're strengthening their team there so they can get more businesses because

these areas maximum depending upon the like SME customer. There are no big manufacturing as such.

So this is our strategy to be putting more team there to get more businesses in Eastern part of India like again, Bengal and Odisha and Jharkhand and all everywhere. And this is getting good results, and we will keep continuing on that strategy. Second strategy to be putting direct sales team for this surface, we're enhancing that.

So we already put almost 30, 40 more people on controlling level because as you are aware, we have a structure of like 60 controlling offices we have. So, we have already put more team. And so these are the strategy.

And third thing we're also putting a particular focus on new verticals, as we mentioned, on this EV vehicle. So this is a good news. We already like made an agreement with the 1 EV vehicle provider in South India. So we will get that start the volume from next month. I mean in this November month, we get the sign in the last month.

So these kind of strategies to adding new verticals, and we're also focusing major for like home furnishing and paint division, which is new companies is coming as you see as a heavy competition on that.

So these kind of exclusive strategies will be works well, and we will be certainly coming out of this like degrowth of this main segment. So other thing also, Anshul, like in what happened in Diwali time, as you've seen up to that 22nd September, there was a GST rate cut which started to that.

So people convert from there also like Surface business into Rail and Air because there was a requirement, urgent requirement for that. So 1%, 1.5% reason is also there because they like demanded to be like deliver very fast whatever way we can be do. So that's a oneof reason also where surface was slightly down. So these are the things which we are putting as a strategy for the future.

**Anshul:** Got it. One final question from my end, if I may. You had earlier mentioned that our new services are margin dilutive in nature. So till surface picks up, margins should remain muted. Would that understanding be correct? Or with new

services, operating leverage helps top line improves, so margins should sort of firm up? How should we look about this?

**Mukti Lal:** Not, really, other services also not like diluting margins. They are also like similar margins, except Air International having slightly less margin, which is very, very small amount in a percentage terms of revenue. Otherwise, all services are the same. But why our margin has diluted is different reasons. One is because we're expanding network for like Rail and Air and air rates has also increased like arbitrarily by these all airlines.

So that's why there is a reason where cost has been increased almost 150 basis points on an overall basis due to these reasons. That's why my margin has been diluted. And other reason is because we are not, as volumes has not picked up. So utilization level of truck has dropped. So that's the main reason where we almost reduced by 300 - 350 basis points. Otherwise, the margin level of all services are okay.

There is no problem for any services, even rather similar or slightly higher in other services, rail or air. So margin is not challenged. I think it is again temporary. Once we reach back. So my target is to once we reach back in a truck utilization of 85%, then we will be again back to improve margin in, we will be jumped from by at least 150 basis points, and that's the thing, I think.

And slight challenges were also there in front of cost increases due to, again, for the increase by the toll charges and labor charges, which we faced the challenge of last year only.

This year, you see like we have maintained the direct cost and gross margin, we maintained almost like same of last year. So these challenges, we have already overcome. And I think air expansion or rail network expansion is also like steadily going on, but we're building up the revenue on that network. So it is maintainable. So that's why my gross margins are improving or rather you can say sustainable and will further improve in like quarter 3 and quarter 4.

**Anshul:** Got it. many thanks, for the detailed answers. All the very best for the remainder of the year.

**Moderator:** Thank you. The next question is from the line of Alok Deora from Motilal Oswal. Please go ahead.

**Alok Deora:** Hi Sir, Good Evening, Just one question. So when in 3Q and 4Q, we'll see higher volume, then this margin, which we are already at 11.5%, where could that reach in the next 2 quarters because we'll be at almost, I think, 6%, 7% volume growth at least in the next 2 quarters. So at higher volume, we can definitely expect some improvement here. So can it become like more like a 13%, 14% margin? That's the only question I had?

**Mukti Lal:** Yes. So yes, we are also targeting to increase that margin from 11.5% to 12.5% to 13% in that range in the remaining 2 quarters. So for whole year, we will be finished around 12.5% plus. So that's our target, you rightly said. And reason I already mentioned in the last answer, we will improve our efficiency in truck and yes.

**Alok Deora:** Got it. Just one more. So on a steady-state basis, can this 13%, 14% could be considered as a new normal now as compared to 2 years back, we used to talk about 16% to 18%. So now it's more like a 13%, 14% should be considered as a good margin?

**Mukti Lal:** Not really. We, again, making effort to back to 15% plus margin because, again, once the volume will be picked to, supposing we grow in a 10% to 12% in volume, then it will be my again, utilization of truck will be further improved to 85%, 86%, that range. That directly added to my profit. So there is no challenge.

Further, other services will also improve. There is positive arbitrage on terms of like other costs because this is also not, it means you can say like steady and sustainable. It is not increasing much. So ultimately, we will be very soon if we attain like revenue growth of 10% plus and volume, then certainly, we will be jump to margin level of 14.5% to 15%. So for us, normal is not like below 15%.

**Alok Deora:** Got it sir, Thank you so much sir and All the best.

**Moderator:** Thank you. The next question is from the line of Anurag from Equirus Securities. Please go ahead.

**Anurag:** Hi. Am I audible? Very Good evening, I just wanted to know the utilization levels for trucks, please.

**Mukti Lal:** Sorry, come again.

**Anurag:** Sir, utilization of trucks.

**Mukti Lal:** Yes. Utilization of truck in this quarter was around 83.5%.

**Anurag:** Okay. And for first half of FY 26?

**Mukti Lal:** Sorry?

**Anurag:** And for the first half of FY '26?

**Mukti Lal:** It was 83%, yes.

**Anurag:** Okay sir, Thank you.

**Moderator:** Thank you. The next question is from the line of Thomas as an Individual Investor. Please go ahead.

**Thomas:** Hi, Good Evening, I just wanted to understand something. When it comes to what I've been hearing in the Surface Express business, there's a lot of undercutting on prices. So how does TCI Express manage these pricing pressures while trying to maintain margin?

**Mukti Lal:** Yes, your voice was not clear, but what I understand, you're talking about price cut by the competition and price pressure, right?

**Thomas:** Yes.

**Mukti Lal:** Yes. So basically, Mr. Thomas, so price is really not worrisome in express industry as because what we're charging from customer as from their product value is very, very miniscule kind of like 1% -1.5%. So really, price cut is not main thing in this industry. So we don't see any challenge on that way.

Challenges are only volumes, which we -- like as the overall industry is not growing, means manufacturing is not happening, India is like more depending upon the service sector. So that's the only challenge once like now is, hopefully, this GST cut will be also improved customer like confidence, which is clearly visible in like October also.

So with that, once these volumes will be increased, then certainly everything will be improved. So price, I think not any challenge for anyone in express industry. It is challenge for B2C industry, yes, but not B2B industry as such.

**Thomas:** When you're talking about your product mix, can you tell me which is the segment that has the highest amount of revenue contribution, which segment in this quarter, which was the one that was growing the fastest?

**Mukti Lal:** Yes. So Mr. Thomas, basically, highest contributor is first air domestic and international put together. And of that, international is a very small amount right now, even below 2% of overall revenue.

**Thomas:** Like is it Pharma, is it auto, automotive, what you see.

**Mukti Lal:** Yes, So basically, this festival season, we have seen a traction in like, obviously, in electronics, garment, that has been picked up.

**Thomas:** Okay. And can you give me the product mix like on the top segment?

**Mukti Lal:** So product mix, basically vertical, these top 5 verticals giving 55% revenue to us, and these are pharma, electronics, engineering and garment, lifestyle products and auto. These are the main contributor of overall revenue.

**Thomas:** So you've made some automation in Taj Nagar and Chakan and all. So is there any, like can you help me understand how has that helped improve cost or improved throughput or anything like that?

**Mukti Lal:** Yes, because, again, this automation has helped us to be improve our efficiency level by reducing turnaround time of this holding cargo at the sorting center because earlier, we're doing everything as a manually loading, unloading, it takes time almost like 8 hours. And now it is reduced to almost 2 hours.

But and further like holding consolidation of that cargo and sorting of that cargo has also taken time. So whole process is taking in the range of 12 to 18 hours, which has been reduced to half of that. So basically, that has impacted and certainty is also there where we can think, yes, cargo will be reached there, then we can be processed in 4-hour time.

But earlier, that might be not so sure about that. So this is one aspect. Second aspect of that manual intervention has been slightly reduced for that because now it's doing cargo process as an automation. Third thing, there is a time for these trucks has been also improved where like supposing one truck is getting trip from Delhi to Mumbai like 4 trips.

Now they can be made 4.5 because now their holding time is reduced at this particular center. So these are the things which has really benefited, and that's why we are able to maintain our like direct cost and this gross margin basically.

**Thomas:** Okay. And you had mentioned earlier about doing milk runs and using AI to get better routes and all. Is there any gauge on how much this has helped when it comes to cost or helping in gaining revenue, anything like that, that you can help me understand in this quarter?

**Mukti Lal:** Yes. So I think you're talking about milk run for my reduction in my cost, right?

**Thomas:** Cost, yes.

**Mukti Lal:** Because we told on that perspective where we, supposing one vehicle is directly going one place to another only supposing A to like K, but then they're supposing 1 or 2 branch in middle of that, then they're not touching that. But now sometimes because it depends. Sometimes it is supposing is killing my time, it's not reaching on time because somehow it is possible only on metro cities where we have the high density of branches.

Then we need to use this as a milk run. So we're using, still using that, and we're doing that wherever is required is highly dynamic because we need to see the time. So for example, every city has their like entry barrier in the city. So supposing in Mumbai, vehicle start from sorting centre to deliver to that branch because they have the only window of 5, 6 hours.

So they can't touch 2, 3 branches in that time. So this is a problem. So somewhere it is possible, somewhere it is not possible because more and more branches come under city limits. So sometimes, it is not feasible to be touched 2, 3 branches in that very limited window because vehicle has to go inside the city, then unload the material from that branch and pick the material and then must be come out from that.

Otherwise, they will be supposing it will all be crossed that limit before that entry barrier is removed and they will be like stuck there for the 24 hours. So, it depends on the various things. But yes, wherever it is possible, we're doing that. This is very like basic thing or hygiene thing for us to doing continuous basis.

**Thomas:** Okay, Thank you.

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

**Pravesh:** Hii, Just one data keeping question. What was the corporate SME mix for this quarter?

**Mukti Lal:** Yes. So it is on 48%-52%. So 52% is corporate and 48% is SMEs and our endeavour to anyhow to cross 50%. And it's good to like supposing we reach to 55% in future. So that endeavour is going on. But right now, it is mix is 48%-52%.

**Pravesh:** Understood. And did we take any price hikes this quarter on the Express business?

**Mukti Lal:** Not much. We've taken almost like in an overall basis is not more than 25 basis points. Last quarter, we've taken almost 50 basis points. So put together is like not more than 75 basis points.

**Pravesh:** Understood. I think at the start, we were trying to get to around 2%. Is that still likely to happen by the end of the year?

**Mukti Lal:** So yes, it is ongoing process, but major impact is coming on either on start of the financial year or calendar year. Because usually, what happened in Indian companies is like whatever price hike they're giving is around start of financial year. And MNC is usually giving again the start there like financial year as a calendar year. So usually, that happens. So still, plan is on to get the price hikes. And hopefully, we will finish with the like 1.5% to 2% for sure in this year.

**Pravesh:** Understood. September plus October, you said we should look it together, right, in terms of the recovery.

**Mukti Lal:** No. October and November.

**Pravesh:** October and November, okay? And that you are saying is expected volume growth will be high-single digits, October plus November?

**Mukti Lal:** Yes.

**Pravesh:** Understood. Got it, sir. Last question on the branch network side. Are we still on track for those 80 branches or there's some change in the thought process?

**Mukti Lal:** No. So mix is, you rightly said, as you've seen, we opened the branches of Rail branches, though is very small branches because business is, we are building our capabilities and business is building on that. So we opened up the Rail branches 25 and 10 branches in surface. So as you've seen like 35 branches, we opened that.

And we will be on the same path. By year-end, I think we will be finished and all the services put together, again, in the range of 60 to 80 for sure. Like we, again, in an expansion mode to be in air and rail, we will put more branches for that. And surface, obviously, is an established product. So might be having like 10 to 15 more branches in this remainder part of this year.

**Pravesh:** Right, sir. The non-surface business would be what percentage of revenue now this quarter because of the strong growth, etcetera?

**Mukti Lal:** Approximately 18%.

**Pravesh:** Got it. So the B2C business decline is still continuing. Is that what you're saying? I would have expected with like 25% growth, the share would be much higher.

**Chander Agarwal:** No, we are also increasing our B2C business. Mukti, you can say that also.

**Pravesh:** Okay. So my only question was the 17% to 18% range has been for some time, while the other businesses have been growing quite fast as you have also reported. So just trying to understand if there's something else in that mix that's bringing it down, the non-surface.

**Chander Agarwal:** In fact, B2C, we are planning to make it a Rs 100 crore product in 2 years' time, I think that is what the plan is. Mukti?

**Mukti Lal:** Yes, sir.

**Moderator:** Thank you. The next question is from the line of Rohit from Samatva Investments. Please go ahead.

**Rohit:** Hi Sir, Thank you for the opportunity Just on your last comment where you spoke about the B2C segment. Just wanted your thoughts on which areas are we particularly focusing on the B2C part? And just take it further, historically, B2C when you alluded to the fact pricing has been an issue in the B2B segment. So how do you see the margins ramping up in that segment maybe in the next 1 or 2 years?

**Mukti Lal:** Yes. So basically, again, earlier, we were in like 4%, 5% in B2C, but over the period, it reduced to like around 2% - 2.5%. Now we're again refocusing with the newer strategy to be putting, again, taking small B2C customer, which is every door now, which we study in the market where we've seen various small companies directly, you can, rather you can say, D2C, they directly send to customer on the, they're selling on their own platform.

So we're hiring team for these kind of businesses and their rate is not challenged at all. So that's we founded and now started also like a small customer, that's why Mr. Chander has mentioned, we have a big plan for that, and we will go on that path. So again, our target is not these big boys.

But for that also, we're talking about, again, like category 2 B2C player, not these big 2 boys like again, Amazon and Flipkart. But again, Flipkart is also, we are discussing with them. So once it will be ramped up or we will be reach on some agreement, then restart the things for B2C.

But again, margin is our key fundamental. So we can't lose that proposition, and we will be focusing on that, and then we will do the business. So we will not do everything. Wherever we have a stronghold, wherever we have the margin, then we will do that. That's very clear actually.

**Rohit:** Okay, so thank you so much. All the best. Thank you.

**Mukti Lal:** Yes, we can close now. So if there is no question, we can be like...

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

**Chander Agarwal:** I thank everybody for attending the Q2 concall for TCI Express. And I look forward to speaking to you again in the near future. And thank you very much for your attendance.

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