“TCI Express Limited

Q2 FY27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: **MR. CHANDER AGARWAL – MANAGING DIRECTOR – TCI EXPRESS LIMITED**
MR. MUKTI LAL – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – TCI EXPRESS LIMITED
MR. PABITRA PANDA – CHIEF BUSINESS OFFICER – TCI EXPRESS LIMITED

MODERATOR: **MR. VIKRAM SURYAVANSHI – PHILIPCAPITAL INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the TCI Express Limited Q2 FY27 Earnings Conference Call hosted by PhillipCapital India Private 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 zero on your touch-tone phone.

Please note that this conference is being recorded. This conference call may contain certain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Vikram Suryavanshi from PhillipCapital India Private Limited. Thank you, and over to you, sir.

Vikram Suryavanshi: Thank you, Sagar. Good afternoon and very warm welcome to everyone. Thank you for being on the call of TCI Express Limited. We are happy to have the management with us here today for question and answer session with the investment community. The management is represented by Mr. Chander Agarwal, Managing Director, Mr. Mukti Lal, Executive Director and Chief Financial Officer, and Mr. Pabitra Panda, Chief Business Officer. Before we start with the question and answer session, we will have some opening comments from the management. I will hand over the call to Mr. Chander Agarwal for opening comments. Over to you, sir.

Chander Agarwal: Thank you very much. Good evening, everyone, and welcome to the Q2 and H1 financial year 2027 earnings conference call of TCI Express Limited. I would like to thank all of you for joining us today. Our earnings presentation has been updated to the company's website and shared with the stock exchanges, and I trust you have had the opportunity to review it.

I will start with an overview of our business performance, strategic priorities for the quarter, and first half of financial year 27. Following this, our Executive Director and CFO, Mr. Mukti Lal, will take you through the financials in detail. I am proud of what our team has delivered this quarter. We delivered another quarter of profitable growth with EBITDA up 10.8% year-on-year and margin expanding to 12.7%, our best in five quarters.

Our strategy is to build scale in our higher growth businesses while strengthening our core, and this quarter shows that strategy at work. E-Commerce Express grew 51.6% year-on-year, and both our domestic and International Air Express businesses delivered strong double-digit growth. At the same time, Surface Express, our largest business, continued to deliver healthy growth and remains a strong foundation on which everything else is built.

The market backdrop supports this direction. India's manufacturing activity continues to grow, and demand for organized logistics services is expanding. With our multimodal network spanning surface, air, rail, and e-commerce, TCI Express is well-positioned to serve that demand. We are also becoming a more connected and more digital business, looking into new platforms and channels and investing in technology to make it easier for customers to work with us.

Underpinning all of this is continued investment in our network infrastructure, technology, so that we can grow our capacity while maintaining the service quality and customer expectations. Beyond the business, through the TCI Express Foundation, our artificial limb initiative supported 489 beneficiaries in the first half of 2027, and the archery academy in Jharkhand provided structured training to 52 young athletes.

These programs mean a great deal to all of us at TCI Express. Looking ahead, our priorities are simple. We will get even closer to our enterprise customers. While we keep scaling the businesses that are growing fastest, we are also reaching out to the SMEs. We will keep investing in our network and technology. India's logistics sector is moving ahead and changing fast, and I believe TCI Express is well-placed to take the most of it.

We have the customers, the network, and most importantly, the people to do it. I am genuinely excited about what lies ahead. With that, I would like to hand over to Mr. Mukti to take you through the financials for the quarter and first half. Thank you.

Mukti Lal: Thank you, sir, and good evening, everyone. Let me now take you through our financial performance for the second quarter and first half of this FY 2027 on a standalone basis. The key themes is margin expansion in both the quarter and the first half. EBITDA grew faster than revenue in this quarter and first half.

For the second quarter, income from operation grew around 9% year-on-year to INR 336 crores from INR 309 crores, and the total income increased again 8.8% to INR 339 crores from INR 312 crores. EBITDA grew faster, rising around 11% to INR 43 crores from INR 39 crores, which lifted the margin to 12.7% from 12.4%, the highest in the last five quarters. This was driven by better operating performance, higher capacity utilization across our network, and continued cost discipline. Below EBITDA, growth was more moderate. EBIT rose around 7.5% to INR 36 crore.

Profit before tax increased 6% to INR 35 crores. PAT grew 6% to INR 27 crores, with a PAT margin of 7.9% precisely. Earning per share was INR 6.9, up 6%. Sequentially, EBITDA rose 16% and profit after tax 19% over Q1 of current year only. The first half followed the same pattern. Income from operation grew 8.8% year-on-year to INR 648 crores from INR 595 crores in last year.

Total income increased 8.7% to INR 655 crores from INR 602 crores in last year. First half EBITDA grew 10.8% to INR 80 crores from INR 72 crores of last year, with the margin improved to 12.2% from 12%. EBIT increased 7.5% to INR 66 crores, and profit before tax grew 6% to INR 64.7 crores. Profit after tax for the first half rose to 6% to INR 49 crores from INR 46 crores, with a PAT margin of 7.5%.

Overall, we continue to convert revenue growth into stronger operating margins, supported by a disciplined approach to costs. Across our service line, Surface Express grew around 9%+ year-on-year basis. Domestic Air Express at 29%, International Air Express 26%, and E-Commerce Express is growing 52%. Turning to the balance sheet, we had a net cash of approximately INR 77 crores as of September 30th, 2026, with a liquid assets of INR 93 crores against total debt of

INR 15 crores, which is temporary in the nature. This is after capex of approximately INR 80 crores during the first half. We continue to take a prudent approach to liquidity and capital allocation. On working capital, receivable days were 59 and payable days remained stable at 32, giving a net working capital of 27 days as of September 2026, which was also same in the last quarter as well.

Efficient collection and cash conversion remain a key priority for us. Cash flow from operation for H1 FY 2027 stood at INR 28 crores. The capex was directed towards branch network expansion, construction of sorting centre, and IT infrastructure, in line with our long-term plan to expand network capacity and position the business for its next phase of growth.

Looking ahead, our focus remains on maintaining a healthy balance sheet, efficient working capital, and disciplined capital allocation, while continuing to invest in the infrastructure and technology that strengthen our network. With that, I conclude my remarks. We are happy to take your questions now, 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 may 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. Your first question comes from the line of Anurag Katta with Equirus Securities. Please go ahead.

Anurag Katta: Hi, thank you for taking my question. Can you please provide us with the capacity along with utilization and the volume numbers for the quarter, please?

Mukti Lal: Yes, start with our tonnage for this quarter is 265,000 tons, and it is grown year-on-year basis 7.5% on volume side.

Anurag Katta: Thank you.

Moderator: Your next question comes from the line of Rohit Suresh with Samatva Investments. Please go ahead.

Rohit Suresh: Good evening. Thank you for the opportunity. My first question would be on the express business. There are a lot of these aggregators, where you can book through their apps and avail express services. Are you seeing any impact of that on your overall volumes on the express, Surface Express side?

Mukti Lal: Yes, so basically, this is app business is majorly for the B2C, and usually B2B customer is communicating through our branches or our network. That is really not impacting anyhow, because B2B and if you see, B2C is also predominantly depending upon very few customers, and these all new age companies are really very high dependence on these few customers, which is not in our case. This is really not related to at all for demand or anything else.

Rohit Suresh: So we don't use these aggregators, tie-ups with these aggregators, and sell it as a service, right?

Mukti Lal: We also register with these aggregators, and it is a part of our E-Commerce Express business, which you have seen as we also growing, but it is very small business. Now we again refocusing on that, and we only doing the profitable business. We refocusing on that, and we also register with these aggregators.

Rohit Suresh: Got it. Sir, then on the E-Commerce Express side, what are we focusing on? How to scale this business? Because a few quarters back, we did not want to be in this business, then we came back into this business. So what are we trying to do different compared to the other players who have significant scale right now?

Mukti Lal: Yes, very good question. Basically, we have three, four strategy in our mind very clearly. One is we focusing on D2C because nowadays everybody want to sell their own platform or their website and directly deliver to customers. This is one focus area. Second on various merchants directly sending on E-Commerce Express platform or their facilities and all.

That business we want to connect with them. This is also helpful to align with this platform. We getting the connect with the various merchants and all. That is also a very good opportunity available there. And third thing, obviously, we want to go into B2C, which is but not like focusing on all these two, three big player.

Rather, we gone into second line of this platform, like small e-com player, which we focusing on that is highly also profitable one. Fourth, we are not doing these business everywhere. Wherever we have the profitable one, then we are doing that. These are the clear three, four strategies we are in our mind, and we going with that proportion.

And we creating a separate team, wherever in a citywide. We are not going a long way in every city. So we creating team, and then we preparing the customers. For example, your take in Surat, is a textile market where people or enterprises directly sending to customer on their order. So we expanding ourself there. Bengaluru is another one, Ludhiana is another one. So various cities, like majorly we focusing on Tier 2 cities where small merchants or you can say enterprises directly sending to customers.

Rohit Suresh: Understood. Sir, then lastly on the, what is the split between SMEs and the large accounts?

Mukti Lal: Our strategy is always to keep high with the SMEs, but yes, in this quarter we also maintained 50/50, where 50% business is coming from the SME customer and 50% from the like to be build big customers. So that ratio is very important for to enhance our margin levels.

Rohit Suresh: Got it. Sir, then lastly, what are we doing in terms of like in on ground, what is the feedback from the SME clients, right? Are you seeing growth over there? What are they saying in terms of ramping up their volumes? Or what is the general feedback?

Chander Agarwal: Of course, there has been a major uptake on the economy as such, and we have seen that earlier there were only pockets of the economy growing or not growing. Now there is full momentum. There's a big redevelopment of the economy in terms of SMEs and the large clients, even the consumption, which is kind of like not growing, is growing with all the war and everything that

is happening. Now, I think with the U.S. change in government also, or possible change in government, the oil prices have already started coming down. I think it's a good thing that's going to happen, and we are seeing good traction coming along.

Rohit Suresh: Fair enough. Thank you so much for all your answers. Thank you.

Moderator: Thank you. The next question comes from the line of Ravi Naredi with Naredi Investment. Please go ahead.

Ravi Naredi: Chander ji and Mukti ji, I am very old shareholder of our company. Since last seven year, I am the shareholder, and I participated in so many call. I may say, a tough situation in company is going on. Country is growing, but growth in our company fully stopped. Can you give any hope for us when company will turn up? In spite you did well, good capex you did, and good automation you did, but numbers have not turned up.

Mukti Lal: Yes, Ravi ji. Basically, like you rightly said, on two to three years, we have not grown, which is visible or transparently. Now we started in last quarter, seeing the traction where we grown, and this quarter has further grown. We will not disappoint you on that. So in this year, we will be what we committed, we must deliver on that. We committed double-digit volume growth and revenue growth.

We certainly will finish this year with very positive note with the enhancement in the, as I mentioned in my remarks also, where we certainly improve our margins at least 50 to 100 basis points over last year. So that journey has started. You see in all the businesses started to grow, Air domestic, Air International. E-Commerce, we will be focusing on that. Obviously, biggest chunk of from Surface business is also like grow around 9%. So, that has already been started, and we will keep continue this journey, Ravi ji. Yes.

Ravi Naredi: Secondly, it is very due respect to you, your name is also came in controversy, where company reputation come at very much low. Would you like or you want to escape?

Mukti Lal: No, we want to escape with this one. This is not.

Ravi Naredi: Thank you. No problem.

Moderator: Thank you. We have our next question coming from the line of Ashwin Reddy with Samatva Investments. Please go ahead.

Ashwin Reddy: Yes. Hi. Thank you for the opportunity. Could you comment at an industry level, say, how has been the impact of players like Shiprocket on you? I mean, not take a specific name, but what I mean is a large aggregator like that. Is it affecting you in only the E-Commerce Express segment, or it's in the D2C, or it is also affecting you in your existing Surface Express segment and others in the older areas where you are strong, like the apparel or pharma, etcetera? In which segment is it having an impact? Where is it not having an impact or some thought would be helpful?

Mukti Lal: Well, because these platforms have clearly visible on to be having e-commerce businesses there, and is really not having any significant impact on the B2B businesses, because B2B usually

making direct contact with us, and they obviously don't want to go through these platforms ultimately, because they have the access of each and every company service provider basically. So really, nobody want to go with that.

It's kind of like a small shopkeeper might go there, which is really not our customer, and obviously e-commerce players. So, these are the things where they want to be a cost competitiveness, then they go into that platforms. But B2B customers who directly have the access with every company, so they're directly negotiating for that. So, it's really, if you see widely, there is no impact of these platforms on anyone on that.

And if you see, I don't know whether you study on that, whether who is the service provider for that platform. So, biggest number will be come for the who is delivering on their behalf is also again these all new age companies. So, that's the case. Yes.

Ashwin Reddy: Okay. Got it. So then in that case, is it also fair to assume that there has been no change in your premium pricing, what you used to charge historically? Has that premium been maintained, or is the competition very high in the Surface Express segment for you? The reason I'm asking is because on one hand, you're saying the economy is booming right now, or the activity is good, momentum is good, but we're not seeing it translate that in terms of numbers. Or is it with a lag, or should we see far better growth in the next one, two quarters in terms of the Surface Express business?

Mukti Lal: Yes. Well, you rightly said, so overall industry is growing, and we will be also be ensuring to everyone to be having more good growth in these two quarters, remaining two quarter in this year, what we committed. Certainly, I think we will be having a growth of 14%, 15% + in next two quarters, with the volume growth of around what we committed around 11%-12%. So, we will keep the numbers same, and we are confident about that.

And just inform to you, like, October was great on that path, so we are excited about that. And it will be expansion of margin will also be continue, which we did in H1 and also sharply in Q2. I would like to reiterate here, pricing in this industry is really not a talking point, basically, where people don't want to reduce these prices. Rather, after fuel increase and all, we are able to pass on that to our customer and price hikes, net-net, we are getting around 1.5% kind of price hikes.

That story will keep continuing in quarter three and quarter four also, because this high volume with time, customer is also allowing to increase the prices. So, I think this is the best time or going good time where we will take the price hikes also, as we mentioned in opening remarks. Team is already there, network is ready, and we now have a very robust pipeline for the business growth, actually.

Numbers are very visible where we will get the business in all the service lines, whether it's Air Express or whether it's rail or whether it's E-Commerce or obviously Surface Express. So, clearly, we have very high visibility for the growth in the next two quarters. Yes.

Ashwin Reddy: Got it. When you say the percentage of 14%-15% kind of numbers, this is also for Surface Express also, right?

Mukti Lal: Yes.

Ashwin Reddy: This is also for that segment also you're saying, the growth?

Mukti Lal: Yes. Put together, yes, it might be like 1% or 2% because again, other services share is very low, so it is not affecting much on Surface Express side as you've seen in this half year or quarter numbers. We grow on a 9% in Surface Express and 9% in overall basis. This is the case.

Ashwin Reddy: Got it. Overall on the competitive intensity, you're saying that the competitive intensity has not really increased because of the whole thing. I mean, the pricing is intact, and that is confirmed.

Mukti Lal: Yes. Price is really not at all, nobody is asking for the price cut. This is very much clear actually. It is going on because again, I said, because this whole express industry is moving higher value cargo, and there is enough. What freight we are charging is hardly 1.5% of their cargo value. So nobody is really interested to cut the prices. Rather, they are focusing into more services and more proper response and delivery on time and all things. This is more important than any. Cost price is not changing on that.

Ashwin Reddy: Got it. My final question is on the capex part and the modernization capex and what you're doing. So where are you on that front? How many cities or how many hubs do you have to invest in, and what is the plan for the next three, four years? How should we think about the capex that you'll do? Also, what has been your analysis of the past hubs where you already changed or where you already invested the capex? What has been the results there? Some thoughts would be helpful. What are the earnings there, results there, and what is the capex for the next three, four years?

Mukti Lal: Yes. So, basically, we will be again having a kind of INR 100 crores plus kind of capex plan for the next four, five years. Last capex plan we have made in 2023, where we have taken INR 500 crores and then revised to INR 400 crores for the last five years, which will be finished in this year end. So we will be finished around INR 400 crores for sure.

In this year, already we spent INR 80 crores, and remaining INR 40, INR 50 crores, which is remainder part out of this INR 400 crores planning, which will be finished in FY 2027. We are on the path of to be ramp up these three new center, one in Lucknow, another one in Ahmedabad, and third one in Kolkata. Our corporate office construction is also going on.

These four project is going on, and I think except corporate office project, three will be finished by this year end. Subsequently, we follow with the automation is basically in Ahmedabad and Kolkata center, which will, I think, finish by next year first quarter or max second quarter.

Next year onwards, we will be again having the same strategy where we just want to be convert around 12 to 15 sorting centre, and we already did six, seven. With these three, I think we will be completing nine. Then we will be taken further, like three major location, one in Mumbai, Chennai, and Bangalore. These are the three location which we are looking for the next three, four years.

This is the same strategy, and we are aware there is an, is also like weighing on our return part because these are the initial investment and will be building up for the next 20, 25 years. So initially, yes, it's weighing on our return, but subsequently increasing with the business, it will be laid down clearly ROI and everything will be certainly improve very soon with the increasing in the business. So yes, we will keep that.

Ashwin Reddy: But, I mean, could you quantify or could you give us qualitative information as to what has changed because of the ones where you have already completed? So how do you measure that? How do you measure the change that has happened or the positive impact that you have already seen?

Mukti Lal: Yes. So that is quantification is like, is our three, four aspect where we reduce the labor component in our two automated sorting centres. Second, we reduce the truck turnaround time, and resulting of that, we are able to cut at least 40-50 basis point impact in our overall direct cost per annum. So that impact is there, and once we will be putting more in automation, then it will be happen. If you see another side, supposing we running our sorting centre in rented one, then is also not an impact on our operation at least.

We want to be convert from lease to own one because with the clear strategy to be have our own control for the long term, because this is playing very vital role in overall operation across India level where we can't be taking any hit to disrupt anything if we go for this. That's why we want to convert this major centre where volume, I think, after this completing 15 hour, at least 80%-85% revenue gone through with these centres.

Then we are in a position where we can command more control. Obviously, with the increasing space, we are able to get more business from the customer because customer is also sometime giving preference to their own property, and they also visiting. So we showcasing that to customers to getting more business.

That's surely, this is started from this year onwards, and you will be see the positive result in years to come also, where we will be take the advantage to cut further our direct cost or getting benefit of that.

Ashwin Reddy: Which year would we reach a number of 85% of having our own centres?

Mukti Lal: I think after, Yes, around year end of 2030.

Ashwin Reddy: 2030. And you are saying the capex which is needed is roughly INR 100 crores per year from now onwards?

Mukti Lal: Yes. 2030 or max 2031. We are planning to be have at least five, six more center by that end. We will be, I think, that time we will be complete that cycle.

Ashwin Reddy: Are the current centers where we want to convert to our own, are any of these leased from the promoters, or are they completely from third-party leases what we have now?

Mukti Lal: No, only one center is promoter-driven. Remaining all are the third party. We don't have any single from the promoter-driven entity. Only one center.

Ashwin Reddy: Got it. Great. Thank you so much for all your answers, and wish you all the best.

Mukti Lal: Thank you, Ashwin.

Moderator: Thank you. Our next question comes from the line of Pravesh Kochar with FourLion Capital. Please go ahead.

Pravesh Kochar: Thank you for taking my question. Just one clarification. You said the volume this time is 265,000 tons, and that was 7.5% growth?

Mukti Lal: Yes. Correct.

Pravesh Kochar: Okay, thank you. Surface Express and broadly the overall business both seem to have grown around 9%, whereas the Air Express and E-Commerce Express business have grown at very high levels. Was there a decline in Indian Railway and C2C Express side? If so, what was that on YoY basis?

Mukti Lal: C2C Express is declined because C2C Express business is basically niche segment, and we depending upon the market higher, and you are aware there is enough fluctuation, high fluctuation in fuel price. Rate was not conducive, and that's why this business has been reduced. C2C Express now the rate has been normalized. In Q3 onwards, we will be again back to growth in this C2C Express also. Overall, you will see a higher growth in these new service lines in comparison to obviously. That's why I am saying we will grow around 14%-15% in these two quarters, remaining two quarters.

Pravesh Kochar: Understood. On the E-Commerce side, you said you've partnered on some enterprise platform. Can you give some more color on what exactly is that?

Mukti Lal: No, I am saying these again platform companies, we also register ourself with them. I don't want to name it, but yes. Like we on ONDC, we register ourself omnichannel and then, you know? These all platform companies, the Procure and all, no? Yes.

Pravesh Kochar: Got it. Understood. Are we doing the last mile? What proportion of our E-Commerce Express is last mile now, or is it just, as you said, delivering to the warehouse and between warehouse logistics?

Mukti Lal: No, currently majorly last mile, but that is why I am saying, supposing going on these platform, we have the access of number of merchants which is a really SME customers. So that advantage we also have. So we directly approaching for the other kind of deliveries because they have the business across India. So this is also one of avenue where we can generate more revenue from the SME customer. So this is also thing, but currently whatever we are doing in a B2C is last mile. But we again also focusing on B2B specifically related to E-Commerce Express customers. That is also our focus area.

Pravesh Kochar: Understood. And sir, last question. So 14%-15% on the next two quarters on the revenue side. Can you also give a sense on the margin? So H1 was 12.2%. What would the H2 margins look like?

Mukti Lal: 13% + for sure.

Pravesh Kochar: Okay. Thank you.

Mukti Lal: Yes.

Moderator: Thank you. Our next question comes from the line of Vikram Suryavanshi. Please go ahead, sir.

Vikram Suryavanshi: Yes. So Air Express, what would be the revenue share currently, and you also talking about increasing our sales force. So in, say, next two to three years, how is our ambition to increase the share in percentage of revenue for Air Express going forward?

Mukti Lal: Yes. So Vikram, you rightly asked. We are giving the number, overall putting these all other services, which is cover Air Express, International Air Express, Rail, E-Commerce Express, and C2C, put together is right now around 17%, 17.5%, which our target is by this year end to touch 18%+, and in longer term, like by 2030, we want to cross 22% by again higher growth in these new service line in comparison to our anchor service like Surface Express.

That is our strategy, and we created a team because air, we are putting more effort to have a direct network or decouple our network with the surface network basically, because these two services required separate service level and separate network force to deliver direct to customer from airport. Which we have gradually created, but we created almost, I think, in 20 cities, which is really having more volumes on these cities. We already created that segment, and that is giving a good traction from the customer and resulting this good revenues coming.

We will keep continue for the rail also, because rail is also decoupling with our surface network, where again, like railway station and airport are on a different in city side. We are designing the network directly from these station to customers. This is really giving good margins also, and new team we are creating. Once gradually with the creation of more team, more business will come into our kitty.

Vikram Suryavanshi: Okay, got it. In railway, we come across the news that even Indian Railway is starting their own booking service for express parcel. How that will impact us, or we will be acting as the agency for this Indian Railway? If you can give some sense on that.

Mukti Lal: Yes. Basically, Indian Railway earlier also have, they also started, but efficiency is not there, and there is no aggression for that. Earlier they also did that, but it is door-to-door, so we have to collect from the customer door. Railway will never collect from the customer door. This is the basic big difference. We are also only on an express cargo things.

We are not in a normal wagon transportation like commodities and other things. We are in express where we are sending through the passenger trains. This is a huge difference, and it is very challenging with these collecting and then also receiving, unloading at the last point or

midpoint because there is very less time available, half an hour or 45 minutes to unload the things and then directly send to customer.

I think railway will not be able to do these all things. It is service provider like us will be only able to do that. Again, why we are escalating that business? Because our branch network is very strong. Railway network in India is also very strong. Nowadays also probability to reaching train is also very high. That's why our service level in even railway is 99%, delivery service level. Customer is very happy and it is increasing, so accelerating. It's a niche segment, so we expanding customer base. We creating a new customer. Now repetitive business is coming from this customer. These are the thing where we focusing on. I hope I have clarified on things.

Vikram Suryavanshi: Yes. I think that was helpful. Just last on this E-Commerce Express side, this digital wallet you have been talking. How is the development on that side?

Mukti Lal: Yes. Basically, we signed the agreement with the wallet company, obviously, and is already under process of integration. I think by this calendar year, we will be up this wallet. Purpose is very much clear to focusing on domestic E-Commerce Express and International Air Express dockets basically, wherever customer want to be, or D2C player obviously, which is they want to take the booking online and then they want to send their 20 or 50 packet. They first need to charge this wallet and then we will be transported. With that purpose, we are doing that, and I think, hopefully we will be next year onward we will start to booking on this part.

Vikram Suryavanshi: Got it. In profitability curve for E-Commerce Express last mile, most of these companies what we look at particularly which are in last mile are not making profit on last mile delivery. So where we are in terms of the profitability curve for last mile? Do we really need to scale up from current level or even existing volumes we are making profits?

Mukti Lal: Basically, we focusing on D2C majorly. They are really not in a price war. They giving what we are asking. Take example, Yes Madam is one brand where we delivering something for them. These kind of brand, we really targeting to that. They allowing prices whatever we want to at least having an EBITDA margin of 15% for us. Otherwise, we will be not going to that because for us margin is key factor. Otherwise, we will be lost our margin per position, which we want to enhance back to normal of, after two, three year, we want to back to 15%, 16% kind of margin level.

Vikram Suryavanshi: Understood. Right. Thank you very much.

Mukti Lal: Yes, please.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference back to the management for closing comments.

Chander Agarwal: I thank everybody for attending the Q2 conference call for TCI Express financial year 2027. We look forward to seeing you again in the next quarter. With that, thank you very much.

Mukti Lal: Happy Deepavali to everyone. Yes, thank you very much.

Chander Agarwal: Thank you.

Mukti Lal: Yes.

Moderator: Thank you, members of the management. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines. Thank you.