BLUE DART
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LRQA CERTIFIED ISO 9001:2015

November 20, 2024

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

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

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

Dear Sir/ Madam,

We refer to our intimation dated November 08, 2024, notifying on the schedule of 'Investors Call' organised through M/s. Motilal Oswal Financial Services Limited on November 13, 2024, to discuss the corporate performance for the quarter and half year ended September 30, 2024 and audio recording of the same submitted on November 13, 2024.

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

Kindly take the same on your records.

Thanking you,

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

Tushar Gunderia
Head (Legal & Compliance) &
Company Secretary

“Blue Dart Express Limited

Q2 FY’24 Earnings Conference Call”

November 13, 2024

MANAGEMENT:	**MRS. SUDHA PAI – CFO - BLUE DART EXPRESS LIMITED** **MR. SAGAR PATIL – HEAD- CORPORATE ACCOUNTS - BLUE DART EXPRESS LIMITED** **MR. TUSHAR GUNDERIA – HEAD (LEGAL & COMPLIANCE) & COMPANY SECRETARY - BLUE DART EXPRESS LIMITED**
MODERATOR:	**MR. ALOK DEORA – SENIOR VICE PRESIDENT, INSTITUTIONAL EQUITIES - MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Alok Deora: So, good afternoon everyone and welcome to the interaction with the management of Blue Dart Express. So, firstly I would like to thank the management for giving us the opportunity to host the call. So, today we have with us Mrs. Sudha Pai, CFO - Blue Dart Express, Mr. Tushar Gunderia, Head (Legal & Compliance) & Company Secretary - Blue Dart Express and Mr. Sagar Patil, Head of Corporate Accounts - Blue Dart Express. So, I would now hand over the call to the management team to provide some opening remarks on the Q2 performance and then we can start with the Q&A session. Thank you and over to you, sir.

Tushar Gunderia: Hello, good afternoon everybody. Thank you, Alok and good afternoon all. A very warm welcome to all of you into the Quarter 2 Financial Year '24 Earnings Call of Blue Dart Express Limited. As you are aware, the Board of Directors of the company approved the second quarter financial results in its meeting held on 11th November 2024 and company declared its financial results for the quarter and a half year ended 30th September 2024, wherein the company posted profit after tax of INR608 million for the quarter ended 30th September 2024.

Revenue from operations stood at INR14,485 million. Blue Dart known for its exceptional service quality, strengthened by advanced automation and technology remains a cornerstone for its operations, providing customers with the simplest one-stop solution for all their logistics needs. The results have already been uploaded on the stock exchanges and also posted on the website of the company in accordance with the provisions of stock exchange listing obligations.

I now hand over the call to Sudha Pai, CFO and also Sagar Patil, Head – Corporate Accounts for further proceedings. Thank you.

Sudha Pai: Thank you, Tushar. You have already summarized the results for the quarter and half year ended. We can straight away go into the questions.

Tushar Gunderia: Over to you.

Alok Deora: So we will start with the Q&A session. So anyone who has a question can please raise their hand or pose the question in the chat box below. So first question we'll take from Amit Dixit, please go ahead.

Amit Dixit: Yes. Hi, good evening, everyone. And thanks for the opportunity. I have two questions. The first one is on our database question. If you can let us know the number of parcels and tonnage that was carried?

Tushar Gunderia: Amit, if you don't mind, be little louder please.

Amit Dixit: So the first question is more of a bookkeeping question. If you can let us know the tonnage and number of parcels that were carried in this quarter?

Sudha Pai: So in this quarter that they just carried, it's -- you know, in terms of the shipments, it is 96.6 million and in terms of the weight -- and in terms of weight, it is 343,676 million overall weight.

Amit Dixit: Okay. The second question is on the new jets. So just wanted to understand, what is the current utilization level? And have we achieved break even what was the performance of these jets in this quarter?

Sudha Pai Utilization on the new aircrafts, you're saying, right?

Amit Dixit: Yes, yes, on the new aircraft.

Sudha Pai: Utilization on the new aircrafts has improved versus the previous quarter -- and just a moment. Our utilization on the new aircraft has increased from the previous quarter. The fixed expense, the unutilized expense that was there in the last quarter was around INR11 crores and now it's somewhere around INR8 crores. So definitely, there is an improvement in the utilization.

Amit Dixit: And have these aircraft achieved break even?

Sudha Pai: Yes, had achieved break even. The break even had happened even in the past quarter. It was just that we needed a better utilization.

Amit Dixit: Okay, fine. So if you don't mind, can you let us know the utilization in terms, can you quantify it? Let us know in terms of numbers, what is the utilization level in percentage or something?

Sudha Pai: You can get that, but it's somewhere around like 82 percentage to 83 percentage whereas the ideal being 90 percentage to 92 percentage.

Amit Dixit: Okay, ma'am. Thank you so much and all the best.

Sudha Pai: Thank you. Thank you, Amit.

Alok Deora: Thank you. Anyone, any question, can please raise their hand or post in the chat box below. So, sir, there are, there were a couple of questions from investors who couldn't join.

One was on actually, what's the growth outlook now in terms of tonnage for this year? Have we seen a strong build-up for the festive season of Q3? And also how it has been, how it, how the outlook is for Q4 in terms of tonnages because there are some mixed signals that there have been some sectors which are seeing slowdown and some are doing well. Just your thoughts on that?

Sudha Pai: So we generally do not give a forward-looking statements here. But the outlook is definitely, as you said it's a festive season. One of the month of the quarter has already passed October and it's a festive season and we definitely expect it to be better than the previous quarter.

Alok Deora: Sure. And just one question was related to the new aircraft only. So this 80%, 82%, which the utilization has already happened that -- how that 90-95% utilization, when can be expected to achieve?

Sudha Pai: We expect as it's a festive quarter and we expect it to be best utilized from this quarter or perhaps into the next quarter at least.

Alok Deora: Sure. Just a reconfirmation on the tonnage number. It is 343676 for this quarter?

BLUE DART EXPRESS LTD.

Sudha Pai: Okay. The shipment is 96.60 million and the weight is 343676 tons.

Alok Deora: We'll take one question from the call log. So we'll take a question from Mr. Anshul Agarwal. Please go ahead.

Anshul: Hi, thank you for the opportunity. Question is on margins, ma'am. So why are our console margins not improving despite volumes growing over the last two, three quarters? I believe with the volume numbers that have given us, volumes have grown almost by 11%, Y-o-Y? But margins have been, margins have been -- console margins have been around 15%, 15.1% versus last year, the same number was around 17%. So is it because of increasing contribution from surface or what is it that is leading to margins not improving despite growth coming in?

Sudha Pai: So, I mean, you rightly gauged there, Anshul. It's the product mix change. We are growing more on the ground than versus the air, that's one of the reasons. Plus we have invested into air, that is reason number two. Plus, we have made some IT investments and one of the investment into the facility in north region, like for which we are having a cost currently. So these are the broad reasons for margins to be at a lower side as far as versus the last year.

Anshul: Got it. And incrementally, ma'am, we would expect surface to keep growing faster than air, right? So margin profile would sort remain similar?

Sudha Pai: Yes. I mean, if we take out this investment part, what I mentioned which is into the aircraft and which is into the new facility, our margin would be roughly around like 6.6 percentage versus the 6.6 percentage year, I'm saying at a EBIT level at a, yes, EBIT level and then that's where like that should be different. Unless something great major dynamics in the marketplace happens. This is the trend that we expect to continue.

Anshul: Sure. Just a follow up on that, ma'am. I think if I recollect correctly, we were targeting a EBIT margin level of around 8%, and 8.5%. Would that number, as you mentioned, stand corrected or stand changed for the full year or the next year?

Sudha Pai: We expect the festives to help us -- to improve our margins there. And ideally, we should hit that budgeted level of margins of around 8%.

Anshul: Got it. And if possible, could you give us a ballpark revenue mix for our business right now, segmented into say B2C, surface, air?

Sudha Pai: I'm sorry, we don't give the product level and within the ground and air information in the public domain.

Anshul: All right. Thank you. I'll come back in the queue. Thank you so much.

Alok Deora: We'll take next question from Mr. Pulkit. Please go ahead.

Pulkit: Thank you for taking my question. And ma'am, I think there's been a lot of confusion because a couple of quarters back you spoke about the two planes, their utilizations going up, the cargo mix being higher yield, and as a result of it, margins likely to be better. But in the last quarter, as well as this quarter, you're saying that margins are expected to be in this range.

So if you could just clarify that as a combination of one, your air to surface move, which is margin dilutive, and offset by higher utilization, then better yield on the two aircrafts. What is the rough cut margins that we should be baking in, taking both of them together? That's question number one.

Sudha Pai: So if I understand your question much better, you're saying that, or perhaps can you help to rephrase your question, please?

Pulkit: Okay, ma'am. I'll try it again. One, you're seeing this shift, which is more in favor of surface, which is putting pressure on margin. That's one dynamic that's playing out, and probably continues to play out. I don't know, right? The other dynamic is that the two planes, which are today deployed, which are the new planes, you had mentioned that initially, your objective is to just fill those planes.

Over time, you would look at improving yields once the traffic builds upetc, and that is going to be margin aggregative. But my question is, if I look at both these factors together, then what is the kind of margins that we can bake in, in the next five, six quarters for the company? That's the question.

Sudha Pai: The thing is that, we do not make any of this forward-looking statements, but ideally with the quarter-on-quarter improvement in the utilization, as well as with the festive quarter coming in, we expect our margins to improve, and that's exactly what, one of the questions which was recently said that you, which was just now asked that, whether 8% looks realistic. We aim that one to be achieved, like.

Pulkit: Sure, ma'am. The second, yes, the second question is generally on the outlook. I mean, we've seen now almost seven, eight quarters, where while our revenue has been inching up slightly, our EBITDA has been in the INR220 crores to INR220 crores kind of a range. Just based on the kind of business that you see developing, the kind of conversations you are having with your customers, etc do we see this number improving from here on, or is the business outlook such that we are likely to remain in the current range?

And I'm not asking for a guidance, I'm just asking for feelers on what you are seeing or your business is seeing in terms of overall growth outlook for you?

Sudha Pai: So, definitely it is driven by the festive spirit, which is important that we are in, plus the growth that we are seeing in the surface business. And lastly it depends on the market dynamics, how the how the growth outlook in the market for the domestic demand, is like. I mean, the feelers are that, we have to improve on quarter-on-quarter, of course, we have our annual budgets to be achieved.

And that's definitely a stretch during the festive quarters, like, it's normally 10 to -- I would say that 7% to 8% higher than the previous quarters. So, we definitely expect that we should improve from this quarter onwards, much better into the next quarter. And that's something, I can share it the most like.

Pulkit: Maybe, ma'am, I'll take the liberty of asking one more. Can you comment on those two planes? How's the current utilisation there? How's the traffic developing there? Any colour on that would be helpful.

Sudha Pai: So, our utilisation, as I said in one of the responses, our utilisation has gone better there. Ideally, we had a fixed expense of INR11 crores in the previous quarter. This quarter, it is at around like INR8 crores, INR8.1 crores, INR8.2 crores. So, definitely the utilisation has gone better. My aggie capacity cost has lowered from the previous quarter to this quarter.

And we are expecting that, one of the lanes, one of the smallest lanes that we are facing a challenge is, inbounds from Guwahati, outbounds from Guwahati to Delhi lane. There we expect, utilisation to get better. Yes, this would be few updates on this aircraft, two new aircrafts that has been deployed.

Pulkit: Sure, ma'am. Thank you. Thank you for that.

Sudha Pai: Thank you.

Alok Deora: Thank you so much. We take next question from Mr. Achal. Please go ahead.

Achal: Yes, good evening, ma'am. Thank you for the opportunity. Ma'am, I first wanted to understand if you could comment on the market share. Is there any way you can comment on the market share, whether for the quarter, for the first half or on trailing basis, whatever fashion you want to give, whether we are maintaining, improving market share in both the segments, air as well as surface?

Sudha Pai: Market share information, we don't -- we don't really talk about it. Achal, I'm sorry.

Achal: No problem. Ma'am, the second question, at least from an industry growth perspective, how do you see, both the segments growing? What kind of industry growth you're looking at? And specifically, if you talk about surface transport, how do you look at this particular segment in terms of capital deployment?

Sagar Patil: Yes, so from industry growth point of view, we are servicing within niche areas, especially the express products, whereas the industry will be driven by a much larger perspective. As we have seen, and we do also see that in future, the e-commerce, which has been growing faster, will continue to drive our growth.

And also, as far as surface B2B is concerned, there also we are trying, we are, that has been our growth engine. And we see, and we are also not the biggest player, but we see that is one avenue where we have some room for better growth. And that is continuing in last few part that we are seeing.

Achal: Right. Any quantification, sir, with respect to these segments, what is the industry growth? Is it sub 10%? Is it 10%, 12%?

Sagar Patil: Normally, by segmented, we do not comment. But yes, we have seen the surface growing at around 14% plus. And we see that the growth can continue or be even better around those lines.

Achal: Right. And have you seen pricing pressure in case of e-com or it is pretty much stable or any improvement there?

Sagar Patil: That always is the case with this market, with number of players and different segments when it comes to the weight break or the lanes. So that's the part of life. Yes, we do see competitive pressure and we are also very active participant in that.

Achal: Right. And I recall earlier, we used to kind of indicate e-com somewhere around 24%, 25% of revenue. Has that inched up? Has that remained pretty much in the similar fashion, sir?

Sagar Patil: Similar fashion, no major change. I mean, we do not really actively talk about the segmented one, but yes, e-com remains the growth driver as well along with the surface.

Achal: Understood. And one more question, if I may, with respect to the capital expenditure, if you could guide about what is it that you're looking at for FY '25 and FY '26 and in what segments or which side of the business?

Sagar Patil: It will continue to be in the range that we have spent between INR150 crores, INR250 crores, which will be more of a renewal and expansion combined, because we are already there in most of the parts of the market and the country.

Achal: Right. And aggregate capacity utilization for both surface and air, would it be possible to get that sense?

Sagar Patil: It is optimum. I mean, we do not own any of the vehicles, which are market driven, we do not put capex over there. And the warehouses also, since we are express product, it is a fairly distributed case to case, there are number of facilities, number of locations. So, it is a business as usual when it goes to the expansion of those facilities.

Achal: So, this INR250 crores, is there anything going for a freighter or anything on those, like what the split here in terms of surface and air in this capex?

Sagar Patil: We have these surface facilities, no specific about the aircraft or anything at this point of time.

Achal: Understood. Thank you. I will follow back in the queue, sir. Thank you for the answers.

Alok Deora: Thank you. We will take next question from Kripashankar. Please go ahead.

Kripashankar: Thank you for the opportunity. Sorry, I joined a little bit late. Can you probably repeat what would have been the tonnage for the quarter and number of shipments, if you can?

Sudha Pai: The shipments are 96.6 million and the tonnages are 3,43,606.

Kripashankar: Okay. Thank you. My question was more or more to do with on the, in the markets, newer markets, which we have taken up on e-commerce as such, for example, taking with the platform like shiprocket and so on. Just wanted to get a sense, is e-commerce going to be the fastest growing segment, sub-segment, followed by surface express? Is that understanding correct?

Sudha Pai: Yes. That's a trend, at least what we are also witnessing.

Kripashankar: All right. So given that, generally we are seeing that there has been some challenges relating to your yields on e-commerce as well, which you have said that it is quite competitive right now. Where do you think the buck stops? I think after a certain point, it becomes unviable to go below a certain level.

So is there any thought process around what the management thinks that probably if the value of the shipment is X, we should assign a particular logistics cost range and that is where it has to be the lowest logistics cost. Is that something which you guys do as an assessment?

Sudha Pai: Well, from financial aspect, definitely that's one of the things that we keep on -- keep on pushing to ensure that we have a profitable growth. However, we have to, also Blue Dart is known for its, timeliness in delivering the shipment. That remains the key line. So nothing comes at the cost of compromise on the quality. So quality comes first and then comes the cost. And then we ensure that we have a profitable growth as well.

Kripashankar: Thank you. So is it very fair to assume that the pricing ban for Blue Dart versus the rest of the industry would have that premium disparity which we have seen in the Surface Express? Is that something which we should consider going ahead?

Sudha Pai: Well, it depends on various criteria like what lane we are looking at or which you I mean, it depends on various criteria there. So not really sure that what you just mentioned would be the, yes, sorry.

Kripashankar: Right. Yes, I understand. So probably, let me rephrase it in a different manner. Specific, probably where growth avenues, let's take like Tier 1, Tier 2 City, where the growth has been substantially higher, but the market has become quite intense over there. We would choose to price our services according to the competitive environment, but whereas areas where the niche is still existent with respect to a requirement of a quality fast service. And that is something wherein the pricing disparity may continue. Is that, is it a fair assessment?

Sudha Pai: Well, yes could be, could say that yes. Yes.

Kripashankar: Sure. In that context, the why I'm driving this part is this, just to understand that the pricing hike, which we have announced starting in from January, that the volume growth generally for the industry is facing a lot of challenges, be it on e-commerce or surface express. The pushback would be quite high from a customer standpoint.

And given the inflationary part is eating up on our margins, how confident are we with respect to the price hikes over the next coming in from January onwards? That's something which I wanted to pick your brain on?

Sudha Pai: As I rightly said that the inflationary trends are, are at a very rampant speed. And we expect again, like to have our price increases as per the annual calendar, which is Jan to December. And I guess there has been a Press Release as well. Confirming the GPI percentage somewhere between 10%, 10% to 12%. So that's what we are having for next year as far as GPI and the price increases.

Kripashankar: Sure. So it's very fair to assume that as an industry, there will be certain price hikes coming in irrespective of tonnage growth. Is that something which you're picking based on your conversation with the probably your customers?

Sudha Pai: We, sorry, I didn't get that question. Can you say that again, please?

Kripashankar: Sorry. So what I was trying to highlight is that your peers have also communicated from January onwards, there'll be few hikes. But as an industry as a whole is it, is it fair to assume that irrespective of the volume growth coming in the next financial year, there should be price hikes taken just to offset the inflationary pressures?

Is that something which is well understood by the customer? Because the pushbacks typically are quite strong, which defers a large portion of price hike. So just wanted to get a sense that now the industry has taken a stern view, the Express Logistics industry has taken a stern view with respect to pricing. Is that a feeler which you're getting with your interactions with customers? They are ready to, say, give up that hike?

Sudha Pai: Well, say it's -- say or in the longer term, that would be the phenomena, because somewhere the cost increases, the rental increases, the minimum wage increases, the increase in the fuel prices these all things somewhere maybe a month later or a quarter later and so on. It has to be passed on to the customers, like, and that would be an industrial trend as well.

So we expect that I we do have a challenge with the customers explaining them the reason for the increase in the cost and so on. But then overall -- looking at looking at the service quality, looking at the timeliness, which Blue Dart is known for, somewhere we are able to convince the customers to accept this hike.

Kripashankar: Okay. Thank you for answering my questions and all the best.

Alok Deora: Thank you so much. So, one question was on the, what was, when was the last price hike taken and were we able to pass it entirely?

Sudha Pai: So, the price hike we have our annual GPI exercise. However, for certain customers where contractuality they fall within a quarter or within the second quarter of the year and so on, we accordingly have a negotiation and discussion with the customers and it's an ongoing excise. Like, it's not that we start off in January and close in January or like close within the Q1.

It happens, it flows continuously throughout the year, like, depending on the customer contract. Although the intention is that, yes, we have our all GPIs and it's a desirable thing as well to have all the GPIs frozen right in the quarter one itself, at least for the contracted and regular customers.

Alok Deora: Sure, we'll take the follow up question from Mr. Amit, please go ahead.

Amit: Yes, thanks for the opportunity again, just pushing further on this price hike. Do we foresee some resistance from the customers considering the operating environment we are in? And do you think that this price hike, if accepted, initially can come at the cost of volumes because of the volumes have grown quite a bit in if you compare Y-o-Y or Q-o-Q. So in Q4, do we see volumes coming under pressure if this price hike is accepted or vice versa?

Sudha Pai: See, overall, there is an overall if there is a great boost in the domestic demand, like and if the industry trend is that the cost increases or the GPI for most of the competitors, as well as the chances between 8% to 9% to 10%. Maybe there may be for a shorter period of time, there may be, the volume of challenge.

But overall, if you look at how the overall economy has to work, like the price hikes cannot be evaded, can we say a no to our minimum wages, we can't say. Can we say no for a rental increases? No. We try to defer it. We try to ensure that minimum wages are something which we can't even defer it.

So similar would be the outlook on the GPI part with the customer. Maybe there would be a deferral, maybe they would accept it, the volumes would go lower and so on. But then overall, looking at what is the USP of Blue Dart, like it's a timelines. Considering that factor, we expect that the volume would trend equally along with the price increases. That's at least the expectation.

Amit: Okay. The second one is essentially on Air Express, since we are seeing that Surface Express share, while we don't know, I mean, qualitatively or quantitatively, how much is the share, but we know for sure that from the discussions we have had, that it is increasing. Now, in this scenario, do we see that some, how do you actually, how do you see the competition from large e-commerce players having their own logistics ecosystem and airlines also utilizing their belly cargo for Air Express?

How is the competition evolving over there? And do you see that because of the low yields that we are getting now, some of these guys ultimately could actually give it to third parties like you or something like that?

Sudha Pai: See, those challenges do continue to trend in our boardroom discussions with the new airports coming in, with the more of a belly space being available and the trend that we may not have a dominant position as we were having in the past on the Air part. Those discussions do continue and do dominate the discussions, but ultimately what we have so far noticed that with this commercial network space and so on, while it's an opportunity, but ultimately Blue Dart has its own network. It has invested again into two aircrafts to make its network more robust.

So service quality is something where we are currently able to hold on because of these investments. And yes, I mean, there would be a bit of an ups and downs but the current trend is like our network investment into network helps us to maintain the service quality, like, and ultimately the customers.

Amit Dixit: See, one more, if I can squeeze it, that the freighters, when initially they were contemplated, we thought that we will serve the Northeast market because it was quite attractive, some of the tier two cities. So does that thesis still hold or after a while you find that the market is no longer as attractive as we thought it to be, or maybe because of the overall slowdown, we are seeing that maybe what kind of potential we contemplated might just come, but it is deferred for the time being.

Sudha Pai: So our utilization, as I mentioned in few of the earlier responses, our utilization has improved on these two networks that we have invested into, which means that our investment in Northeast continues to, continues to improve. Of course, the pace at which our expectation is that it should improve versus the pace at which in reality it is trending. Maybe there is a bit of a gap there. However, currently we intend to stick to our laid down network, which includes investment into Northeast.

Amit Dixit: Okay. Now, since we have reached already 80% to 83% utilization and 90% to 92% is ideal, which you said that we might see it getting achieved in Q4, is there any plan to go for new freighters at this point in time?

Sudha Pai: For the new?

Amit Dixit: New freighters, yes.

Sudha Pai: No, no. Not currently in the pipeline.

Amit Dixit: Okay. All right. Thank you so much and all the best.

Sudha Pai: Thank you.

Alok Deora: Thank you so much. We'll take next question from Mr. Anshul. Please go ahead.

Anshul: Hi, thank you for the opportunity again. My question is on the capex spends that we envisage for this year, the next year, and you alluded that it's on, it's majorly on Surface facilities or Surface Express. Now, considering the asset-light in this segment, would you be able to shed, throw some light on where exactly these spends will happen? Some broad color?

Sudha Pai: Those investments would be mainly on the hubs and the service center that we would need for ensuring that we have better auto sorters, which improves the speed of servicing to the customers. Like that would be the broad investment that we are planning on the Surface part. I hope that answers your question.

Anshul: Clear, thanks.

Sudha Pai: Thank you.

Alok Deora: Thank you. We'll take next question from Mr. Anshul. Please go ahead.

Anshul: Yes. Thank you for the follow up opportunity, ma'am. If you could help us understand the extent of fixed costs at the company level on a quarterly basis. Is there any way to know that?

Sudha Pai: We generally do not publish any further breakdown of the cost, which is into semi variable, variable or fixed cost. We do keep it as our internal in my review. I'm really sorry for that.

Anshul: No, no problem. I was just referring to the INR11 crores and INR8 crores number, what you had mentioned if you have a similar number at the company level, I think you mentioned that for the particular freighter.

Sudha Pai: Yes, this is particularly to give our investors an overview about in terms of utilization, because that's one of the key question that we get that how are our two aircrafts that we have invested is different, which is why we give that information. But overall, at a fixed cost level it would be roughly as a percentage of the total cost base, we can say that it's around 50% of my total cost base. And I hope this helps Anshul

Management: It is very subjective. Because the cost that is fixed from a monthly perspective, must be so fixed from a quarterly perspective or yearly perspective. So in the long run, everything is variable. So it's a very subjective interpretation. But yes, month-on-month when you look at it, 50% broadly is what we see. But then that can always be a variable because you can always move the manpower, the contracted vehicles out and in depending on how the volume comes in.

Anshul: No, no, fair point. Where I was coming from, like in terms of employee cost, I presume when you're saying 50% of the cost, you're excluding the freight and servicing cost. Are you including everything in that total cost?

Sudha Pai: Total cost, yes.

Anshul: Including the freight and servicing cost?

Sudha Pai: Yes.

Anshul: Understood. Ma'am second question I had was with respect to the white space. So like you mentioned Northeast, we intend to continue investment in the Northeast pocket. Are there any more such white spaces left where we still have to kind of invest? And if yes, what is the quantum and where?

Sudha Pai: No, we do not see any major white spaces even in terms of Northeast. It's not that we have entered those markets. It's only that we have improved the service quality by having, extending our own network so that we have some service timeline from 48 hours to 24 hours. So it's more of improving the services, but no major white spaces where we are looking for.

Anshul: Understood. And just last question, if I may, is it possible to get some sense about the mix in terms of various industries for us, FMCG, pharma, governments, et cetera?

Sudha Pai: No, we generally do not.

Anshul: Understood. Thank you, ma'am. Wish you all the best.

Sudha Pai: Thank you, Anshul.

Alok Deora: Thank you. Anyone having questions, can please raise their hand. So we'll take a couple of questions which were there in the chat box earlier. So one was, what has been the growth in the air segment and how has the industry grown? One is how the company has grown in the air segment and how was the industry grown or one is how the company is growing in the Air and what about the overall industry?

Sudha Pai: We generally avoid giving details on Air versus Ground segment-wise information.

Alok Deora: Just, I think one last question from the chat box. So a lot of the other companies are talking about pretty slow volume growth in 1H and even they are also mentioning about the price hikes is kind of not possible in the current environment. So while we have announced the price hike from January onwards, what's the probability that we might not be able to take the price hike in an entire way or the price hike might be delayed? Any comments on that?

Sudha Pai: Yes, I mean, it really depends on how the demand for the market is, how is the overall economic scenario. While we also intend that the price hike should materialize as has been communicated, but it really depends on a lot of other factors as well. But we are optimistic that the price hikes that we have communicated will translate into the reality.

Alok Deora: We'll take one question from Mr. Dhruv Jain. Please go ahead.

Dhruv Jain: Yes, thanks for the opportunity. I had one question with respect to margins. So obviously, we've been in a weak operating environment with respect to volume growth, but assuming that say about two quarters from now, if double digit growth for the industry as well as for Blue Dart comes through, what is the peak EBIT or EBITDA margin, whatever number you are comfortable with that you can get to?

I mean, if you're not comfortable giving an exact number, if you could just give us a directional number in terms of how much improvement that we can see, given the fact that you've already invested in a lot of freighters and all the other assets. Thanks.

Sudha Pai: Blue Dart, per se, to look at the past trends, had been consistently and being very conservative, we've a single digit margin. We expect to remain within the same range between 7% to 8% to 9%. That's the outlook that we are having.

Dhruv Jain: But would there not be any scope for operating leverage to play out?

Sudha Pai: For the, sorry, operating?

Dhruv Jain: So, in the sense that, would it not be the case that your costs don't grow as fast as your revenue growth? I know you have to invest some bit of it in your business again, but would there not be some scope for operating leverage in terms of margins improving for you from where you are currently?

Sudha Pai: Well, we do have, we do keep a tab on the operating leverage and to ensure that the margins improve. However we would be investing into the surface facilities as a part of our capex spend which would again keep us our - keep our annual the margins at the single digit level.

Dhruv Jain: You are talking about EBIT margin ma'am or..?

Sudha Pai: EBITDA margin. EBIT margin.

Sudha Pai: Yes.

Dhruv Jain: Oh, thank you so much.

Sudha Pai: Thank you.

Alok Deora: Thank you. As there are no further questions, I would now hand over the call to the management for any closing comments.

Tushar Gunderia: So, nothing specific from our side further. I mean, if there are no questions, we can close the call.

Alok Deora: Sure, so, thank you so much for giving us the opportunity to host the call and thanks everyone for joining in.

Tushar Gunderia: Thank you.