

“Transport Corporation of India Limited H1

Investor Conference Call FY 2026”

Oct 30, 2025

MANAGEMENT:

MR. VINEET AGARWAL : MANAGING DIRECTOR

MR. ASHISH TIWARI : GROUP CHIEF FINANCIAL OFFICER

MODERATOR:

Ms. SIMRAN SHARMA : INVESTOR RELATIONS

Ms. Simran

Good evening, ladies and gentlemen. We will begin with the session shortly.

Ms. Simran

Good evening, ladies and gentlemen.

I am Ms. Simran, the moderator, and I would like to extend a warm welcome to everyone joining us for the TCIL H1 FY26 Earnings Conference Call. On behalf of the management, we have with us Mr. Vineet Agrawal, Managing Director, and Mr. Ashish Tiwari, Group CFO. All participants are in listen-only mode.

Please note that this call is being recorded. With that, I now invite Mr. Ashish Tiwari to share his opening remarks. Thank you, and over to you, Sir.

Mr. Ashish Tiwari

Thank you, Simran, and good evening to all of you. Thank you for taking out time and joining our quarterly investor call. Before we start the call, I would like to make a disclaimer that some of the statements in this call may be forward-looking and may not coincide with the actual performance. So, we will start with the presentation by Mr. Vineet Agrawal and followed by the question-answer session. I would invite Mr. Agrawal just to present and also the opening remarks. Thank you.

Mr. Vineet Agrawal

Thanks, Ashish. Thanks, Simran. So, good to be back for the quarter.

I can see Alok has already raised his hand, so he's already number one on the queue, but that's okay. So, maybe I should just start with questions only, but no, let me give some opening remarks and then share, also share what's been happening over the quarter. So, it was an interesting quarter.

I think the beginning of the quarter, we saw some little bit of movement, July, August, and then, of course, once the announcements on GST came, things started slowing down quite rapidly, and the first few days

of September, etc., were quite weak. Then, of course, after 22nd of September, we saw a massive rush from either from the automotive side or from the finished goods and the FMCG side, and just the amount of movement that happened just took us by surprise.

In our supply chain business, we did record numbers, and that business is our largest business now, as I have been saying, that it would happen. And essentially, what we have seen is that the stocks that had been for sort of the inventory that was there in the system across the board, some of that got used, and now, and that too, towards the far end of the supply chain, which is post the warehousing, where are the CNFs, etc., or the yards beyond that, some of that started getting used up.

Now, we, October also has had the same effect, but now we are seeing a weakening of the push that was there, it is not as strong as it was in the first, in this last 45 days. But, and we do not expect November to be that great also, because I think and December perhaps to be moderated. The one thing that we're expecting things to shift is more on the production side, where we believe that some of the raw material needed for production, and then subsequently movement from the production units to the next stage in the supply chain is something that should happen more so in the next few months.

We know capacity utilization on the industrial side is still around 77-78%, and that needs to keep persisting before some CAPEX starts happening. The other thing that we are seeing, of course, is that there are supply chain restructuring that's happening by companies, where they are insisting heavily on cost reduction, because I think a lot of the cost reduction initiatives that companies had started earlier have now been exhausted, and they're looking at other areas to where they can restructure some of this cost.

So, they are on the supply chain side pushing more towards how to rationalize, maybe if it is warehousing, how to rationalize warehousing space. If it is the network design, how can they change that? Can they look at different kinds of suppliers? How do they diversify the supply base? Some of the sentiments because of the impending FTAs etc, is also having an impact on supply chain diversity. So, these are some of the things that we have noticed.

I'll talk about some things specifically in each of the businesses. One major impact of GST is the fact that we believe that some of the sentiments might have changed a little bit towards the positive side, if not a little bit more than little, because there is an element of feeling that there is, we can get more out of our money or the money spent per 100 rupees that I spend, I can get more out of it. So, at a consumption level, that can help some triggers, but it is certainly a sentiment positive.

So, let's start with the presentation. I think there's no change in terms of this. We are well aware of the Logistics Industries drivers. As a company, we are very focused on providing a wide range of solutions through a very strategically developed multimodal network. And of course, we are increasing technology in huge numbers in a huge way in a company. And of course, we work in all the new as well as hybrid sectors with a range of services, as you can see across the board, and many of them very high value, high niche kind of services. And again, looking at the new sectors like chemicals, defense, aviation, industrials, we are present in all of them as well as increasing a share very rapidly. A case study is for a renewable energy customer. This customer has just started its plant and the amount of growth that it was having and the amount of throughput it was generating from its plant was very high for the road to catch up because they were moving most of the supply through the road network.

So, that was leading to shortages of trucks as well as the freight rates were also moving up because of the demand supply gap. Clearly, this was also leading to more carbon emissions as well. And the warehouses were not able to keep up because there was so much capacity, so much raw material that was coming in as so much finished goods that were ready. And of course, there was incompatibility with the types of raw materials that they have, which is like chemicals and other products that are there along with these chips, the solar modules, etc.

So, we started moving from South India to North India using container rail movements as well as we're using a triple mode, which is using our coastal services and moving it to across the country wherever they needed, mostly it's going to the north. We have settled a key manager, key account manager there and we're managing warehouses across six locations, including a cold chain warehouse for them. And of course, the customer has seen about a 10 odd percent type of improvement in their cost as well as multimodal movement has reduced their carbon emissions.

So, this was a solution that we were able to do because of the wide range of services that we have and that is unique to us and no other company in this country. Going forward, we have another interesting case study for a quick commerce company where they required several deliveries from minus 15 to minus 20 across the different pods, that is point of deliveries that they had. In the past, when you're moving at such high degree, high precision in terms of temperature, you tend to lose the heat, so you generate heat and hence you lose the cooling effect.

So, as you can see the yellow graph, the temperature kept going up as the deliveries kept increasing as you move from one to the last one. So, we did some significant kaizen where we were able to create inside the truck separate cold chambers so that the temperature is maintained till the desired temperature range is maintained till the last point. And replacement has reduced substantially because customers are there at the POD level, they're seeing that the integrity of the material is maintained when they receive the final material also.

So, it has been a very very interesting supply chain development where we are able to use cold chain to do this very effectively. Again, these are places where we are able to deliver very high degree of customer satisfaction as well as retention. As a company, I think some of this is perhaps mentioned and known, single window solutions as well as bringing in all kinds of niche services to the customers. In terms of multimodal capabilities, we have been continuously expanding that. On the rail side, if you see, we have increased our rail movement substantially.

We did 1400 plus movements last quarter, last half year versus 1168. So, a substantial jump that we have had a lot of it is in the automotive side. On the left-hand corner is the container movement. The TEUs handled in the last half yearly is about another 5-7% increase over the last year, as well as the number of cars handled, CBU that is, has also increased from 172,000 to about 190,000 in the last year and a half. We continue to manage about 67 yards and about 70 terminals, and we have saved about 90,000 tons of CO2. In terms of IT capabilities, we have now, our center of excellence is now working, has been working for several months on several interesting AI ML projects.

And perhaps next time around in the presentation, we will show you example of one or two very interesting AI projects. These are essentially areas that we have seen that have really a significant improvement when it comes to manpower productivity, as well as in terms of process improvement. So,

We been able to implement some of these quite efficiently. And of course, the rest of the things are hygiene as we go forward. Mentioned about all the high growth sectors we're presenting, I think this is known, let's go forward. Highlights in terms of the quarter ended is that we have had 21, 21st consecutive quarter of growth. We have invested about 170 crores in the last quarter, in the last six months. And out of that 140 has come from internal accruals.

Liquidity position remains steady at 250 odd crores. In the freight business, it is remains a bit weak still, we have had no growth. The good thing here is that the shift from FTL to LTL has started. And we have seen a two percentage point improvement there to 38%.

Margins have yet to kick in because some cost structures are still under process. We have also some of the growth was subdued because a few contracts were shifted to the TCI Chemlog business. This had to happen at some point in time and it happened in this last quarter. So, the growth is muted. It would have had an impact of two, three percent, about one or two percent in terms of the top two percent, additional on the top line growth.

Challenges remain. However, we are seeing, as I have been saying, that this year perhaps is the end of perhaps hitting the bottom and we are going to see an uptick here going forward. Otherwise, the challenges around MSME growth, etc. remain in the system. I think that is still known. Our network expansion continues, though we have not added too many branches this quarter. But in the first half, the branch network is definitely higher than last year also. (Pause) On the supply chain side, the business has grown at about 17.8% over the quarter and about 14% on the half yearly basis.

As I said that the impact of GST rate nationalization has been immense and we have been able to push through a lot of these quite rapidly. The movement has been handled quite rapidly and quite efficiently. We have also seen good growth in warehousing, where the warehousing growth is actually far higher than the overall growth. And most of it is coming from QuickCommerce, a lot of it is coming from QuickCommerce. FMCG companies restructuring, some retail customers coming in, and we are seeing that the margins are stable.

Capital employed has gone up because we have added about 100 odd trucks as part of the CapEx plan. In seaways, we had one, several few less voyages because of ships were under dry dock, one also in the last quarter. The growth in margins, even though the revenue growth has been negative, is because of the fuel prices being slightly lower.

I think that has helped us, even with the limited volume, we have been able to get better margins. Of course, all the ships are depreciated and we do not have any interest costs etc. So, everything that we earn at the EBITDA level, almost everything goes down to the bottom line. The joint ventures have done reasonably well. In the first half, Concor has grown by about 28%. Profitability is a little tight, but I think it's also because of the various changes that are coming forward slowly with also competition increasing a little bit more.

The likes of Adani and DP World etc. are increasing their presence in the container transportation business. Coal chain business grew at about 17 odd percent. Again, good traction there. We have crossed about 100 crores in terms of capital employed. We have got some interesting customers on the quick

commerce as well as on the retail side as well. Profitability is muted, but I think this is expected for the next few quarters. Transystem growth is at about 11% and profitability is almost the same.

At a standalone level, we grew at about 5% odd, but the console level is about 7.6% for the quarter. The PAT level growth for the quarter is about 6.4% and 5.8% at the console level. Again, it's been a muted quarter for us because the start had been slightly weak. We started to pick up towards the second half of the quarter, but net, I think in terms of our guidance of 10 to 12% on the top line, about 10 to 15% on the bottom line at a console level with stats.

In terms of the other numbers, I think ROCE, RONY, everything else is the same, not much change. Next slide. And this quarter, we did not declare any dividend, but we are observing the trends and we will figure out when to declare dividends perhaps in the next quarter or subsequently. CapEx of 167 crores in the first half. The budget is 450 crores. I think as I have been saying, we should get to around 400-ish crores plus minus 20 crores.

The ship related costs have been essentially related to the two orders that we placed and those orders are, these are the installments of those orders. So, that has gone in terms of the 34 crores that has been spent. We have seen the good addition in trucks and rakes and we have ordered two rakes also, which will come sometime end of next year.

That's all in terms of our presentation. Happy to take questions. Thank you.

Ms. Simran

Thank you, sir, for sharing your valuable insight. Ladies and gentlemen, we will now begin with the question and answer session. If you have any questions, please use the raise hand feature. When called on, kindly start by stating your name and organization before asking your question. Our first question is from Mr. Alok Deora. Sir, please go ahead.

Mr. Alok Deora

Hello. Yeah, good evening and thanks for the detailed presentation. So, I just had a couple of questions. First, on the freight business, I mean, you know, the margins have been pretty muted even, you know, if you observe the last several quarters. So, just wanted to understand if things change for the better and if we get even a higher LTL mix, where these margins could end up? I mean, what is the potential for these margins?

Because this segment forms pretty big part of our overall, you know, business. So, just some color on that because this at the end of the day continues to be a commoditized business. So, are we seeing any real margin changes here or it would be just maybe a 50 to 100 basis points improvement, maybe one year down the line?

That is number one. Right.

Mr. Vineet Agrawal

So, on that, Alok, the peak margins in this business have been, I think, four and a half percent EBIDTA. So, that is the peak. However, as you rightly said, maybe it is going to inch up and not jump up. So, in the next year onwards, we should see that inching up starting with 100 basis points, etc., type of improvement.

Secondly, it is about 40 percent of our standalone business and even lower percentage of our consolidated business. So, as a share of the business, it is going down, as you can see.

And, you know, there is not many assets in this business. I mean, very, there are no assets, actually, really, only working capital is what we require here. And the rest of it is rentals, etc that is from a shared services perspective.

So, ROCE will continue to remain attractive, 15 percent plus. If you are hitting that, I think we are definitely looking at continuous recycling of that. However, the moment the LTL business starts kicking in further, that ROC has jumped, as you can also see in 2022 and 23 to 27 percent and, actually, just put it on a full slide, please, on 27, 20 percent.

So, that 20, 25 percent ranges can be achieved.

Mr. Alok Deora

And in series, I mean, the margins, you know, again, continue to inch up. I mean, we have been seeing a quarter by quarter improvement, again, in the margin profile. So, you know, the, which margins, which were to normalize almost like one year back, that has kind of, I mean, not come down, rather has gone up, despite the lower revenues, if you compare it with the last few quarters.

So, what's really happening there is, are these margins sustainable? And if these margins sustain, or we have a very strong outlook, then what's happening on the second-hand ship, because that could earn us quite good money, you know, if those, if that ship also were to come by and get into the operations very quickly.

Mr. Vineet Agarwal

Well, second-hand ship is not easy to get. We, as I have been saying, that we have been trying very hard. We bid for a few ships also, we did not get, because they kept going up in terms of pricing. So, very, very unpredictable. And I think geopolitics plays a big part of this, in this. So, we are not very hopeful on the second-hand, we are definitely sure of the new ships that will come next year. We also have a little bit of a time till we are, we need to retire some of the ships. So, in that context, capacity addition will only be positive whenever that happens next year.

Margins, as I say that, you know, sometimes we are also quite surprised sometimes, but this 35-40% is our expected margin structure is what, is what we feel is, is perhaps the most ideal number.

Mr. Alok Deora

Sure. Thank you. Thank you so much, sir.

All the best. Thank you.

Mr. Vineet Agarwal

Thank you.

Ms. Simran

Thank you, sir. The next question is from Mr. Krupashankar. Sir, please go ahead.

Mr. Krupashankar

Hi, good evening and thank you for the opportunity. My first question was on the revenue side. So, Vinit, you did mention that you're at, aspiring for a 10-12% growth on the top-line side for the full year, but on the first half, it's been almost about 5% sort of a growth.

So, the second half expectations while supply chain is firing all engines, what are the other segments, because seaways, you're not getting incremental capacities. So, is it right to assume that freight would bounce back sharply and that is what will drive your top-line growth expectation?

Mr. Vineet Agarwal

So, maybe I can hide behind some of the fine print, which is whether it is consolidated growth or whether it is standalone growth of 10-12%. So, at a console level, it is about 8%. So, we should hit 12%, 10-12% in that because our Concor business is also growing. It's already a 27-28% increase and the other joint ventures are also firing all cylinders. But yeah, I think, if you look at a standalone level, perhaps 8-10% might be more reasonable and at a console level, maybe 12-ish percent could be more reasonable.

Mr. Krupashankar

On the seaways side, any near-term headwinds that you are envisaging with respect to fuel cost or any other incremental capacities coming on board, which can postpone with respect to profitability or growth perhaps?

Mr. Vineet Agarwal

No, not really. I think, headwinds are essentially, typically, Ashish, can you move that the top part of the screen or just move it to full screen, please? See, I think, if the freight rates globally have muted a little bit, but freight rates around the Indian coast is typically still high. So, I think, what typically that happens is that there is some of the international players that have moved some ships to international waters tend to bring it back to India and that could happen and that could be a potential headwind.

But in terms of capacity utilization, we had full capacity. We do not have, I mean, we have cargo, but we do not have capacity. So, we are, of course, second-hand ship still does not make sense with the kind of pricing because you have to factor in a longer tenure for those ships and not what you see today. So, I would think that the headwind will be perhaps more competition, but the next few months is typically

the good period also. So, maybe we should be able to sustain from both from a demand perspective and from whatever supply comes in.

Mr. Krupashankar

Thank you. Thank you.

Ms. Simran

Thank you, sir. The next question is from Mr. Sunil. Sir, please go ahead.

Mr. Sunil

Hi, sir. Thanks for the opportunity.

Mr. Vineet Agarwal

Thank you. Please go ahead..

Mr. Sunil

So, broadly speaking, you always, as a long-term industry, what is impressive is the way you put a case study, the way you create a long-term relationship and bonding with your customer and stickiness. So, I just wanted to understand which are the factors other than pricing where customer leaves us and whether they leave for just prices or they create their own setup and they learn from us.

What are the factors which you will be careful about or your experience talks about that our customers leave us and we lose the business?

Mr. Vineet Agarwal

Yeah, well, yeah, our analysis is that 60-70% of the customers leave us because of pricing. Then, of course, no company is perfect. If I can tell you that every person everywhere is perfect and is we do not lose because of our behavior towards the customer, I will be wrong. It happens in all organizations. So, some of it happens in our organization also. Sometimes we do not realize what we do, but we do not deliver to customer's satisfaction and expectation level.

So, we do certainly lose out there. Sometimes we lose out because customers do not want to give a lot of business to us. They also want to diversify their portfolio to keep other players in the mix and they might give us a higher pricing compared to the others, but they will still not give us the entire business because they want to keep a diversified mix.

So, those are probably the main reasons why customers leave us. In terms of solutions, the sector we have a wide range and the teams are such that they are able to orient towards customer's needs, but sometimes we can fail also.

Mr. Sunil

Thank you.

Ms. Simran

Thank you, sir. The next question is from Mr. Naman. Sir, please go ahead.

Mr. Naman

Yeah. Hi. Good evening and thanks for giving me this opportunity.

As most of the questions have already been answered. So, I just wanted to know that as the company has just entered into the eastern region with a new warehouse in the Kolkata region. So, how should we expect it to affect our financial performance? What are the company's plan in relation to this new warehouse? And if you could just give some color, it would be good for my understanding.

Mr. Vineet Agarwal

Well, this is just a regular warehouse expansion that we have done. It's a 285,000 square feet facility, a very large one, especially in the eastern zone. We did not have such a large facility there. So, we were invested into it and we bought this upstream, but it won't have a significant impact on the company as a whole, because it's just one more capacity addition out of the 16 odd million that we have in terms of space. So, these are small incremental things that we keep doing as part of the CapEx plan. So, yeah, I do not have any, we do not, it leads to business obviously, but will it have a significant impact?

No, not really.

Mr. Naman

Okay. Thank you. And just one last question. Like with the GST rate cuts coming into effect and inflation like touching new lows, how do you see the demand trend to evolve and what are your strategies to compete with your competitors?

Mr. Vineet Agarwal

It's a very broad question. I think our strategy is well known. We are multi-modal integrated, multi-modal logistic solution provider.

And we are across the board in terms of all the services that we have. And we cross sell and upsell our services to our customers. So, that's the broad strategy.

With all the services we have, customers, they are getting positively impacted by GST. They will use our services. So, overall, I think I do not see any specific broad, specific things I can point out and tell you that, okay, this is what is going to dramatically change because of GST, but there are services that they need from us, whether it is warehousing or whatever, we are able to provide them.

Mr. Naman

Okay. Thank you. This was all from my side and best of luck for the future.

Mr. Vineet Agarwal

Thank you.

Ms. Simran

Thank you, sir. The next question is from. Mr Raghunath. Sir, please go ahead.

Mr. Raghunath

Good afternoon, sir. Sir, post implementation of GST, there was expectation that there will be a consolidation in the industry wherein the smaller players will exit. So, is that still playing out?

Mr. Vineet Agarwal

Slowly, not too fast, but yes, slowly it is happening.

Mr. Raghunath

Okay. Thank you, sir.

Ms. Simran

Thank you, sir. The next question is from Mr. Prateek. Sir, please go ahead.

Mr. Prateek

Yes, sir. Good afternoon. Sir, one on straight, I mean, what has to happen or what is happening that giving us a confidence that margins kind of come back next year? Is it just LTL which will drive this or do you see on ground, I mean, either the competition or SME segment kind of coming back?

Mr. Vineet Agarwal

I think it is a combination of many things. You are right that some of it will be driven by LTL growth and that LTL growth is also because of MSME growth. Some aspect of pickup should happen, as I said, capacity expansion will only start when there is capacity utilization remains at a higher level.

So, yes, some of it is that. I think the consumption story that we all want to be kick-started, hopefully, some of that will also come through, which means a trickle-down effect of that. Infrastructure spending by the government should continue at the same pace and I think the next year's budget should also keep pushing that agenda.

And that means there is a very high degree of movement that happens towards infrastructure-related companies, especially engineering companies and electronics, etc. So, those will drive a certain growth. So, yes, I think overall there are lots of tailwinds that should help us in terms of overall growth.

Mr. Prateek

Correct. And in the last few quarters, maybe a year or two, we were investing a lot in terms of branches, etc. to capture more of LTL.

That, I believe, is yet to ramp up and play out.

Mr. Vineet Agarwal

No, we did about 40-ish branches last year. This year has been a little slow, but I think it will start ramping up more towards, I would say, next year.

Mr. Prateek

Correct. And just one clarification on Seaways, you've mentioned we'd also have to retire some capacity next year. I mean, by...

Mr. Vineet Agarwal

No, not next year. It was supposed to be next year, but it has been extended by the government.

Mr. Prateek

Extended by how much? Sorry.

Mr. Vineet Agarwal

I think by three or four years. Okay. Three years, right, Ashish?

Mr. Ashish Tiwari

Sorry. Yes, 2028.

Mr. Prateek

Okay, fair enough. Thanks. Thank you.

Ms. Simran

Thank you, sir. We have the next question from Mr. Divyansh. Sir, please proceed with your question.

Mr. Divyansh, are you there?

Mr. Divyansh

Yeah. Hey, Vinit, can you hear me? Yes, hi, we can. Yeah. Hey, a couple of questions. I joined a bit late. So, with the GST announcement, at least what came in media is that the OEM stopped shipping the vehicles to the dealers because their GST structure, they wanted to optimize on it. So, the question is that, did that lead to, let's say, more revenue in our SCS business because we were storing the vehicles in the yards? Is there any linkage to that which, let's say, drove revenue in the SCS division for us in this quarter?

Mr. Vineet Agarwal

See, we do not make that much money or that much revenues if the vehicles are just standing in the yard. Obviously, the movements help us to drive revenue growth. So, yes, the stockyards increased in the last three, four months because capacity that was being produced and inventory needed to be kept in different places, which we did maintain.

And some revenues did, we did derive some of that, but it was not significant enough to say that this was the uptick. The uptick is because of the movements. As you saw, the number of rakes that we were able to load, I mean, at some point, we are loading four rakes a day, four, five rakes a day across the country. It was that kind of, no, in fact, in the last week of September, we loaded almost seven, eight rakes a day. That kind of movement was happening for us. So, it is not because of just the warehouse storage.

Mr. Divyansh

Yeah, got it. And just this, let's say, how has been, let's say, this Diwali season has the, because now, let's say, given 22nd September was the cutoff date and then Diwali demand and everything, which would

have spilled over post 30th September. So, any, let's say, insight that you can give on this quarter, how has it been both on, let's say, freight because of SME business, getting any upshot or anything on the auto business?

Mr. Vineet Agarwal

As I said, this has continued till October also, but we do not see that kind of movement in November, perhaps a little bit in December, simply because it is the end of the financial year for several MNCs. It's also the end of, then March is better because it's a financial year for Indian companies. So, I think overall, net-net, we do not think that the kind of jump in volumes we saw will get repeated very soon, not till March.

However, the sentiment has changed to some extent, and that should help the MSME etc. growth that you talked about.

Mr. Divyansh

Got it. And just the last question, we were planning to get an approval for SUV, AFTO or train rakes. Not sure if anything was mentioned, but I haven't, but in the last, let's say, 2-3 con calls, nothing has been mentioned, just wanted to check on that.

Mr. Vineet Agarwal

We did place an order, I think we mentioned in the last quarter call that we placed an order for two such rakes that will get delivered at the end of next year.

Mr. Divyansh

The next financial year or?

Mr. Vineet Agarwal

End of, I think it's next. Next financial year.

Mr. Divyansh

Yeah.

Mr. Ashish Tiwari

FY27. Yeah. Let's say mid of FY27.

Mr. Divyansh

Got, got, understood. Yeah, that's it. Thank you and all the best.

Mr. Ashish Tiwari

Thank you.

Ms. Simran

Thank you, sir. We have no further questions. We can wait for some time as the management suggests.

Mr. Ashish Tiwari

Yeah, we can wait for some minutes, maybe a minute or two.

Ms. Simran

Mr. Divyansh is back with us. Sir, please go ahead.

Mr. Divyansh

Yeah. Hey, just one question on the TCI Concor business. Just wanted to understand how does it work?

So, Concor will get the business or TCI generates the business and let's say uses Concor for a, how does a, let's say sale cycle or revenue generation happen there?

Mr. Vineet Agarwal

Yeah, exactly what you said in terms of the business is generated by TCI. And of course, sometimes we take the help of Concor also, but, and then we use the service, the infrastructure of Concor, whether it is the rakes or whether it is the terminals to, to fulfill the customer contract. Sometimes the containers don't even need to come to the terminals.

It could be picked up from the factory of the customer and delivered to their customer, to their factory directly via trains. Or then, or sometimes it's a first mile, last mile element into some of the contracts. And sometimes we do only piecemill also.

It could be two containers, five containers and things like that also. So, so there is a multiple types of models that we operate in the joint venture.

Mr. Divyansh

So, when you said that, let's say that container, that Adani's entry is affecting, it was for Concor business, right?

Mr. Vineet Agarwal

Exactly. Yeah.

Mr. Divyansh

But then if TCI generates the business, it can also use Adani as a.

Mr. Vineet Agarwal

No, we cannot ask for the joint venture. We, we are, since it's a joint venture with our own, with Concor, who is an asset owner, we are, we will work.

Mr. Divyansh

Can we do it in the SCS business? That was my question. Maybe not Concor, but.

So we are bound to use either Concor or no one else, something like that.

Mr. Vineet Agarwal

Right of first refusal with Concor.

Mr. Divyansh

Got it. And then, so how do you see this playing out? Let's say a private player typically is more efficient than a government player. Do you see any headwind coming? Because you are saying that, let's say reaching 12% through subsidiaries growth. And if Concor is facing competition from, let's say Adani's of the world. So how can we, is there a plan to counter that thing?

Mr. Vineet Agarwal

Well, you know, Concor itself is helping us counter that with their strategies in terms of pricing or in terms of the availability of certain terminals. And of course, you know, customers also like us because we provide an end-to-end solution. So there are, there are, we have a US piece.

So I think we are continuously working on that. There will be some pressures and also there are certain niches, you know, each company works on different areas and not necessarily on every area. So some things we do better, some things somebody else does better.

Mr. Divyansh

Got it. Got it. Understood. Thank you.

Ms. Simran

Thank you, sir. The next question is from Mr. Jainam. Sir, please go ahead.

Mr. Jainam

Yeah. Hi, good afternoon. Hope I am audible.

Mr. Vineet Agarwal

Yes. Yes, please go ahead.

Mr. Jainam

Yeah. So this question relates to the supply chain segment. What we are seeing is that over last three, four years, our growth has been in mid-team.

Now it has also crossed, you can say, 30% in this quarter, of course, with the GST impact. However, our margins has been steadily coming down from six and a half to five and a half percent kind of a thing at that bit level on the console part. Of course, the capacity addition might be, you can say, having some cost versus no revenue recognition.

By what we can, by when we can expect margin to rebound or is it the new normal to look at this five and a half or six percent kind of a margin?

Mr. Ashish Tiwari

I think it's also including the cold chain, Jainam. So while the standalone margins are okay, they are constant and stable. Consolidated margin have a cold chain impact where we do have investment last year. So probably their average margins are a little bit under pressure.

Mr. Jainam

Got it. Thank you so much.

Ms. Simran

Thank you, sir. There are no further questions. Now I'm handing over the floor to Mr. Ashish Tiwari for his closing comment.

Mr. Ashish Tiwari

Thank you, Simran, and thank you, everyone, for joining today out of your busy schedule. I know that it's quite hectic for you to join the call. There are various calls.

I hope that we have answered all your questions. In case you have any further questions, please write us to email ID, which is given on the investor call. Our next call would be next year for quarter three.

So I want to wish you a very happy new year in advance and Merry Christmas. Thank you. Thank you.

Best wishes.