



17th May, 2023

To,
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers, Dalal Street, MUMBAI - 400 001.

Subject: Transcript of Investors Conference Call held on Friday, 12th May 2023.

Dear Sir/Ma'am,

Please refer to our Investors Conference Call scheduled on Friday, 12th May 2023 intimated vide our letter dated 10/05/2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the said Investors Conference Call. The said transcript is also available on the website of the Company.

Please take the above information on record.

Thanking you,

Yours faithfully,
For Tiger Logistics (India) Limited

Harpreet Singh Malhotra
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Tiger Logistics (India) Limited
Q4 & FY23 Earnings Conference Call Transcript
12th May 2023

MANAGEMENT: Mr. Harpreet Singh Malhotra – Chief Managing Director

Moderator: Ladies and gentlemen, good day and welcome to the Tiger Logistics India Limited Q4 and FY2023 Earnings Conference Call hosted by Rik Capital. We are with us today from the management – Mr. Harpreet Singh Malhotra – Chief Managing Director of Tiger Logistics India 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 “*” then “0” on your touchtone phone. Please note this conference is being recorded.

Before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this conference call. Today's discussion may be forward looking in nature based on management's current beliefs and expectations. It must be viewed in conjunction with the risk that our business faces that could cause our future results, performance, or achievements to differ significantly from what may be expressed or implied by such forward-looking statements.

I now have the conference over Mr. Harpreet Singh Malhotra for his opening remarks. Thank you and over to you, Sir.

Harpreet Singh Malhotra: Hello. Good afternoon to everybody. I am very happy to welcome everybody on this call today. It is our privilege to talk to everybody to discuss what is happening in the business and what are the future prospects and everything. So, great to have all of you here. I am sure with some of them we must have been on a call earlier as well. So, you know what business we are in. So, Tiger Logistics as you know is purely into international freight forwarding and logistics activities. So, just to give you a little brief about what is happening in the logistics industry overall globally.

So, globally yes, last, I would say two quarters have been a little challenging especially due to the global political scenario happening around the world and we see now the demand as such is little sluggish. Most of the big customers across the globe had already they have their warehouses full. So, I would not say that it is a recession kind of a situation, but yes due to inflation the overall consumption has taken a hit and that is showing in the order up take of all these big buyers across the globe, but the silver lining for us is that India is being looked upon as China plus One in a big way. Most of the big customers across the globe whether it is in apparel, readymade garments or home furnishings or auto or yarns and textile and food grains and commodities all of them are looking at India as an alternate supplier base when you compare it with China. So that is a big silver line which all of us are seeing most of the customers with whom we deal with have seen a major spurt in the number of queries which they are getting and also the conversions which they are getting. So that is a very positive sign both in

terms for the global business scenario and especially keeping India per say in context that the supplies from India are on an upswing and of course in coming quarters, this is going to grow to good numbers.

Overall, I would say some of the other factors which have been very challenging for the global supply chain have been the availability of foreign exchange with the developing nations and also to some extent to the developed nations as well. So, we see that in the Indian subcontinent, in the developing nations like Bangladesh and Sri Lanka and other various countries who were buying big way from India those supplies have taken a hit in terms of overall of non-availability of exchange other areas where the global supply chain is having challenges is in the South America and Africa region where the exchange availability is becoming a big problem.

We see that easing out of course last 6 months have been very taxing for all these countries, but we see that easing out an Indian government also lending a big help to the Indian exporters where they're talking of receiving the payments in Indian rupees which is going to be a big game changer for the exporters in India. We especially see that happening in Indian subcontinent and also in the gulf region. So, overall, the talks of FDA with various other various other countries are also going to help India exporters in a big way and subsequently it is going to help our company as well.

Coming to the Indian logistics industry well last two years we have all seen major big up spurt in the overall business revenue; we can say it that the challenges which everybody faced in the logistics industry due to shortages in the containers and challenges in the containers was a big it helps some of the businesses as well as it also disrupted some of the businesses. So, more, or less things are getting back to normal which is a good thing happening. We are now moving towards a pre COVID level rather in certain trade lanes we have already moved to pre COVID levels which is a good thing overall for the business because you cannot have all the time a bull run in your business. The most favorable situation is that stability should be there. So, we see that happening and it is a very positive welcoming move which is there.

In terms of overall growth as far as the volume is concerned, we see that Tiger Logistics as a Company entering into newer trade lanes, newer businesses, which is a very positive sign again. We see that though in revenue terms we were highest last year, we see that this year we have seen a 10% growth in the overall volume. This is especially in terms of newer markets which we have managed to enter which we have managed to build in and if you look at overall quarter-to-quarter the last quarter and this quarter I am proud to say that there was a big jump of close to 52% in the volume.

So, overall, we are seeing that business this is a sign that the business scenario is stabilizing as far as the global supply chain is concerned. This also signifies that people globally are looking at India as a reliable source of supply, so which is a very positive sign for the Indian logistics

industry especially for us because overall in business 100% is in the international market. So, we feel that in coming quarters we are going to see a major business happening for us.

Now, coming back to the quarterly performance what we have done so the last few quarters, we have seen good growth in terms of volume surely because the rates getting stabilized as you know that we work in the cost-plus model. So overall because of normalization in the freight rates the overall turnover has got stabilized so if you compare it in terms of last year to this year in numbers, we will see a downward overall in the turnover, but that is primarily because the freight levels have come down to the pre COVID levels. So, we are very happy about what we have done in the last quarter and the whole year because overall what we see is that overall, the Company's position and growth which we are seeing has improved quite a lot.

As I mentioned that the volumes though have in spite of the global challenges in the last two quarters the volumes have grown by close to 10%. If you look at even the GP if you compare it percentage-to-percentage from last year to this year has grown by 2% and of course the profit before tax is also up by 1.25% and moreover what I am most happiest about is the trade receivables because in spite of business getting back to normal we have been able to maintain the trade receivables to the same levels as close to 40 days and of course our creditors have also reduced from INR 44 crores to INR 19 crores.

So, this significant signifies a major financial hygiene which we introduced in last two years especially at the start of 2020 which of course we have to take some tough decisions in terms of what kind of business to do and to say no to businesses and to say temporarily there was a downfall in the volumes as well, but I think that that has worked in our favor. I think that has helped us in creating a better financial hygiene for ourselves. Our interest cost is bare minimum. We have kind of paid off like there is no working capital usage happening in the organization. We feel that today we are sitting at a good cash reserve of close to INR 57 crores. These are all cash earnings, which you made, but yeah of course we have to make a proper use of this, but yes, we are waiting for the right opportunity, but we are happy to say that we are in a very comfortable position as far as the financial condition of the organization is concerned because this helps us in taking some growth measures. I would say we have been talking about the digital platform. I take pride in saying that we have had a soft launch of our digital platform which is called freight jar. We had a soft launch of this product on 14th of April. that is Baisakhi Day. We had a soft launch of this, and this is being accepted by the trade very, very well. I must take pride in saying that people are looking at it in a very positive way.

So just in a layman's language this is going to be the MMT MakeMyTrip of logistics industry where you can actually book your shipment online, you can find real time freight rates. Suppose you have a shipment moving from India to maybe Germany you can actually look at the business the freight rates online. So, we see that this is going to be a game changer again and a very disruptive overall model for the organization and it will act like a big sales vertical for us.

So, it will give us access to lot of small and medium enterprises which we could not access otherwise we would have been required to keep a big sales force, but with this platform we can access to smaller exporters or importers in areas where we do not have any excess and moreover in a very transparent manner.

So, we feel that in coming quarters we are seeing a lot of traction coming from this digital platform. Another thing which I have been talking about in lot of my calls earlier is how to grow inorganically. So, we feel that in the inorganic sector or in the inorganic way we are looking at some kind of acquisition where we are closing into some LCL companies, and I think in the coming weeks we should be able to share some positive news with our investors. So, I will share more details on that later, but we are working in the right direction, and we are good at that.

So, these two things which we feel will be future growth engines for us and of course deep selling in the auto sector, creating that diversity in the government sector where we are pitching in for a lot of exports and imports activities in the government sector. So, we feel that definitely it will continue to derive growth for us. So, we feel that in the coming quarters, though it is going to be challenging for overall global industry, we feel that we are on the right track, and we are in time. We are doing things in time to kind of take care of these challenges and take these challenges head on and quite rightly we are really ready with what we have been projecting. So, we feel that overall things are looking bright, and I thank you everybody for having that trust and faith in us and I can assure you that things are only getting better each day. Thank you so much everybody for joining in and I am ready to take any questions or any kind of queries or anything if anybody has. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. We take our first question from the line of Abhijit Waghmare an Investor. Please go ahead.

Abhijit Waghmare: We have seen growth in volumes quarter-on-quarter and year-on-year, how do you see this going forward?

Harpreet Singh Malhotra: I think that as I mentioned that the situation is very conducive for people to increase their buying from India and that is being reflected in our numbers as well. We also feel that confidence of people in Indian businesses is increasing day-by-day. So, I think this is going to continue and we feel that with our initiative of what we are doing in terms of launching new products and increasing our accessibility to the market I think this is going to continue and it will only get better.

Moderator: Thank you. We take our next question from the line of Varsha Mehta from Value Growth Advisors. Please go ahead.

- Varsha Mehta:** Sir, my question will be around we have been a cash rich company after FY21, so how have we looking forward to utilizing this cash?
- Harpreet Singh Malhotra:** As you know that we are an asset light company, and we want to remain asset light and so we are looking to utilize this cash firstly in terms of increasing our present business where we feel that lot of money would be needed towards the working capital. Secondly, we are looking at inorganic growth in terms of acquiring companies in the LCL space. So, as far as Tiger Logistics is concerned, we are a Company in the full container load, but there is another segment of our business which is called LCL which caters to small and medium logistics Company. So, basically it is a freight consolidation. So, we are looking at acquisition in that area and I think we would be utilizing some portion of cash there as well and of course on the new products which we have introduced. So, we feel that something will be utilized there as well, but we want to feel good about sitting on cash honestly because that that gives you a lot of confidence to get into new markets and to get into new businesses, but surely, we are not planning any CAPEX, we are not planning any big assets, any ICD resource CFS, no asset building nothing. We want to keep the model the same; we do not want to reinvent the wheel.
- Varsha Mehta:** Sir, one more question from my side we have recently launched Freight Jar, so if you can highlight what benefits and opportunities Tiger Logistics will have going forward?
- Harpreet Singh Malhotra:** So, FreightJar is a product of Tiger Logistics. It is a digital platform of Tiger Logistics where people can access rates and book shipments digitally. So, the whole platform is digitized where you can book shipments online, see the freight if you like it, upload your documents, book the shipments and everyone moves digitally. So, with this we can have access to a smaller markets which we were not able to access earlier. So, we see it as a big sales vertical for us. So, we feel that this is going to be a good growth engine part of our growth story, this is going to be one of the growth engines for us. So, it is going to be good for us.
- Varsha Mehta:** Sir, I take this like one more question so looking at the freight rates where do you see this freight rates stabilizing?
- Harpreet Singh Malhotra:** Varsha now we are seeing in last one and half months the freight slide has stopped. So, now if that slide has stopped now, we are seeing it going up every month. So, we feel that slide which was happening that free fall has stopped. So, once that free fall has stopped, we are in a good position to say that yes in next few quarters maybe one or two quarters we will be at good levels, but surely the last year levels is going to take a year or so, but that slide that free fall which was happening has stopped him.
- Moderator:** Thank you. We take the next question from the line of Rajesh Agarwal from Money ore. Please go ahead.

- Rajesh Agarwal:** Sir, in spite of the freight being pass through why our profitability has come down, volumes have gone up by 50%?
- Harpreet Singh Malhotra:** So, what happens is that overall, in a very bullish business scenario you do not face much competition, but when the rates are so low falling like it is a free fall, you feel lot of people who are sitting on the edge coming into the businesses. So, they try to spoil the game. So, when the freight rates were 10,000 per container, there were hardly any players who could enter the business and the resources were scarce, but what happens when the rates are falling. There are a lot of people who are sitting on the edge and get a chance to get into those businesses and they spoil the business. So, we have to be very proactive in our approach and ensure that we continue with the business. It is not that the client is married to me. If he gets a lower rate he will just jump and grab that opportunity. So, we do not want that to happen. So, there are cases where we have to ensure that the business continues even if we are able to work at a lower margin, lower freight rate. So, that is what this challenging time due to us, but we continue to maintain the business and do the same thing we do because we get a chance to get it to the other businesses and that is the reason there is an increase in the business volumes also.
- Rajesh Agarwal:** But the competition may continue further suppose the freight rate stabilizes or it is at same level, and it stops falling then the competition will still continue then how do we know our margins?
- Harpreet Singh Malhotra:** Yeah, 100%, but I am maintaining my business. So, over a period of time when the client is with me then I have a chance to when the rates go up and I have a better buying then I have a chance to increase my profitability impact.
- Rajesh Agarwal:** So, is your volume increasing or the industry volume has increased?
- Harpreet Singh Malhotra:** Sorry, this is Tiger Logistics volume.
- Rajesh Agarwal:** I got it your volumes have gone by 52% is overall the industry volume has increased or Tiger Logistics only the volume has increased or even the market share from somebody?
- Harpreet Singh Malhotra:** Firstly, two things have happened. We are replacing somebody our volumes we have added new segments in our kitty also there has been a slight improvement in the business industry wise also.
- Rajesh Agarwal:** You feel sooner or the later the margins will come back?
- Harpreet Singh Malhotra:** 100% they have to.
- Rajesh Agarwal:** In 6 months' time?

Harpreet Singh Malhotra: Yeah 6 months' time we feel maybe two quarters the business is going to be back to what we were earlier and please also understand that we are adding new sales verticals in the overall business growth. So, they will also start contributing to the next 6 months which they have already started on a scale, but in 6 months' time those engines will also start firing.

Moderator: Thank you. As there are no further questions from the participants that concludes today's conference call. Thank you for joining us. On behalf of Tiger Logistics India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.
