



27<sup>th</sup> February 2024

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

**Subject:** Transcript of Q3 & 9M FY24 Earnings Conference Call held on Friday, 23<sup>rd</sup> February 2024 at 04:00 PM (IST).

Dear Sir/Ma'am,

Please refer to our intimation for the Q3 & 9M FY24 Earnings Conference Call which was scheduled on **Friday, 23<sup>rd</sup> February 2024 at 04:00 PM (IST)** intimated vide our letter dated 19/02/2024.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the said Earnings 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**  
Managing Director  
DIN - 00147977

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**Tiger Logistics (India) Limited**  
**Q3 & 9M FY24 Earnings Conference Call Transcript**  
**23<sup>rd</sup> February 2024**

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**MANAGEMENT:**

**Mr. Harpreet Singh Malhotra: Managing Director**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Tiger Logistics (India) Limited Q3 FY24 Earnings Conference Call hosted by Rik Capital.

We have 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 listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that 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 hand the conference over to Mr. Harpreet Singh Malhotra sir for opening remarks. Thank you and over to you, sir.

**Harpreet Singh Malhotra:** Thank you so much for your introduction. Good evening, everybody. This is Harpreet Singh here and I welcome everybody for attending and thanking everybody for attending this today's earnings call. You already must be in the seat of our Q3FY24 results and this earning call is in discussion with those events, and also how the company is doing and what's our plans and how is the total business looking like. So just to start off, overall, as far as the logistics is concerned, from our perspective business has been good, volume is picking up, though the freight rates in the last quarter were again sluggish, they have not moved up in the last quarter. But due to the Red Sea issues, there has been an increase in the freight rates. So, though we feel that that is a very temporary phase. And it's complete whatever the emergency surcharges is pass on from our side.

So, that's been a slight business disruption or I would say it's a cost which is being passed on to the customers but overall, I would say economic outlook is somehow positive and negative. Negative in terms of all the geopolitical tensions which are happening in the globe, where of course we get affected because we are in the international business. And the positive would be that India is growing, as one of the fastest-growing economies globally. Yesterday's Jefferies report again, mentioned that by 2027, India is going to be the third-largest economy in the world, surpassing Japan, and Germany, which is, again, a very encouraging report and statement from their side. And it also encourages us because as we grow, the focus of the world is shifting towards India. The China+1 has become a reality, and people have now established that India is going to be the plus one where the shipments as an alternate supplier have already begun. So that's something which is a very positive sign for us. Overall, when we talk of India's business globally, the volumes are growing keeping aside a small disruption here and there, but the business sentiments are very positive. And that affects us directly, because when these

global businesses happen, we get benefited directly. So, we are the people who handle those businesses.

Coming to the more specific logistics sector, everybody is aware that the focus of the government is to bring down the logistics cost. So, that our exports and imports are more competitive globally, which is happening almost every day, the kind of spend which the government is doing on creating the infrastructure to promote smoother logistics operation, whether it is direct freight corridor or direct rail freight corridors or road movement which is getting more efficient and more productive. And that is directly getting reflected in the reduction of the logistics cost though of course, we have not as yet reached the global logistics cost of around 7% - 8%. But I would say still, we are around 12% or so, which is definitely better than I was a few years back when we were close to 14%. So, all these things are a very positive sign for the whole logistics industry as such, and we feel that in times to come this will only get better.

Looking at some of the disruptions which have taken place, of course, the situation in the Red Sea is being monitored by us very closely. The attacks by the Houthi rebels have put the shipping industry again in a disruption mode, because the transit time have gone up and of course the rates have also gone up, due to high insurance premiums which are being charged on the vessels and also deployment of more vessels, because now anything moving from India into Mediterranean and Europe and further to US is now being routed via the Cape of Good Hope. So, all these things are adding up to the cost and exports get a little bit more expensive as far as buying from India is concerned. But since everybody knows that it's a force majeure situation people are accepting it and moving ahead with their shipments. We are very hopeful that in another month or so things will get solved and better efficient way of logistics will be worked out from this area.

Another few highlights I would say that which have happened is our MOU with the PowerPac Holdings in Bangladesh, that is the part of the Sikder Group. So, Sikder Group is a very prominent entity, very prominent business house in Bangladesh, where they are into various businesses, especially in the boat business, they are already in the business at Mongla Port, which is an alternative to Chattogram Port, and they are developing two jetties there. And more than that, they are into a lot of other businesses like into real estate, aviation and hospital business. So, this MOU will give us more inroads into our business into Bangladesh. And I hope that this will further strengthen our future growth plans.

Another few highlights, as you know that the Board has already decided and approved the share split, which is from the 1:10 ratio, and this is mainly to, make our shares more accessible to the wider investor base and also, improving the liquidity in the market. So, we believe that the strategic move will definitely have a positive impact on our market presence and also, contribute towards the development of the whole dynamic investor community.

Moving further, as you know FreightJar has been focusing on the digital platform. We will be launching the beta version of FreightJar by March end or April first week. We've already, whatever learning we have had in the last few months have been incorporated in the beta version and we are already testing, the trials are already happening and we are hopeful to launch it by end of March.

Another few highlights I would say would be, our foray into the government sector, which we have time and time again we keep on sharing those details with our investors and shareholders through the stock exchange. Our foray into the government sector is only increasing and we feel that this will in coming months, will only be going further. On the business front, our focus remains on the same businesses which we have been, business policy which we have already defined. At the start of the year, I would say that continues focus on import will be there, which is definitely increasing, our footprint in the import segment, and focus into other areas, especially concerning the digital side of the business is definitely increasing each day. And the registrations of people on the platform is increasing each day. So, we are very hopeful that with this launch of the beta version, this will definitely go up. As far as our auto business is concerned and definitely this is growing, though the auto sector as such is facing some restriction headwinds, in terms of exchange issues globally. But, I'm sure they will be able to find some solutions to it. And because of these headwinds, definitely exports of auto is slightly sluggish at this point of time, but the kinds of investments the exporters and importers have made into the segment, I'm sure they will be able to find some good common platform to come out of these issues.

Overall, I would say that the volume growth has been there in the organization in the last quarter, the TEU's volumes is growing, and our PAT margin has become better, I would say the PAT margin is continuously increasing, and that's a result of our better buying's and that is the result of our bringing in more efficiency in the business. So, we are looking at a very bullish about the whole business, which is how it is shaping up. And, we are very happy that whatever growth engines which we had adopted in last two years, they are all working very well, and we are only strengthening those growth engines. And we feel that, in coming times, this will only give us more better results and better margins.

So, I would like to conclude that, I'm very optimistic about how the business is shaping up. And I'm very hopeful that coming months the things which we are doing will bring in more better results. And I always thank the shareholders and always thank the stakeholders, who are part of our journey and having faith and trust in us. And, I can only thank you guys for having confidence in our company. And I'm very hopeful that the way people are, the industry is looking at Tiger Logistics (India) Limited, credibility of the company is growing each day, and which is also reflecting in our business growth as well. So, thank you very much and I look forward to any questions or any suggestions or any guidance from your side. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tanush Mehta from JM Financial. Please go ahead.

**Tanush Mehta:** I want to ask, what growth do we anticipate for the online platforms FreightJar, and what factors will drive this growth?

**Harpreet Singh Malhotra:** So, I tell you that FreightJar is a new concept which we have introduced in India. And, though initially as you know in India the digital adoptability has been very low. But, I'm very happy to share that we have got some very encouraging results from the kind of response we are getting from the industry, and people are really willing to adopt to this digital platform. So, it's a price discovery platform where you can know the real-time freight rates and you can book your shipments, just at a click of a button. So, if you talk of the whole cycle of getting the freight rates and booking the shipments is three to four days. But through this platform you can complete those cycle within three to four hours, so from getting the freight rates, booking the shipments, getting it converted, sending the documents, you can do it by the click of the button within three to four hours where earlier it would take you around three to four days. So, we are very bullish about FreightJar, we kind of as I mentioned that we are launching the beta version by March end. Now we have got a tie-up with ICICI Bank also as you know, that is another big development which has happened in last quarter. So, where we are also catering to the ICICI Trade Emerge platform where we are being listed as the only logistics company to cater to the logistics requirements of the ICICI customers. So, I think that from FreightJar we are looking at a very robust growth in coming months. And this will definitely change the logistics business being done in India. We don't want to go the model of any logistics app as such by burning money. So, we want to make each transaction profitable. So, we don't want to go the way that a lot of other logistics platforms have done, but definitely, we are very bullish about the platform. And we hope to get some very good growth coming from the sector.

**Tanush Mehta:** Yes, sir understood. And I want to ask, what growth do we expect in the air transportation segment, in the upcoming quarter?

**Harpreet Singh Malhotra:** Air as you know that in last quarter, we were awarded the prestigious IATA certification. So, earlier we were not able to negotiate directly with the airlines. So now again, we can participate in the air business as well. So, our overall air business is growing each day each month. So, even if you see the overall business scenario, which is happening in the air freight business, it is growing by at least 15% - 20% each quarter. So, that is going to continue and that is very encouraging for us because this is a new segment which we were not there earlier and we are very confident that we will continue to have this growth in the coming months also.

**Moderator:** Thank you. The next question is from the line of Madi Sharma from SK Capital. Please go ahead.

**Madi Sharma:** I have two questions. The first one is, could you assist us in determining the EBITDA figure for both the ocean and air vertical? And additionally, how do we assess the growth in both sectors concerning volume and margin?

**Harpreet Singh Malhotra:** So, ma'am, your question regarding the EBITDA for air and sea separately. We don't maintain such data because it's a combined business for us. So, there is no system in our organization to maintain separate data for the air shipments and separate data for the other. I can definitely

give you, if you send us a mail maybe we will work it out and definitely share some numbers with you. But yes, we have the numbers in terms of the kg which we are handling, that we can share with you. So, if you can send us the mail on this, then we can share it with you directly there is no problem. And what was your other question ma'am?

**Madi Sharma:** Yes. Could you provide further details on our revenue market share in the North India versus South India region?

**Harpreet Singh Malhotra:** We are focusing now on North and Western regions only, I would say the North and West region for us at this point of time is what we are focusing on and South is, we don't have a very big setup and we don't want to spread too thin in the Southern market, because that is a market where it needs more deeper business knowledge of those areas and those verticals. So, we are focusing at the moment only mostly I would say 80% - 90% of our business is concentrated more on the North and the Western region of India and maybe 10% - 15% is from the South region.

**Moderator:** Thank you. The next question is from the line of Disha Patra from Lucky Associates. Please go ahead.

**Disha Patra:** My first question is, can you clarify the cash flow from operations and whether there have been any capital expenditures during the nine months?

**Harpreet Singh Malhotra:** No ma'am, there is no capital expenditure on the company as you know we are an asset-light company and as such there is no capital expenditure in the company. So, we would continue to do that and we would like to operate as an asset-light company only and even in the coming months or quarters, we are not looking at any major capital expenditure in any field. Whether it is in warehousing or distribution or any such thing, we are not looking at any capital expenditure on our side, definitely, we may need more working capital, but we are trying to use our own resources only. And if the business grows, which we are very hopeful of, then we will utilize we already have the credit lines with the banks and maybe we will utilize those credit lines with us.

**Disha Patra:** Okay, sir. My second question is, I have noticed a decline in revenue from quarter to quarter is there any specific reason for this and when do we anticipate this trend to stabilize?

**Harpreet Singh Malhotra:** 100% there is a very specific reason. I have always explained that we are a cost-plus model. And our total top line is the reflection of whatever billing we are doing. So, if you see our past revenue, our turnover was very high it touched ₹615 crores and then ₹400 crores and like that, that was because in those years the freight rates were the highest ever in the history of shipping. So, that was post-COVID and we had major shipping disruption and other things. So, normally the freight rate from India to maybe Mexico is close to around \$2000 - \$2,500. But, in those times it touched around \$10,000 - \$12,000 also. So, the freight rates our buying was very high and same was our selling was very high. So, that was reflected in our turnover. But as the freight rate got corrected, though our volume was growing by 10% - 15% but since the freight

rate were dropping, our overall billing was reduced, so that's the reason why there has been a decline in the freight margins and this also gets reflected in the profitability. So, that is how I would like to explain it to you. Though the volumes are growing each year.

**Disha Patra:** Okay, sir. My last question is, how will the new joint venture will benefit us with PowerPac?

**Harpreet Singh Malhotra:** Yes, so PowerPac is part of a very big Sikder Group in Bangladesh, where they have been awarded Mongla Port operations for the next 30 years. So, the MOU has been signed to set up a logistics business between India and Bangladesh, where we are very hopeful that we will be able to provide a good logistics solution to the business community, between both countries and of course, with Tiger's experience, capabilities, and knowledge we should be able to collaborate with Sikder Group to grow our business. So, we have the advantage of India being the major supplier to Bangladesh, and they have the advantage of being in that country have a very strong hold on the port and also have a very strong hold on the business as such. So, the combination of this will definitely bring a lot of good results for both the organizations and definitely for us, because for us, Bangladesh is a big market, which is a growing market and in coming times also this will be growing. So overall, we look at it as a very positive development for us.

**Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.

**Rahil Shah:** Sir freight rates have dropped right, which has led to lower billing and which has led to the decline in revenue and margins. So now so far in this quarter, have you seen an improvement in those freight rates?

**Harpreet Singh Malhotra:** Now, in this quarter because of the Red Sea issue the freight rates are going up. But not to those levels, but definitely freight rates are going up from what it was earlier. There has been an increase of at least \$1000 to \$1,500 each month.

**Rahil Shah:** So, the situation stabilizes and do you expect the freight rates to correct again?

**Harpreet Singh Malhotra:** I don't think so, anything for another three-four months these would be the levels what they are prevailing now. Maybe they may go up further.

**Rahil Shah:** Okay. Let's avoid the freight rates and just focus on the volume growth, what are your expectations there, which you want to the volume growth overall?

**Harpreet Singh Malhotra:** So, volume is growing by 10% - 15% each quarter. And volumes are growing which is good for the company because, in the long run, this will only help us. So, we are focusing only on the volume and that is the key for us. Because that also shows our deeper penetration in the business, that is what is important for us and that is a positive sign for us. That volume and verticals are growing and we feel that is a good sign for us.



- Rahil Shah:** So, you expect this 10% - 15% level to sustain?
- Harpreet Singh Malhotra:** Absolutely.
- Rahil Shah:** Okay. And any other key growth levers, like the developments of the company which you would like to highlight, which will also help us?
- Harpreet Singh Malhotra:** So, I would say that our tie-up with ICICI Bank is a very big tie-up where we have been chosen as one of the only logistics companies in India to tie up with ICICI Bank. And if you Google on Trade Emerge and go on the logistics services, you will find Tiger Logistics (India) Limited as the logistics partner for their customers. So, where we are getting close to every month ~120 queries, though they may be the quality of queries is not that great, but I would say that even from this even 10% - 15% gets materialized that helps us in growing our business. So that's a big thing which has happened for us. More than that it also establishes our credibility in the market overall business, that we are a very credible company, that's the reason we have been chosen by ICICI Bank to work for them. And so, this one development is very big, overall, in business. The second big development is when our import businesses are growing in a big way because of the digital platform. So, which was always if you see my previous presentations and previous discussions with everybody, I always said that imports is going to be one of our future growth engines for us. So, that is where I feel that the growth is going to come from and which is happening. So, these two, three things which have happened, which are good for the organization, and they are not all of a sudden, they have happened, we have worked, we have been talking of these things for last, I would say, one or two years or maybe more, and now they started giving results to us.
- Rahil Shah:** Okay. Lastly, any revenue margin guidance for next year?
- Harpreet Singh Malhotra:** They are on the better side, PAT margins are improving, and PAT percentage is improving. And if God's been kind, they will be growing further.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Harpreet Singh Malhotra:** Thank you everybody. And it's always a pleasure talking to everybody and discussing about and sharing our thoughts and of course taking suggestions and guidance from you guys. So, I'm grateful to you for having faith and trust in the company. And I can assure you that we all are really working very hard and looking at the whole situation, looking at we shall ensure that we continue to grow both in revenues and in volume. And of course, keep on giving good results to our shareholders. Thank you so much and god bless. Thank you.
- Moderator:** Thank you so much. On behalf of Tiger Logistics (India) Limited, I conclude this conference. Thank you for joining us. You may now disconnect your lines.

(This document has been edited for readability purposes.)