



22<sup>nd</sup> August 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 Earnings Conference Call held on Friday, 18<sup>th</sup> August 2023.**

Dear Sir/Ma'am,

Please refer to our Earnings Conference Call scheduled on Friday, 18<sup>th</sup> August 2023 intimated vide our letter dated 14/08/2023.

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**  
**Managing Director**  
**DIN - 00147977**

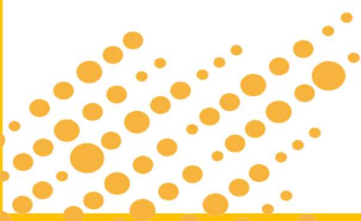
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**Registered office:** D-174, GF, Okhla Industrial Area, Phase-1, New Delhi -110020 (India).

**Tel.:** +91-11-47351111, **Fax:** +91-11-26229671; 26235205

**Email:** [csvishal@tigerlogistics.in](mailto:csvishal@tigerlogistics.in), **Website:** [www.tigerlogistics.in](http://www.tigerlogistics.in)

**CIN:** L74899DL2000PLC105817





**Tiger Logistics (India) Limited**  
**Q1 FY24 Earnings Conference Call Transcript**  
**18<sup>th</sup> August 2023**

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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 Logistic India Limited Q1 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 Logistic 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 question 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 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 risks 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 for opening remarks, thank you and over to you, Sir.

**Mr. Harpreet Singh Malhotra:**

Thank you for the introduction. Good afternoon to everybody and a very warm welcome for today's earning conference call of Tiger Logistics. And we are here to discuss the Q1FY24 financial results. And we are grateful that everybody's here so that we can discuss and see what we've done in the last quarter and how we are looking at the coming quarters and future.

So just a little brief about how logistics sector is shaping up, how it is, what's all happening in the logistics sector as tiger logistics is involved in the international logistics wherein, we move goods from one place to the other, especially from India into various parts of the world and also from various parts of the world to India. So, what we've seen in last two - three quarters plus is that there has been a sluggishness in the global demand primarily because of the geopolitical factors and reasons and also of the reasons that a lot of companies and big buyers had overstocked themselves in last few quarters, so if you look at the last year's numbers we could see that it started building up. In the last quarter, the December ending quarter, it has started building up where we feel that yes, there was all most of the big buyers were overstocked and sitting in lot of inventory.

So, we are seeing that inventory definitely getting liquidated, but it has not bounced back to the same level what it was last year. So, I think we are hopeful that in coming quarters this should get because surely there is no demand, there is no apparent sign of any recession in the western side or any other country other than Europe, but what we are seeing is that definitely there is some pressure on the demand. So, people are little slow and they are being observant, they don't want to sit on a big inventory. So, they are a little slow in ordering.

Another thing that we are seeing is that globally there is a slight issue with availability of foreign exchange. So, we are seeing that international banks have faced some issues in opening letters of credit to Indian exporters, there is no apparent reason being given. The only reason given is that the banks are focusing more on essential goods or focusing more on energy requirements of those countries rather than opening LC for these consumer

products. So that is another issue, which is kind of slowing down the business overall, especially the global business.

Other than that, I think we are very bullish about India being looked upon as a secondary supplier and with the China one policy of most of these big companies, I think it's kind of giving good opportunities to suppliers in India. So, we are very bullish about that and surely those things are shaping up well and we are very hopeful that in times to come this will only get better. As far as Indian logistics is concerned there is no doubt that the logistics sector in India is a highly focused sector and area for the Government of India as well. With the launching of the national logistics policy, the government wants the logistics player to become more efficient and also work towards reducing the cost.

So, I think this is the right approach because, on the one hand, the government is focusing on improving the overall productivity of the industry and their capacity and focusing on exports. I think this can be achieved very well if we have a good logistics policy in place, so the make-in India will be successful only if we have a good logistics support system in place, which the government is definitely working on. We are looking at there is definitely an improvement in the ease of doing business, especially in the logistics sector whether the ports or the customs or other intermediaries which are involved in the whole supply chain business. So, the ease of doing business has definitely improved a lot.

So, I think we are very bullish about the Indian logistics sector and now coming back to specifically what's happening at Tiger Logistics. So, I would say that overall, we are also not immune to what's happening globally, so the freight rates have come down drastically rather at this point in time, the freight rates are much lower than what they were at pre-COVID levels. So that is primarily the reason that we don't see the demand picking up. So, on one hand, the shipping lines and other people have increased their capacity meaning thereby space on the vessels, but the demand hasn't picked up what they were expecting it to be, so that has brought a situation where the supply is in abundance and the demand of containers is slacking, that is pushing the freight southwards very drastically. We hope that this situation should improve in the coming quarters because we feel that in September, October onwards the business is going to bounce back and we will see more orders coming in. So that's the reason we've seen a decline in our top line because top line is a reflection of the freight which we are booking. But we are happy to share that overall, the PAT margin percentage has improved which is helping us.

The launch of the digital platform is working very well for us. We are investing in terms of manpower where we are investing in terms of increasing our access to small and medium enterprises. So that is working well for us. We've already tied up with OneNDF. OneNDF is a startup that specializes in arranging to fund for small and medium enterprises, so we had an exclusive agreement with them and in a week we will be sharing the news that we will be having an exclusive agreement with one of the largest Indian banks, so that will give us a big product in terms of one of our finest products in FreightJar in the digital platform where we are looking at cargo value financing, so this will definitely improve our overall access to our clients and businesses.

So, FreightJar definitely has been received very well by the industry where we are seeing good traction of new customers which are helping us. They are

very keen to know what we are doing and I think it's shaping up well. We are hiring new people in that sales vertical. So, they are only selling digital products, which look very good at this point in time. Other than, what is helping is that, as you know that Tiger Logistics traditionally has been an export-oriented company where we were only involved in export logistics of goods. But what we've seen in the last two quarters is we've been focusing on imports and this focus on imports has come through FreightJar where we are seeing that the clientele which is coming to us, are keen more for working in import side so that has helped us in improving our imports. In exports, we were leaders in certain trade lanes, so now in imports also our business is increasing which is showing in the numbers where we've seen from last quarter to this quarter, there has been more than 100% increase in our business.

And secondly, another big enabler for growth is we getting the IATA agent accreditation. So, IATA has given us IATA accreditation and we can now participate in big air freight exports and imports. So, we can issue our own airway bills and work as a full-fledged IATA company so this has also helped us in increasing our air freight business.

So overall I think we have all the enablers to grow now and of course, our TU volumes have also increased to more than 8% from last quarter to this quarter. So, in fact, if you see that the last quarter which is the March ending quarter is supposed to be the highest quarter, so we are improving our volume growth from that quarter. This quarter, which is the June ending quarter, which has always been traditionally the lowest quarter where the volumes are always the lower. So, if you compare ourselves with the highest quarter to the lowest quarter, there has been an increase in the overall volume. So, what we are doing is basically adding new businesses, adding new trade lanes in which we were not involved earlier.

So, this is kind of helping us in getting into new businesses and increasing our footprint into newer industries, so that's what we've been able to grab some new government tenders as well where our footprints into government businesses are also increasing quite a lot. So overall what we are seeing is that business is increasing and improving for us and I'm sure as the freight rates get better the overall numbers on the top line and the bottom line will only get better.

So, in short, what I would like to say and we've already shared all the numbers on the exchange and everybody's aware of that. So, I'm okay to take any questions or any queries anybody has. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mayank Chauhan from Value Growth Advisors. Please go ahead.

**Mayank Chauhan:**

Hello Sir. Congratulations on your operational number. Sir, how do you see this growth for the rest of the year? Are these things stabilizing now?

**Management:**

So, Mayank, as I was saying that in terms of volume, yes definitely we growing each quarter and we are adding new verticals, new products in our kitty. So, I am very hopeful and very bullish about what growth we will be achieving in coming quarters because overall our volumes are increasing and that is what is important for us. Because since we are in a cost-plus model, the cost may go down or go up. But what is more important is how we are shaping up in terms of our volumes, in terms of our business volumes and

into newer products. So, if you look at the last two quarters or three quarters, we've only added new products in our kitty. So that will fuel the growth for us in the coming quarters. So, I'm very bullish about having a good business in the coming quarters.

**Mayank Chauhan:**

And my next question is you were talking about imports getting improved due to FreightJar. Can you shed some light on it?

**Management:**

So, what we are seeing is that through the digital platform, the number of queries which we are getting is more for import businesses, so that is, maybe people don't have very reliable players in imports and maybe there is some kind of a disconnect in the pricing as well. So, people are very keen to use the digital platform for their imports. And that is helping us to develop our import vertical as well. So, it's good for us both ways because we were never present in imports and now this digital product, it is helping us in imports as well. Of course, we are doing a lot of export also on the platform, but it's a double advantage for us that with this platform we are able to develop our imports also.

**Moderator:**

Thank you. The next question is from the line of Deepak Kumar from Planify Capital. Please go ahead.

**Deepak Kumar:**

My question is that as you mentioned, our volumes are increasing, but on the other side, freight charges are declining. But as we are working on cost plus model. Sir, if the volumes are increasing, why are the operating profit margins declining on quarter-on-quarter basis?

**Management:**

So, what happens is, Deepak, when I say that ours is a cost-plus model. Please understand that, if my cost overall is suppose what it was last year, if I was to ship a container from here to Mexico. It was close to around \$12,000 for 40 feet container. Today, even if I'm looking at a margin of around 5% to 7% that is the gross margin I would look at it overall but now my cost of that same container has come down to \$2,000, so definitely in terms of my percentage for profitability has gone down. So that is affecting the profitability also and when my margins are increasing, when my volumes are improving it is not getting reflected in the numbers because the volumes which are increasing also are being booked at lower freights only not at higher freights. So that is the reason.

**Deepak Kumar:**

But as we are looking at lower freight charges, but there should be a margin for a constant basis so we are not getting that.

**Management:**

So, if you look at it, my PAT percentage margin has gone up, but that is the reason my PAT percentage margin has improved. But if you look at our EBITDA margin for that matter has gone up from last quarter to this quarter from 4.2% it has gone up to 6.1% so that improvement is definitely there. But overall, if you look at the top line, the top line is not increasing because the freight in value terms has gone down. So, what I was shipping for one container into Europe or into South America for \$10,000 or \$12,000 that container value has come down to \$2,000 to \$3,000, so that's the reason for that.

**Moderator:**

Next question is from the line of Asha Patel from Patel and Advisors. Please go ahead.

**Asha Patel:**

Sir, I just you said you have received our IATA accreditation. Wanted to understand what our thought is and how this segment will contribute to our business in the next two to three years?

**Management:**

So, what happens is that Tiger Logistics has always been a Sea Freight company where we were doing logistics mostly by Sea Freight on the vessels, on containers and in containerized cargo. We were not involved in air freight business because for doing air freight business you need an IATA accreditation; you need a certification from the international air traffic authority where you can issue your own airway bill. So, what happens is, earlier we had to negotiate with other IATA agents and they would in turn negotiate with the airlines and quote the rates to us. But now with this IATA accreditation, we can negotiate directly with the airlines and issue our own airway bills. So, what happens is definitely my costing becomes better and I am able to participate in big businesses like businesses of pharmaceutical, businesses of high fashion garments, aeronautical spares, a lot of government tenders they want AITA companies only to participate. So that opens a separate division, separate avenue for us for growth, which was not available to us earlier. So, we are very happy about this accreditation and very bullish about how the business will shape up because this opens another big business opportunity for us which was not possible for us to participate earlier.

**Asha Patel:**

Just follow question, we in the last 2-3 quarters I have read the transcript that we are looking for an acquisition, is it now finalized or you're still looking for it.

**Management:**

We are already looking at some companies and I think in the coming weeks we may share some good news with you, but it hasn't been finalized as of now. But yeah, we are definitely closer to it, but let's think something happened then we will share it with you.

**Asha Patel:**

This is the last question; you said the recession of heat on the volume. So, do you think H2 will be better than the H1?

**Management:**

Yes, what happens is traditionally also always H2 is better than H1 and that's what we are also expecting. And business is also improving from what it was. So, I think it should be better than H1.

**Moderator:**

Thank you. We have a follow-up question from the line of Deepak Kumar from Planify Capital. Please go ahead.

**Deepak Kumar:**

So, as you mentioned right now freight rates are at a lower price, but how we can see in the future that it will increase because if you increase then we go more profitable.

**Management:**

Yeah, 100% because we are also very hopeful that the freight rates will get better in the coming quarters because the demand is picking up. So, it is just a matter of time that if the demand gets better then the freight rates will definitely get better. So, we are also hoping that the China volumes improve because if the China volumes increase, the Indian freight volumes will also increase. So, it is directly related to the business happening out of China. So, on a daily basis, we are reviewing the situation in China also because we are seeing the volumes like China also going up now and we are hopeful that it will only improve in the coming quarter. So, we are hopeful about that.

**Deepak Kumar:**

As you can see China's exports are declining slowly and the situation of geopolitical with other countries, they are not good for the next three to four quarters. So, we can expect it in for next 2-3, four quarters that it will get improved.

**Management:**

So, I would like to correct you here that what we are seeing on the ground is that China exports are improving what it was in the last two quarters. So once the China exports improve the freight rates will definitely go up because they will need space. So today we have ample space demand-supply is in abundance because the space out of China is not getting utilized. So, we are hopeful that will get utilized in the coming quarters. So, on the ground, China's export rates are improving and once those starts happening our freight rates should also be going up, so that's the reason.

**Moderator:**

Thank you. Ladies and gentlemen, there are no further questions from the participant. On behalf of Tiger Logistic India Limited, I conclude this conference. Thank you all for joining us and you may now disconnect your lines.

(This document has been edited for readability purposes.)

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