



abhilaya
WE MOVE THE LAST MILE
One World Logistics Ltd.
Last mile specialists

Total Transport Systems Limited
Micro-Cap Multibagger



1. Company Snapshot
2. Raamdeo Agrawal's investment philosophy
3. Industry Overview
4. Company Overview
5. Group Structure
6. TTSL – Accelerating the Growth
7. Business Overview
8. CP World Global Network & iCargo Alliance
9. Subsidiary Overview: One World Logistics
10. Financial and Business Analysis
11. Balance Sheet Analysis
12. Cash Flow Analysis
13. Quarterly Income Statement Analysis
14. Performance in Charts – TTSL
15. Performance in Charts - One World Logistics
16. Peer Comparison
17. Face of the month – Mr. Makarand Pradhan
18. Dedicated management and leadership
19. Key Challenges
20. Future Growth Strategy
21. Future Outlook
22. Statutory Disclosure



Company Snapshot

- ❑ **Single Phase Buying Strategy = Buy b/w INR 78-85 (CMP = 78)**
- ❑ **Price Target = INR 200+ in next 12 months & INR 800+ in next 5 years. It can deliver ~40-45% CAGR over the period of 5-10 years.**
- ❑ **IPO came in Aug 2017 @ 45rs per share, stock price appreciation was just 12% CAGR during last 5 years which is good for us. Now, it is trading 26% down from ATH of 106rs.**

- Total Transport Systems Limited **offers end to end logistics with focus on cargo consolidation for less than and full container loads**, freight forwarding and air freight from India to worldwide destinations.
- **It has Pan-India network of 13 offices** covering all major ports and cargo hubs and has reciprocal international network with an exclusive membership of CP World Global Network and iCargo alliance with access to over 89 countries across 1,100 locations with 166 offices globally.
- **It has Multi-Modal Transport operator's license** as well as Federal maritime commission license for servicing various needs of customer requirements.

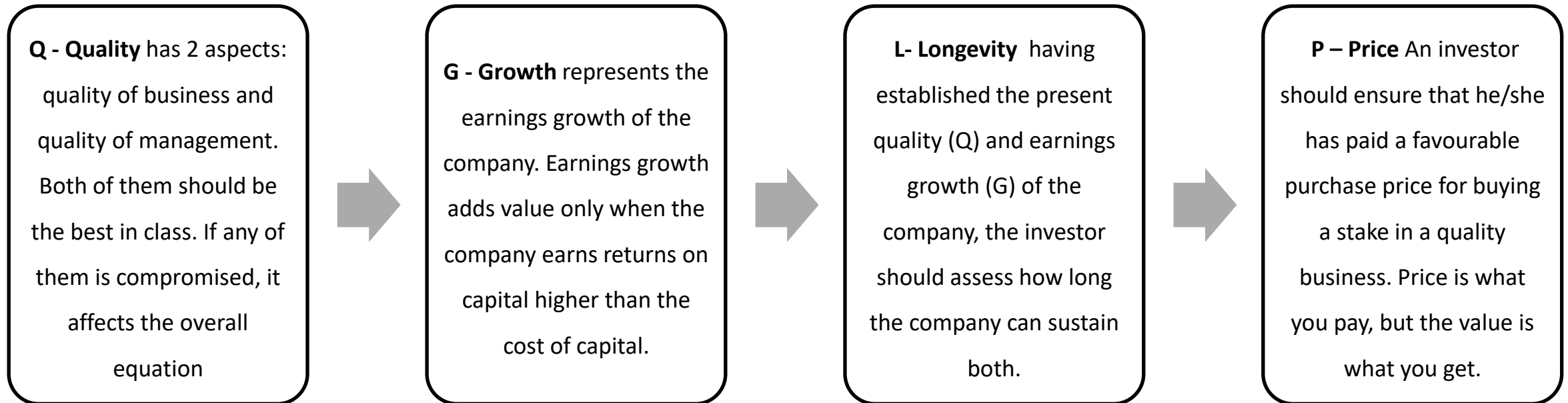
Market Cap: ₹ 110 Cr.	Current Market Price: ₹ 78	52 Week high/low: ₹ 106/44
PE : 10	ROE: 19.8%	ROCE: 21.5%
Mcap/Sales = 0.18	Promoter's Holding: 52.3%	Debt to Equity: 0.43
Dividend Payout : 11.94%	Pledged Percentage: 0.00%	PEG ratio: 0.58
Sales Growth (3Y) : 29.0%	Profit Growth (3Y) : 11.0%	Free cash flow (3Y) : ₹ 13.4 Cr.

Source: Screener.in, As on July 22nd, 2022

Raamdeo Agrawal's investment philosophy

Agrawal says– “two critical pillars of equity investing: “Buy Right: Sit Tight”.

'Buy Right' means buying quality companies at a reasonable price and **'Sit Tight'** means staying invested in them for a longer time to realise the full growth potential of the stocks. **Raamdeo Agrawal created the unique and focused investing process of QGLP.**



- **Our latest recommendation is one such company from Transportation and logistic sector. TTSL was launched in 1994 with the vision “to become the most preferred and reliable logistics player, maintaining a value-based and responsive approach, to deliver excellence each time there is a movement”.**
- **It's aim** to offers end to end logistics with focus on cargo consolidation for less than and full container loads, freight forwarding and air freight from India to worldwide destinations. **It has been the leader in LCL consolidation space for over 15 years with their managements unique philosophy of Client first approach.**

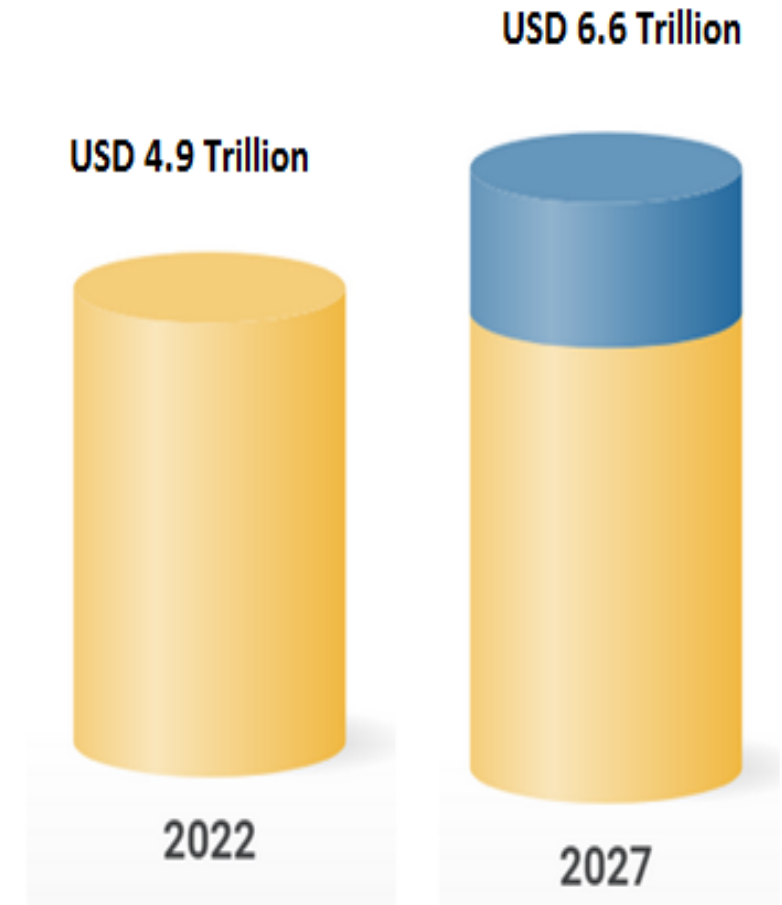
Source: Company Disclosures

Industry Overview (1/3)

- **The Logistics industry, has undergone a significant transformation in the last two years.** The fiscal year 2021-22 became the year of after effects and side effects of the Covid-19 pandemic and witnessed widespread disruptions across the globe, including: (a) Port congestions and inefficiencies (b) Extreme rate hikes across all trades (c) Suez Canal blockage (d) Shortage of ships and containers.
- But even despite these disruptions, **global trade reached a record level of US\$ 29 Trillion in 2021 – registering a sharp increase of 25% compared to 2020.** Exports and imports across **major economies reached pre-pandemic levels.** Almost all economic sectors marked substantial growth in trade, primarily dominated by commodities, chemicals and metals. High commodity prices and demand spurring stimulus packages can be ascribed to this rise in trade. After adapting efficiently to the volatile global scenario, **the Logistics sector continues to evolve and grow, with multiple trends emerging this year.**
- However, **Russia's invasion of Ukraine** has added to the woes of the global supply chain. Consequently, **soaring oil prices, high inflation, and rising commodity prices are disturbing the sector's output alongside supply chains and logistics operations.** These issues are expected to impede the growth prospects in the near term. With the current scenario into consideration, **the industry is expected to reach US\$ 6.6 Trillion by 2027, registering a CAGR of 4.7% over 2021-2027.**

Global Logistics Market

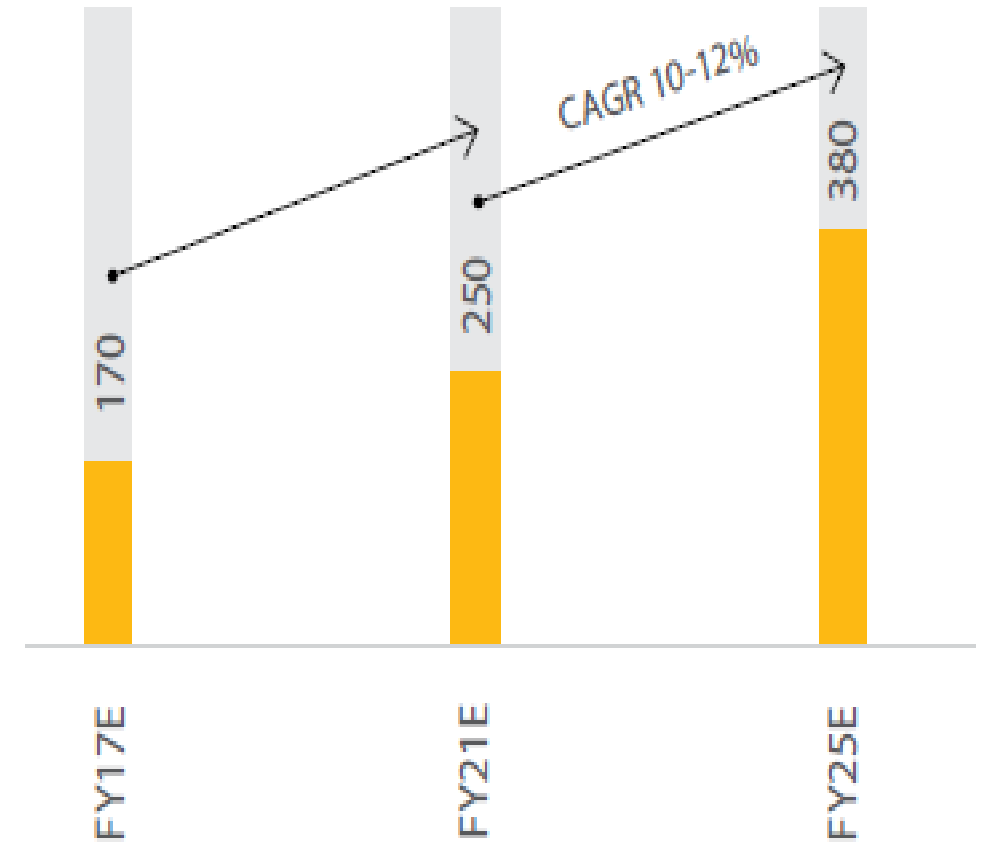
Market forecast to grow at a CAGR of 4.7%



Industry Overview (2/3)

- After a long-drawn slowdown due to the Covid-19 pandemic and its subsequent waves, the Indian Logistics industry is witnessing rapid growth. The new Government policies, enhanced connectivity, dedicated freight corridors, and are fueling the current growth momentum. **India's Logistics industry is poised to reach a market size of US\$ 380 Billion by 2025.**
- The pandemic instrumented a radical shift in consumer behavior and preferences. The penetration of the internet and smart-phone has made this possible. E-commerce has significantly impacted the way customers shop. **The E-commerce market in India is projected to reach US\$ 75 Billion by 2022, recording a CAGR of 21.5% over 2021-25, reaching a market size of US\$ 120 Billion.**
- **Pradhan Mantri Gati Shakti National Master Plan'** worth Rs 100 trillion **Investment** Initiative of the Government of India aims to boost economic growth (Shakti) through infrastructure building. It is considered to be the government's integrated approach to developing modern railways, roadways, waterways and airways.

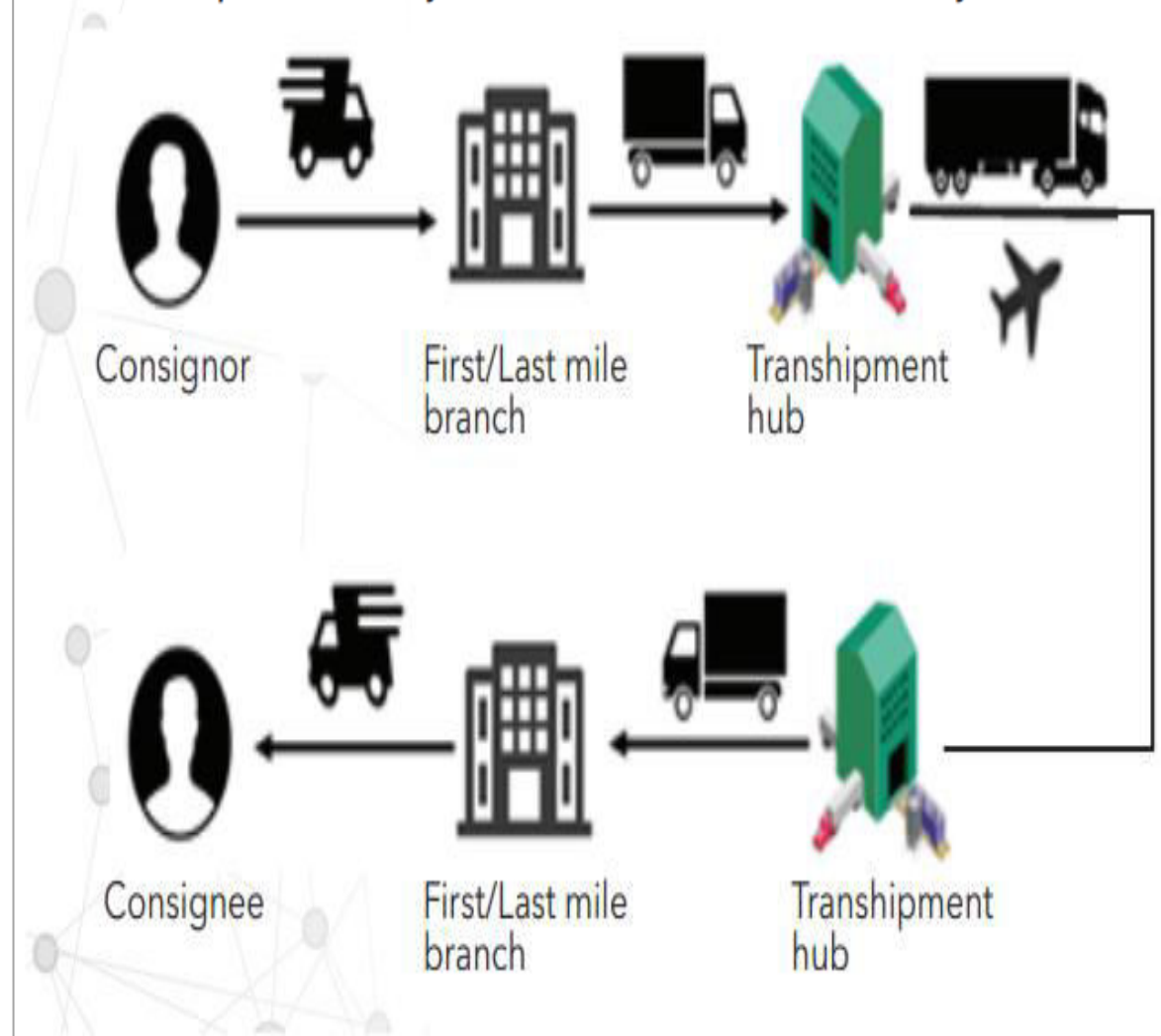
(USD Billion) Logistics Market size



Industry Overview (3/3)

- The Indian Express Industry registered CAGR of close to 15% to reach USD 5.5 Bn in 2020. FY 21 witnessed a dip in momentum of growth due to pandemic. The surface express industry accounts for 3% of the total surface transportation market. However, **in future this segment is expected to maintain the momentum of growth at more than 15% per annum.**
- This model of express logistics is Hub and Spoke. Consignments are picked up from the shipper via a local pickup vehicle and are unloaded at the nearby branch. Branches subsequently ship consignments to nearby transshipment hub. At transshipment hub sorting and lane wise consolidation takes place.
- These transshipment hubs connect consignment to next hub as per route. From there the materials are connected according to the delivery branches. Finally, from branch it gets delivered. **The movement of goods from consignor to local branch and delivery branch to consignee is termed as first mile and last mile respectively.**

The express industry value chain for surface is usually as follows:

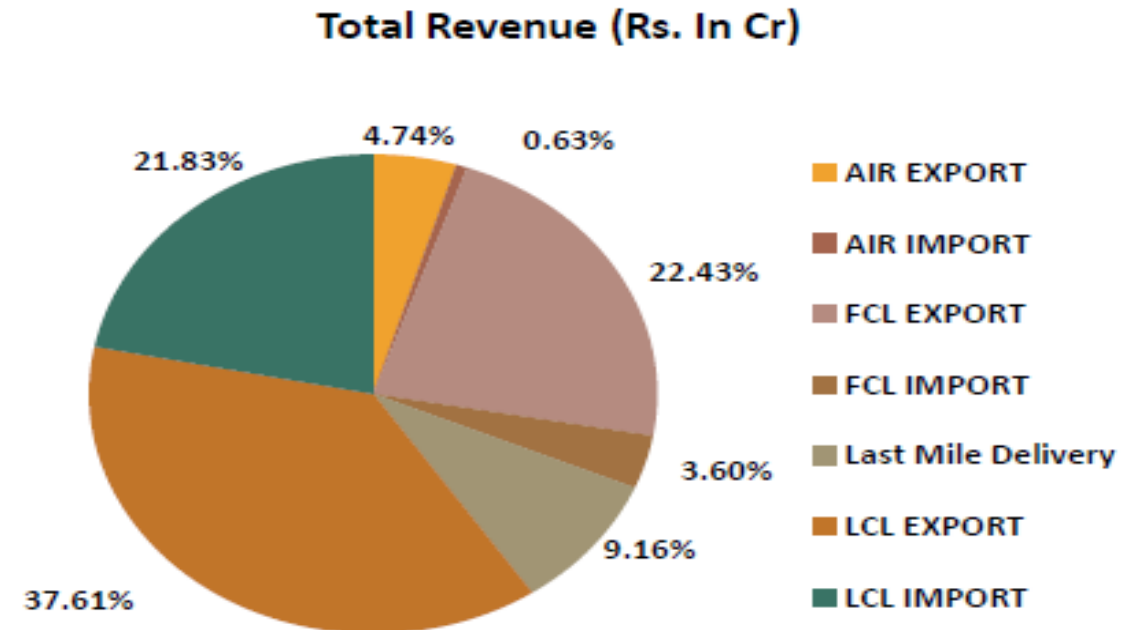


Source: A Report on Indian Express Logistics Industry 2022

Company Overview

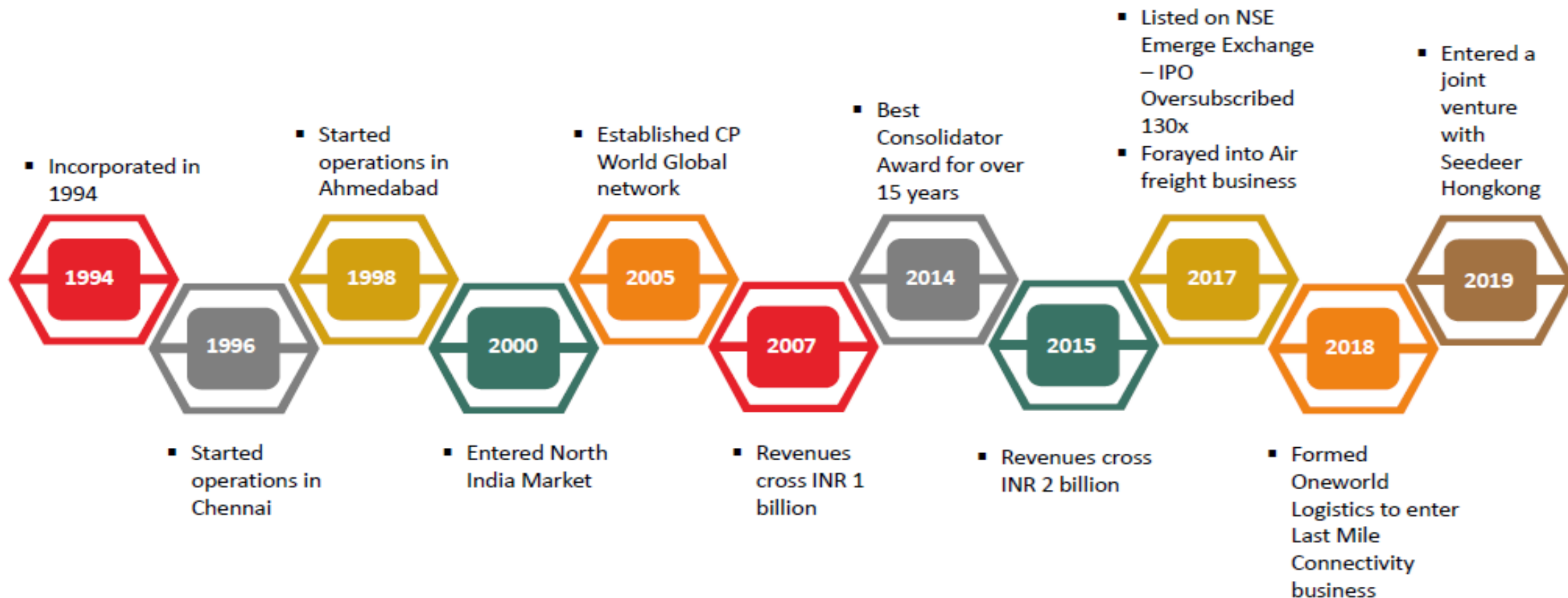
- **Total Transport Systems Limited** is reputed players in Indian Logistics Industry. It represents **world's 5th largest consolidators** network named "iCargo Alliance" formed along with CP World Group and Fang Cheng International Transportation Services Co. Ltd. of China to access to over 89 countries across 1,100 locations with 166 offices globally.
- **Member of The International Air Transport Association (IATA)**, International Federation of Freight Forwarding Association (FIATA), Bombay Overseas Freight Brokers Association, Federation of Freight Forwarder's Associations in India, Consolidators Association of India and Association of Multimodal Transport Operators of India (AMTOI).

Key Business Segments



Source: Company Disclosures

Journey of TTSL



Source: Company Disclosures

What makes it different...



Source: Company Disclosures

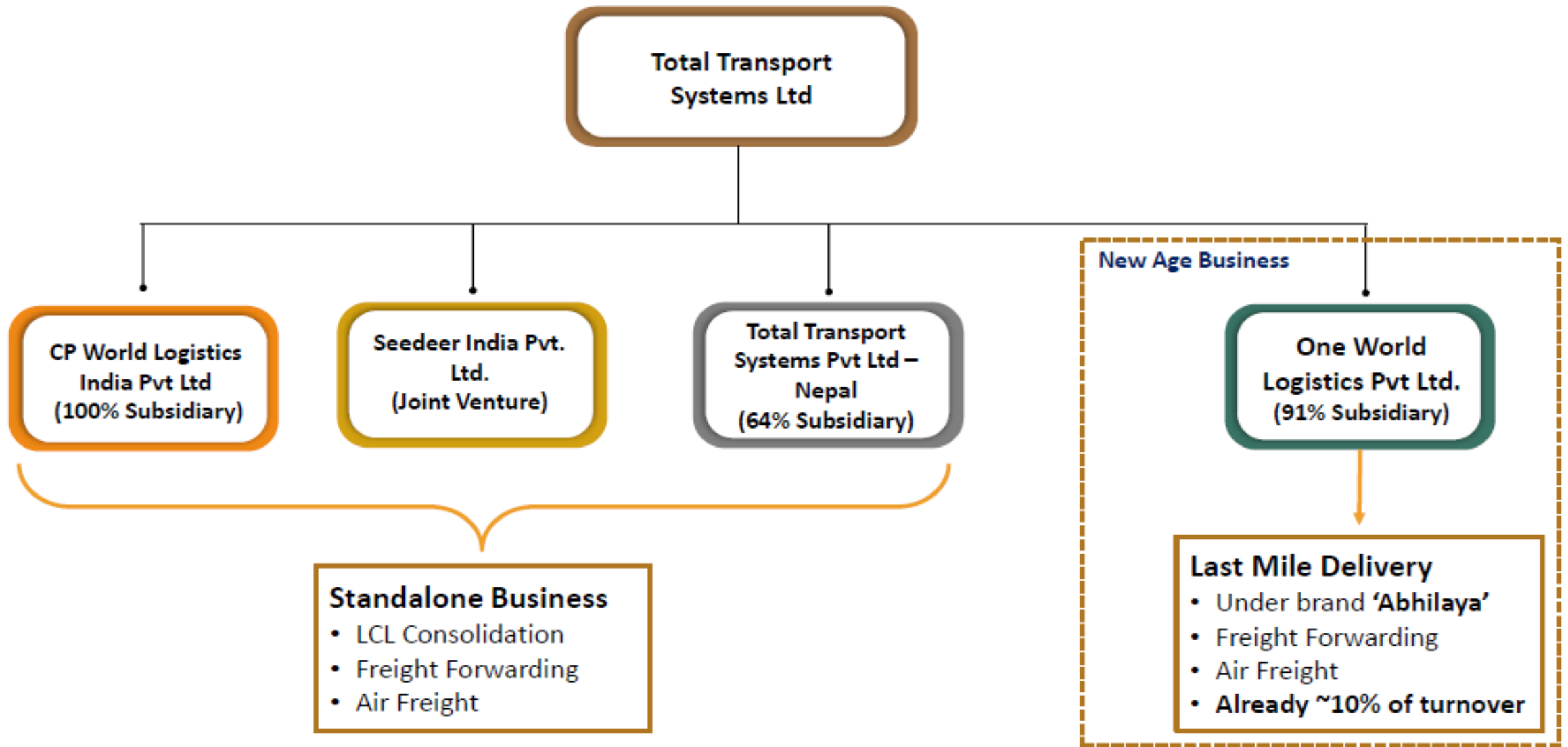
Marquee Clientele

3C Capitals



Source: Company Disclosures

Group Structure

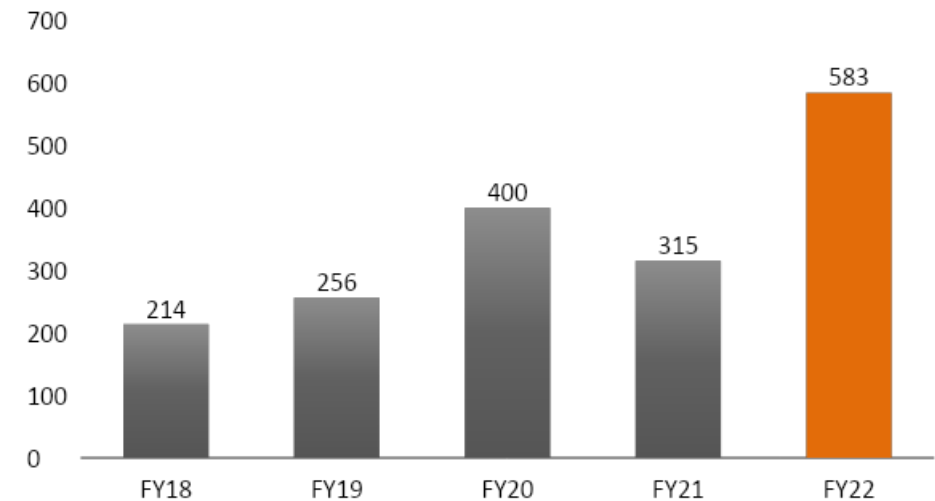


Source: Company Disclosures

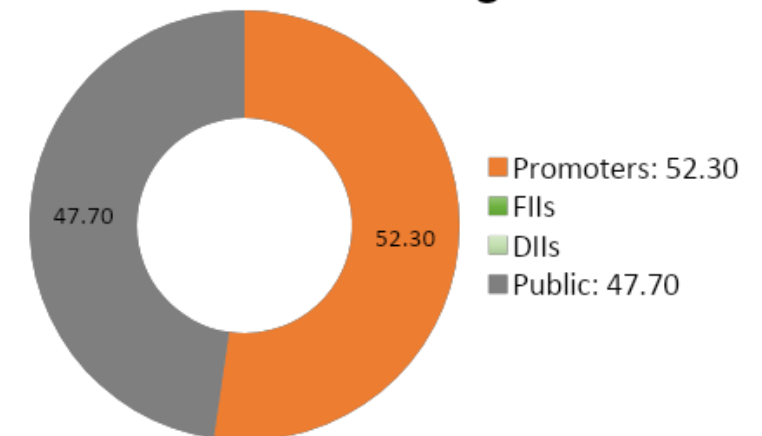
TTSL– Accelerating the Growth

- **Total Transport Systems Ltd**, is an established name in the Indian market offering consolidation, freight forwarding of cargoes and air freight and from all major locations across the globe & last mile connectivity in India through its subsidiary One World Logistics.
- **Established in 1994**, Total Transport Systems Ltd is a well-established company in India's cargo market. Through a robust network of partners, the Company has made a strong foothold in the logistics market in the country.
- **Total specializes in logistics business** keeping a focus on core business activities namely consolidation of Export cargoes, deconsolidation of import cargoes, full container loads and air freight from India to worldwide Destinations
- **As a non-vessel Operating Common Carrier**, the Company's consolidated shipping is rated among the top customers of almost all leading shipping lines operating in the region. This reputation has ensured the Company's competitive rates & space with major liners for consolidated shipments on a regular basis.
- **Total continues to focus on timely delivery**, diversification of its service portfolio, sustained long-term relationships with its clients, and extending value-added services over and above simple logistics.

Sales Growth in Crores



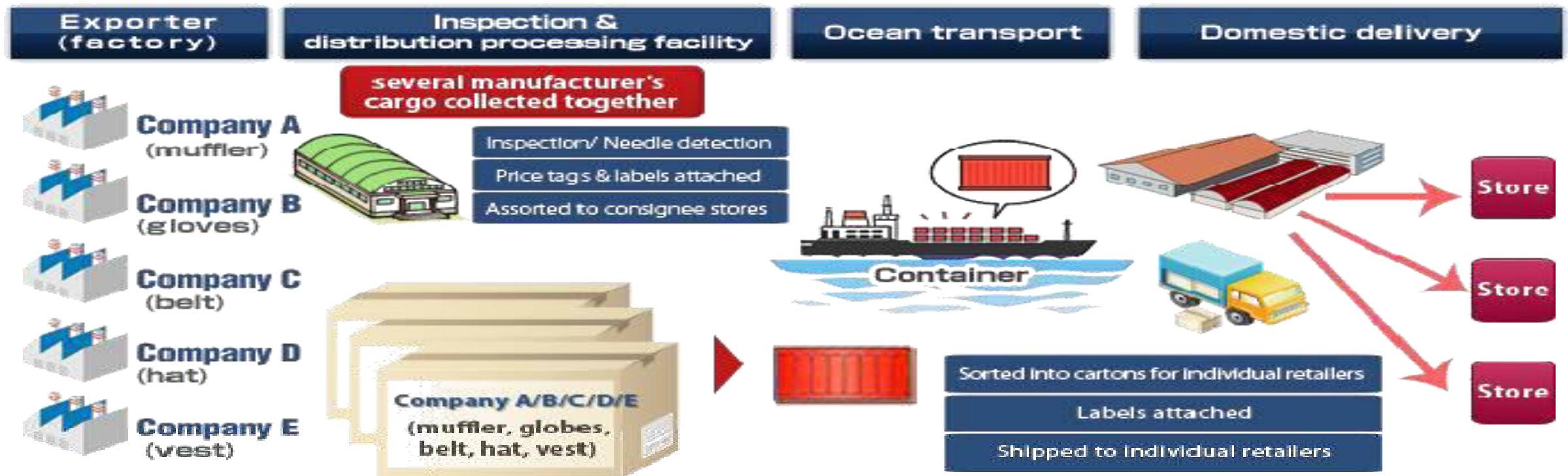
Shareholding Pattern



Source: Company Disclosures

Business Overview - Cargo Consolidation

- **Cargo Consolidation** for less than container loads (LCL) is one of core business activities of Company since inception, and garners good market share in India.
- Consolidates **shipments for more than 1,100 destinations worldwide** through its network across 89 countries.
- **Long standing tie-ups** with leading shipping lines like CMA–CGM, Maersk, MSC, ONE, Hapag Lloyd, Hyundai & Cosco, etc.
- **Strong geographies** apart from India, are CIS countries, Africa & Afghanistan.



Source: Company Disclosures

Business Overview - Freight Forwarding

- **Leveraging on its LCL leadership** to achieve significant presence in Full Container Load (FCL) business .
- **Coordinates with various Shipping Lines**, CFS agents and Vendors to provide effective and efficient logistic solutions to its end customers.
- **Strong buying capacity** and controlled business enables them to obtain better rates from carriers.
- **Good knowledge and experience** of moving cargos in inland Africa.



Source: Company Disclosures

Business Overview - Air Freight

- **TTSL is an international air freight forwarding** company providing professional and reliable international air freight import and export services across the globe.
- It has **centralized pricing** and **co-ordination desk** in Mumbai for pan India operations.
- It has **strong partners worldwide** to provide the best possible solutions to its clients like DDP, DDU and Ex-Works as members of freight forwarding networks.
- **Specialized team** to handle any type of DGR cargo.
- Professional Airfreight handling team with over **15 years of experience**.
- Focused to provide shortest turn around time to get shipments confirmed.
- International Air Transportation Association (IATA) Accredited.
- Activity started in July 17, **currently averaging 75 tons per month**.



Source: Company Disclosures

CP World Global Network & iCargo Alliance

Greater trust, reliability
& exclusivity

Global reach through
one-to-one relationships

Contender for top
position

Led formation of exclusive networks (Mr Pradhan is Chairman of both networks)

- CP World Global Network: Formed with Ken Chiang of Singapore in 2005
- iCargo Alliance: Formed in 2011 along with CP World Group and Fang Cheng (China)

- 180+ agents connecting 1,100 locations in 89 countries globally that include both key trading partners of India such as Gulf states as well as rapidly growing EXIM hubs such as S.E. Asia, S. America

- Rapid growth in volumes and revenues with increased access to geographies and cargo
- Increased profitability on account of longer routes such as US, Canada, Europe are plied



- Strong global network
- Staff of 1,250 personnel
- Singapore, Hong Kong, Busan and Jebel Ali - Main trans-shipment hubs
- Access to exclusive cargo from/to S.E. Asia, Australia, Gulf states, Europe, Americas



- Registered in Hong Kong
- Promoted by CP World Group and Eurasia Group
- Exclusive cargo alliance across 89 countries with 166 offices



Mr. Makarand Pradhan
Group Chairman
CP World



Mr. Ken Chiang
Group CEO
CP World

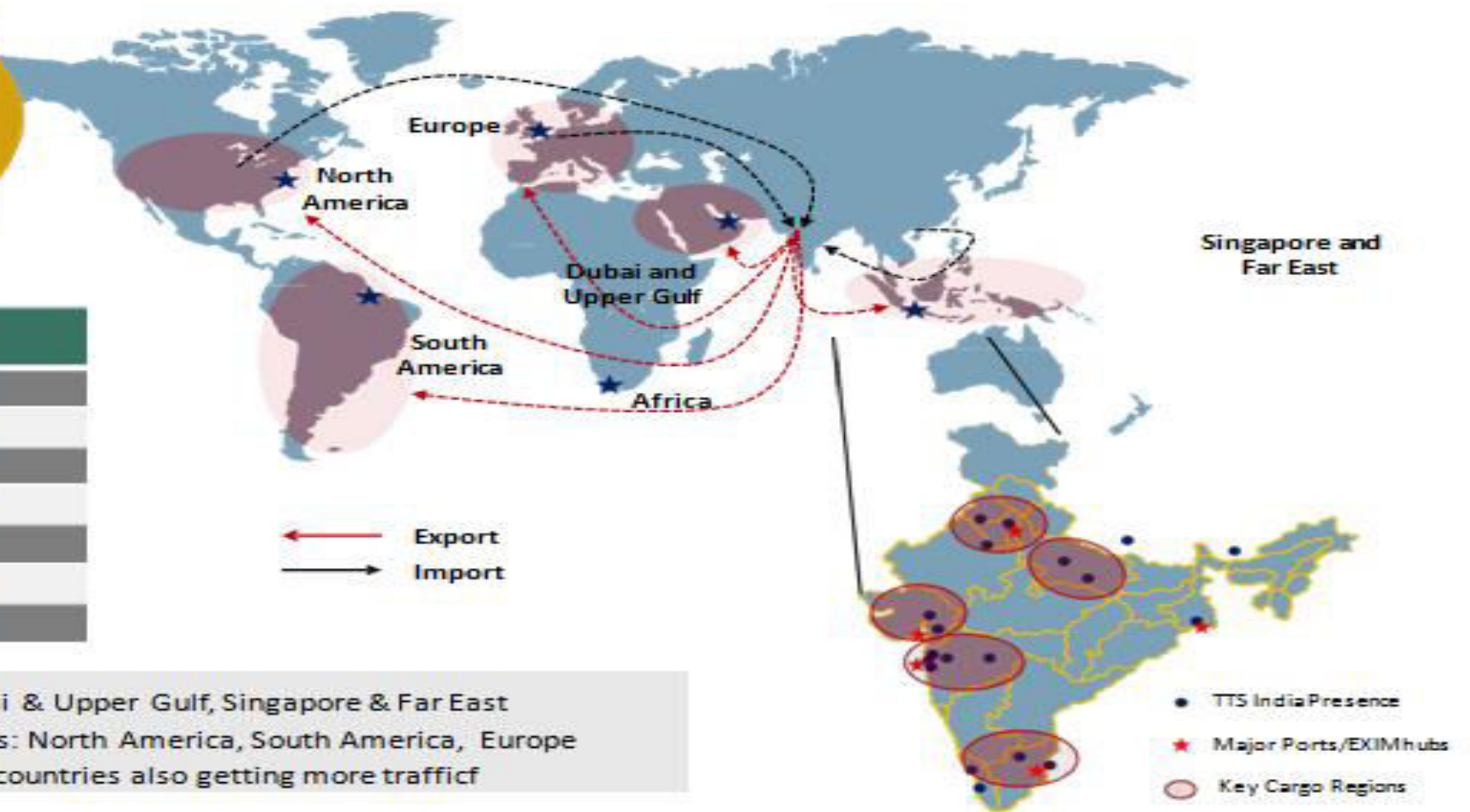
Source: Company Disclosures

CP World Global Network & iCargo Alliance

N. America, S. America routes give higher margin per TEU

CP World Contribution	
Asia	36%
Oceania	8%
Europe	20%
Africa	2%
America	12%
South America	10%
Middle East	12%

- Traditionally major routes: Dubai & Upper Gulf, Singapore & Far East
- Increasingly plying longer routes: North America, South America, Europe
- South Africa and other African countries also getting more traffic



Source: Company Disclosures

Subsidiary Overview: One World Logistics Pvt. Ltd (1/4)

New Business Segment

- Started Last Mile business in the first six months itself tied with prominent E-Commerce platforms like Amazon, Flipkart, FedEx & SpiceJet since October 2018
- New additions to last mile delivery – 80 ODH for Flipkart, 4 for Jio Mart, TataCliq & Snapdeal

“Abhilaya”

- Operated under brand “Abhilaya”
- India’s fast growing on-demand last-mile delivery solution provider offering tech-enabled delivery solutions for E-commerce, Restaurants, FMCG, Pharma and online & offline retailers

22M+ Shipments

2000+ Trained
Associates

1500+ Vehicles

800+ Pin Codes



One World Logistics Pvt. Ltd - Business Model (2/4)

3C Capitals



Shipments Picked from stations for final Delivery

DSP / EDSP



Shipments Delivered

Shipments Delivered

Shipments Delivered



abhilaya
WE MOVE THE LAST MILE



Exclusive Distribution Service Partners (EDSP):

EDSP's are station owned by Company at place where shipments from ecommerce players are received for last mile delivery. Currently we operate through 45 EDSPs

Distribution Service Partners (DSP):

These are stations owned as Captive arms by Ecommerce players and Company picks up shipments from respective warehouses for final deliveries. Currently we operate through 60 DSPs.

One World Logistics Pvt. Ltd - Products offered (3/4)

3C Capitals



Same day Delivery – SDD

Scope : Prime ecommerce delivery with in ty municipal limits from single pick up point. Weight limit 2kg.

Pin code Delivery and Reverse pick up - LMA

Scope : deliveries with in 3 kms to and from origin pick up point, food delivery. Weight limit 2kg.



1. Building delivery stations in Tier II cities – RLMA

Scope : Prime ecommerce delivery and reverse pick up with in the taluka limits from single pick up point . Weight limit 2kg.

2. E-commerce reference Centres

Scope : Creating awareness with local marketing and catalogue promotions at taluka level for online companies



B 2 B Distribution

Scope : Deliveries within same GST state - LTL , FTL



Source: Company Disclosures

One World Logistics Pvt. Ltd – Marquee Clientele (4/4)

3C Capitals



Recent Developments

- Shareholding of TTSL in subsidiary One World Logistics Pvt. Ltd is 91%.
- Company has been awarded 60 new stations by Flipkart as their ODH (Outsourced Delivery Hub).
- The Company started this business with Flipkart in the month of September 2019 with 1 Hub and grown up to around 80 Hubs till date serving around 381 Pin codes of 11 States (Madhya Pradesh, Rajasthan, Maharashtra, Telangana, Himachal Pradesh, Punjab, Tamil Nadu, Karnataka, Jammu & Kashmir, Gujarat, Tamil Nadu & Haryana) with Shipment count of around 30K per day.



Consolidated Financial & Business Analysis

	FY18	FY19	FY20	FY21	FY22	YOY % FY21-22
Total Revenue (INR Cr.)	214	256	400	315	583	85%
EBITDA (INR Cr.)	11	13	7	3	16	449%
EBITDA Margins (%)	5%	5.2%	1.8%	0.9%	2.8%	186 bps
Net Profit (INR Cr.)	8	7	2	(1)	9	903%
Net Profit Margins (%)	3.68%	2.89%	0.42%	(0.36)%	1.56%	192 bps
EPS	6.28	5.31	1.48	(0.59)	6.38	1181%

- During the year under review, **Revenues from operations for FY 2021-22 stood at ₹ 583 crores, increase by 85% as compared to ₹ 315 crores in FY 2020-21.** Higher growth in revenue in FY2021-22 mainly because of increased freight rates due to unavailability of vessel, port unavailability and other factors due to covid.
- EBITDA** for FY 2021-22 is ₹ 16 crores, **increase by 449%** as compared to ₹ 3 crores in FY 2020-21. Increase in EBITDA mainly due to volume boost - Increase in freight rates has resulted to increase in selling rates. The operating costs too got optimised due to increased volumes.
- Net Profit** for FY 2021-22 is ₹ 9 crores, **increase by 903%** as compared to ₹ (1) crores in FY 2020-21.
- EPS** for FY 2021-22 is ₹ 6.38 rupee, **increase by 1184%** as compared to ₹ (0.59) rupee in FY 2020-21.
- As per Q4FY2022 concall management is expected to achieve sales of ~ ₹ 670-690 crores in FY2022-23. Further, we believe that company can achieve this number in next financial year as its marketing team is working on two big projects and many more other contracts which they get very soon.**

Balance Sheet Analysis

	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Share Capital +	14	14	14	14	14
Reserves	24	31	33	32	40
Borrowings +	14	18	22	23	27
Other Liabilities +	18	19	64	35	51
Total Liabilities	70	82	133	104	132
Fixed Assets +	9	9	8	8	10
CWIP	0	0	0	0	0
Investments	0	0	0	0	1
Other Assets +	61	73	125	96	122
Total Assets	70	82	133	104	132

- Company has **declared an Interim Dividend of ₹ 0.75/- per share** of face value of ₹ 10/- each for the year 2021-2022 in Q2 amounted to ₹ 1.073 crores.
- In FY22 company has **transferred ₹ 8 crores to general reserves.**
- Company has utilized its debt effectively. Debt protection metrics are healthy with **interest coverage at 7.92** times during FY22, and are likely to improve because of healthy profitability and operating efficiency.
- Net debt to equity ratio 0.43** is considered satisfactory. Debt to equity ratio is stable as compared to previous year.

Cash Flow Analysis

	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022
Cash from Operating Activity -	-10	1	-3	5	4
Profit from operations	10.72	13.78	7.41	3.57	17.20
Receivables	-15.40	-14.20	-49.97	34.77	-24.02
Payables	-5.66	2.53	35.59	-28.55	11.28
Loans Advances	2.60	0.52	0.35	-0.85	-0.21
Operating investments	0.00	0.00	0.00	0.00	-0.60
Other WC items	-4.80	1.92	9.07	-1.98	2.89
Working capital changes	-23.27	-9.23	-4.96	3.39	-10.66
Direct taxes	2.90	-3.24	-5.06	-2.25	-2.47
Exceptional CF Items	-0.25	0.00	0.00	0.00	0.00
Cash from Investing Activity +	-1	-2	-1	-1	-2
Cash from Financing Activity +	12	-4	-4	2	-2
Net Cash Flow	0	-4	-7	6	-0

- The company has done **Capex of ₹ 2.6 crores** in FY22 for Investment in container and automation.
- Proceeds from Borrowings have increased as company has taken new loans while paying off some of its existing loans which can be seen in the Repayment of borrowings.
- The **finance cost is reduced by 18.65%** as the company focuses on repayment of debt as well as use existing cash flows instead of utilising the cash credit.
- Company's Operating cash flows continues to remain healthy.

Source: Company Disclosures

Quarterly Income Statement Analysis

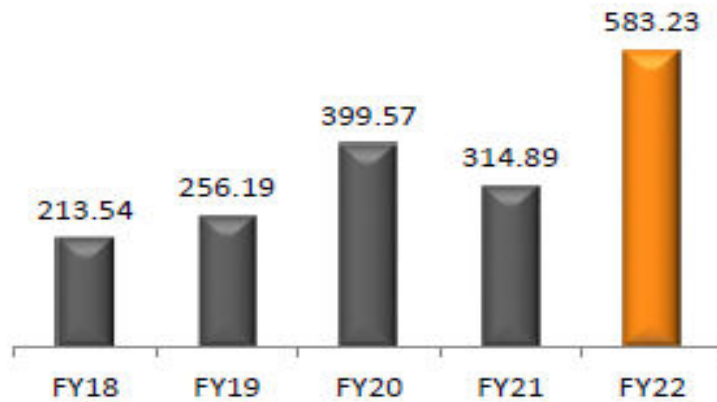
	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022
Sales +	95.96	102.71	138.80	169.45	172.26
Expenses +	93.20	98.83	134.61	165.13	168.29
Operating Profit	2.76	3.88	4.19	4.32	3.97
OPM %	2.88%	3.78%	3.02%	2.55%	2.30%
Other Income +	0.23	0.01	0.07	0.29	0.06
Interest	0.60	0.64	0.18	0.55	0.58
Depreciation	0.23	0.23	0.26	0.36	0.49
Profit before tax	2.16	3.02	3.82	3.70	2.96
Tax %	33.33%	19.54%	40.84%	27.30%	41.55%
Net Profit	1.44	2.42	2.25	2.71	1.86
EPS in Rs	1.01	1.69	1.57	1.89	1.30

- In Q4 FY22 Company recorded **revenue of ₹ 172.26 crores** with **EBITDA and PAT of ₹ 3.97 crores and ₹ 1.73 crores** respectively.
 - For full year ended 31st March 2022 Company recorded revenue of ₹ 583.23 crores with EBITDA and PAT of ₹ 16.42 crores and ₹ 9.12 crores respectively.
 - In Q4 FY22 Company recorded **Profit before tax of ₹ 2.96 crores** (Q4FY21 Vs Q4FY22 **increases by 37%.**)
 - In Q4 FY22 Company recorded **Net profit of ₹ 1.86 crores.** (Q4FY21 Vs Q4FY22 **increases by 29%.**)
- Note: % age are annualise basis

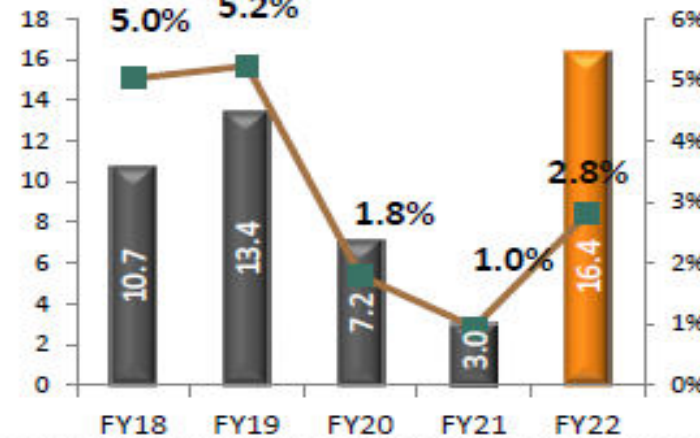
Source: Company Disclosures

Performance in Charts - TTSL

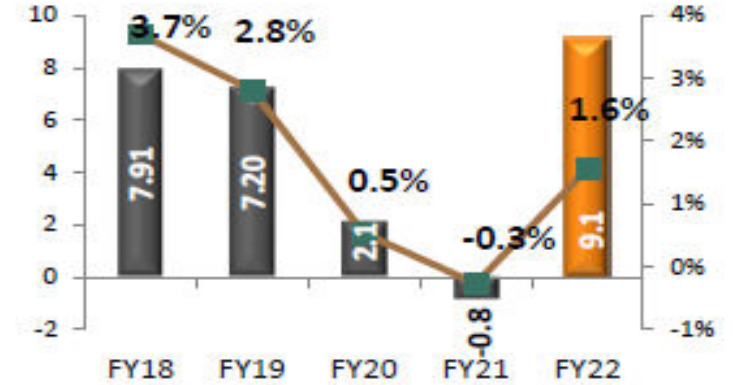
Revenue (Rs. Cr)



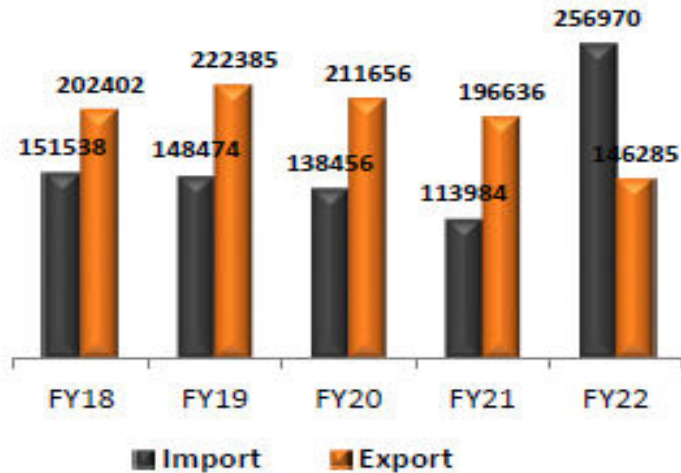
EBITDA (Rs. Cr) / Margin (%)



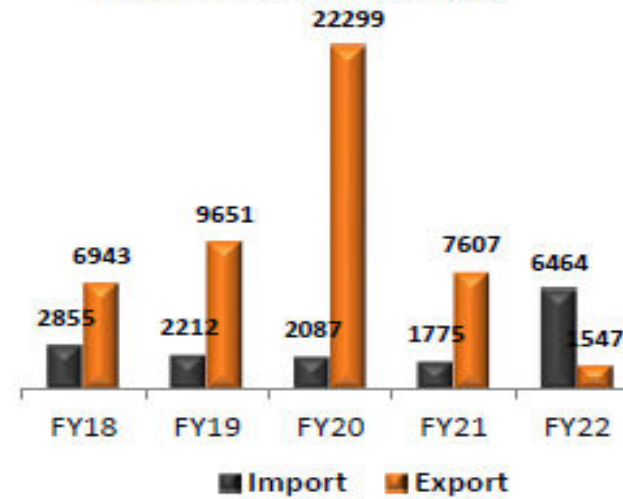
PAT (Rs. Cr) / Margin (%)



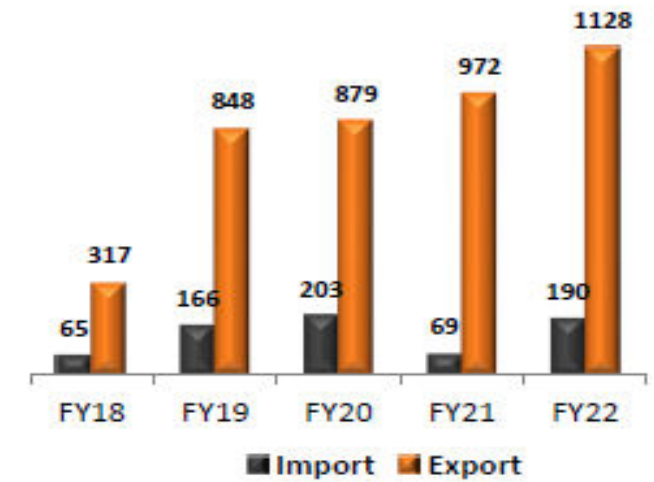
Consolidation (cbms)



Freight Forwarding (TEUs)



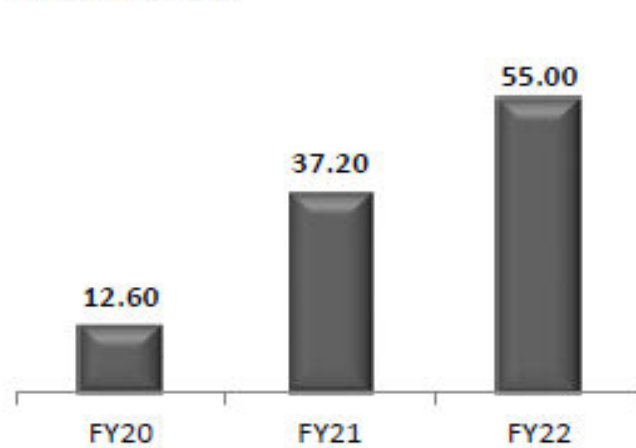
Air Freight (Tons)



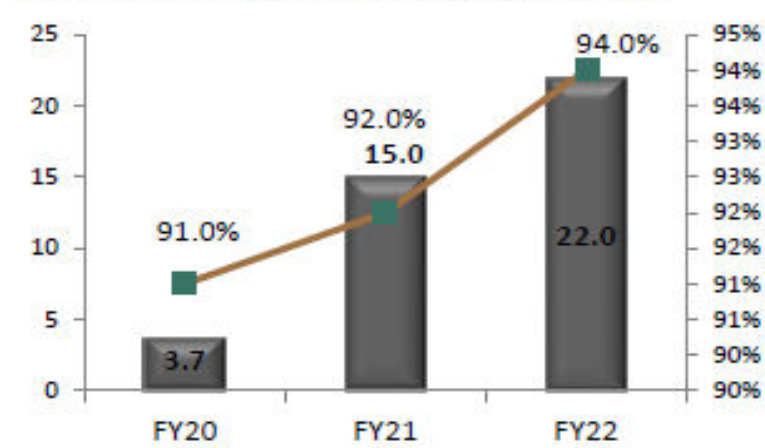
Source: Company Disclosures

Performance in Charts - One World Logistics

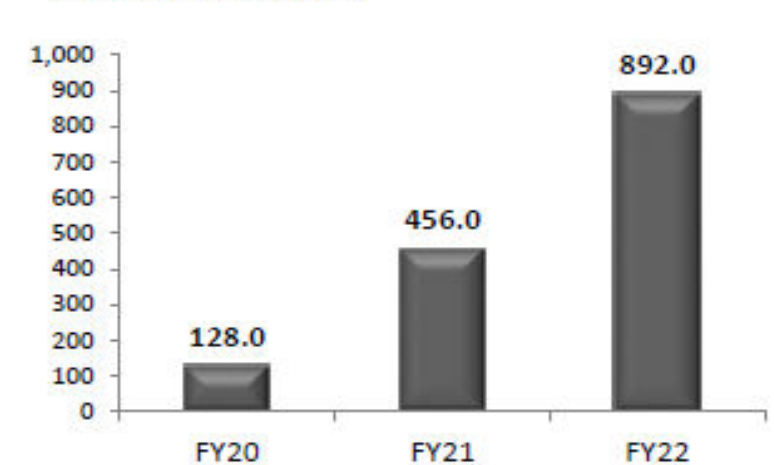
Revenue (Rs. Cr)



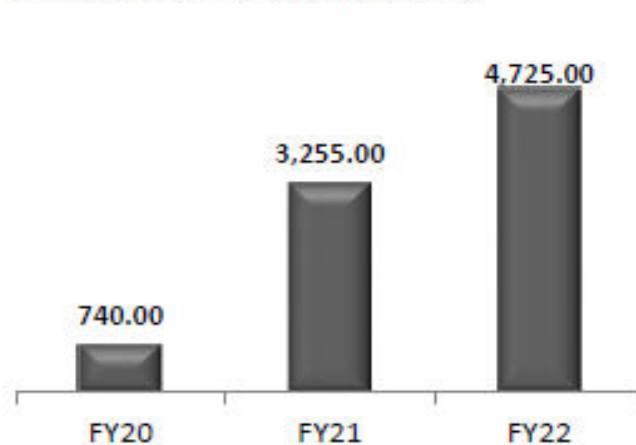
No. of Shipments (in mn) / Delivery Conversion



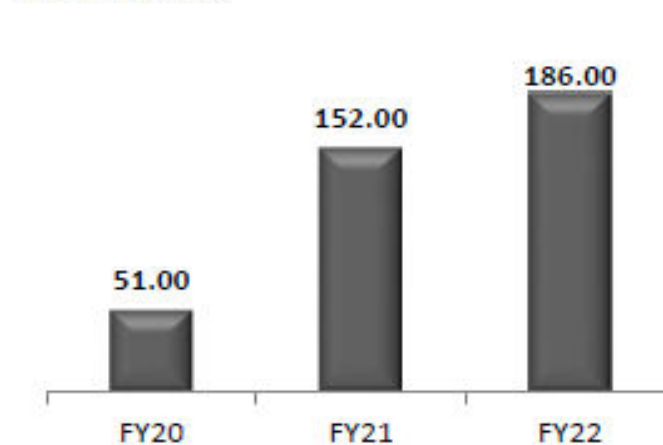
No. of Pincodes Served



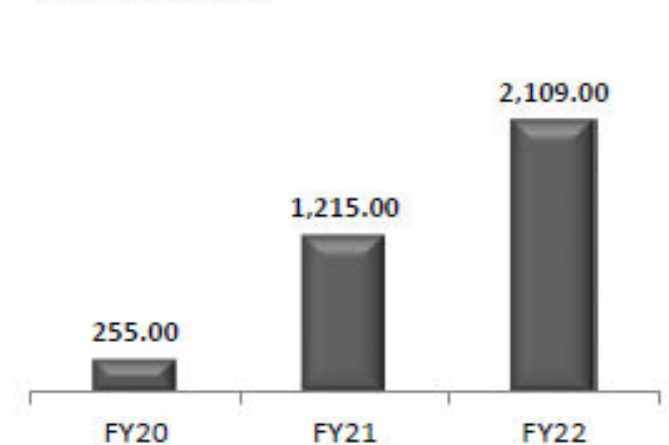
Gross Merchandise Value (Rs. Cr)



No. of Stations



No. of Associates



Source: Company Disclosures

Peer Comparison

	Total Transport Systems Limited	Ritco Logistics Limited	Jet Freight Logistics Limited
Market Capital	₹ 110 Cr.	₹ 328 Cr.	₹ 58 Cr.
PE	10	20.1	20.4
ROCE	21.5 %	13.1 %	13.6 %
ROE	19.8 %	14.1 %	12.4 %
Promoter holding	52.3 %*	73.0 %	70.2 %**
Market Cap to Sales	0.18	0.55	0.13
Sales growth 3Years	29 %	13 %	11 %
Profit growth 3Years	11.5 %	10.2 %	-13.0 %
Debt to equity	0.43	1.39	2.02
OPM % (March 2022)	3 %	7 %	2 %

* = One of the Investor Leena Prashant Salvi is also director of the of TTSL holds 17.43%. I.e.Effective holding of Promoter's Group is 69.70%.

** = Jet Fright's promoter has pledged 60.7% of their holding.

Face of the month – Mr. Makarand Pradhan - FAQ's (1/4)



How did TTSL happen in the first place? Did you have prior experience into logistics before starting TTSL?

Prior to starting Total Transport Systems Ltd in 1994 (TTSL) I worked for Forbes Gokak Ltd, a Tata group Company for 12 Years. During the course of my tenure, I had an opportunity to learn and perform various functions related to Liner Agency, CFS Operations, Transport, Customs Clearance, Buyers Consolidation, Forwarding and Air Charters. Before the Multimodal Transport Act came into force in 1991, I had an in-depth training on global consolidation business. This vertical of business was of great interest to me. I and my partners Shrikant Nibandhe, Late Prashant Salvi and Sanjiv Potnis decided to venture into it.

The consolidation business out of India started in 1992 and we thought that we would get an advantage of being an early entrant into this segment. The other most important factor was that having worked and grown in Forbes, we didn't want to get into a business in which Forbes had business interest.

How according to you did the logistics industry evolve in the last three decades in terms of freight forwarding, cargo consolidation and container logistics?

As from the early 90s the foreign investments were opened up in India and major shipping lines and global freight forwarders started opening up their own offices in India. During this period the freight brokers played a major role in booking the containers with the carriers and most of the Customs clearing agents and shippers booked their containers through them. With the advent of international freight forwarders, they had an advantage of global contracts with shipping lines and they started approaching the bigger exporters and importers and offering them door-to-door service at a competitive price and with extended credits. Since last 10 years the shipping lines stopped paying brokerages and majority of the freight brokers got phased out or changed into freight forwarding. As for Cargo Consolidation, in the early 90s majority of the consolidators used only four hubs for transshipment of cargo, viz. Singapore, Dubai, Rotterdam, and Antwerp. In the early 2000 with the maturing of consolidation business globally, more and more transshipment hubs were opened up to ensure faster transit, reducing multiple cargo handling and to provide cost effective solution for moving LCL cargoes. Today, the top consolidators offer more than 60 direct services.

Source: India Seatrade magazine

Face of the month – Mr. Makarand Pradhan - FAQ's (2/4)



It is about 27 years that TTSL is serving its customers. So, how was this journey? Can you share some memorable milestones from this journey?

The consolidation business has always fascinated me. If I look back, I can always say that this journey comprised of lots of ups and downs. However, at every stage, our customers, our international network partners & our team have stood by us and helped us to grow. At a very early stage, we recognised the importance of having offices in major cargo catchment areas and we ensured that we had those in place. The other most important factor was having, very strong and reliable international partners. We worked towards it and today we are supported by partners who are ranked amongst the top 5 in their respective countries. Through our global network, we are serving 1600+ destinations worldwide. With a very small beginning in 1994, today we operate 19 active offices pan India and an office in Nepal and Bhutan each (both landlocked countries using Kolkata as

You claim that your company's groupage traffic ranks amongst the top in India. Can you throw more light on this?

Yes, we are amongst the top three consolidators pan India. Of course, the volumes do matter in the consolidation business and our team puts in their best to ensure that we maintain the same. However, we have always strived hard to put in place more direct services which are of great assistance to the Exim trade. We are amongst the few consolidators who close direct consoles out of Ahmedabad and Mundra. Recently we have been awarded as the best consolidator in 2 shipping events. Last year we handled total 798,802 CBM of console cargoes. Having a strong international network is of utmost importance for the consolidation business and over the years, we have successfully built the C P World group and the I Cargo Alliance, which gives us an excellent support with 180 offices in 100 countries. Attaining such volumes would not have been possible without the excellent support from these networks.

Source: India Seatrade magazine

Face of the month – Mr. Makarand Pradhan - FAQ's (3/4)



How do you keep your staff motivated in an industry where employee turnover is high?

We have a specific process to identify team players while recruiting. We believe knowledge about the subject and communication skills can be inculcated through training if the attitude of a person is suitable to our company's culture. We normally recruit fresh Graduates, allocate the work according to their area of interest and give them a career growth plan. The candidate goes through a proper induction process, which clearly stipulates dos and don'ts, and a well-defined Job profile is given. The performance is monitored on a monthly basis through key performance indicators and necessary training is given where the improvement is required. From the very beginning we have been fortunate enough to get the candidates as per our requirements and with continuous monitoring

and training, we have been able to get the best out of our team members. During this pandemic situation our staff have gone out of their ways to ensure that the customer's requirements are taken care off. There is an absolute clarity given to our team members and they exactly know what is expected out of them. The management ensures that the work life balance is maintained. This has resulted in a very cordial relationship and when the industry has a staff attrition ratio of nearly 5 percent, we are just under 1 percent.

What according to you must be done to improve the efficiency and effectiveness of logistics industry in India?

Logistics cost play a very important role in product pricing and it is of utmost importance to work on reducing the same. There are 3 main factors, which need to be focused upon for bringing down the logistics costs.

- | | |
|----|---|
| 01 | Digitalisation: documentation/certifications/approvals for moving cargo across state and national borders are made uniform and systematised, with least human intervention. The government is already working on the same. Removal of octroi, sales tax, and excise or other taxes and implementation of GST, electronic toll collection and direct port delivery (popularly known as DPD) are some of the positive steps. |
| 02 | Infrastructure: India needs to offer an integrated end to end logistics solution for the success of 'Make in India' project. The existing roads need to be broadened wherever possible, the quality of the roads and the diversion planning needs to be improved. The government is working on this very aggressively and in the coming 2 to 3 years, we can expect marked improvements. |
| 03 | Our railway network is the fourth largest rail network in the world, however new freight corridors need to be introduced, as, the rail freight costs are much cheaper than road transport. We are fortunate to have a geographical terrain where inland waterways can be developed covering a distance of over 20000 kms. With aggressive efforts and development in inland waterways, the transport costs and the transit times could be reduced.

Logistics infrastructure, is the backbone of country on which the nation marches ahead with the growing EXIM trade in and out of India. Seaports and airports capacities and connections need to be increased drastically to ensure that the growing demands are met in the coming years. |

Source: India Seatrade magazine

Face of the month – Mr. Makarand Pradhan - FAQ's (4/4)



You are associated with various trade associations and keep tab of the latest happenings. What are the current global trends that fuel the container industry? How is India responding to the global demand and merchandize?

The current global trends as far as the containerised cargo is concerned is new to all of us. None have been able to exactly predict, what happens next. I have been speaking to some of the seniors in the shipping industry and most of them spoke about it, exactly as per the articles published so far, without much contribution from their side. Everyone gave me a different time frame for the freight levels to stabilise. However, one thing was very common, the freight levels will definitely not come back to the pre-covid levels in the near future.

In the 2nd and 3rd quarter of 2020, the pandemic was at its peak and the global trade was badly affected. Lot of shipments were stranded at the ports for want of finances, shortage of manpower, non-availability of transport and sudden drop in demand. The ships were going light and the carriers had to bring down the capacity. Considering the situation, the carriers did not increase the capacities, in fact some of the carriers cancelled the orders. In the 4th quarter of 2020

In the 2nd and 3rd quarter of 2020, the pandemic was at its peak and the global trade was badly affected. Lot of shipments were stranded at the ports for want of finances, shortage of manpower, non-availability of transport and sudden drop in demand. The ships were going light and the carriers had to bring down the capacity. Considering the situation, the carriers did not increase the capacities, in fact some of the carriers cancelled the orders. In the 4th quarter of 2020 and the 1st quarter of 2021, globally people had the buying power, as they had spent very less, nearly for a year and went on a buying spree. The demands increased drastically and with reduced availability for containers, space on the ships and congestion at the ports and the freight levels went up drastically. The Indian industry responded positively to the growing demand in the international markets. At one time they were clueless about the sudden and brutal fall in demand. But now the demand is surging every day. Demand is not a problem for many of them now. Rather they are struggling to secure supplies like raw material & labour availability to meet demand. This pandemic has taught people to be more human and have brought out the creativity in mankind and that in my opinion would go a long way to strengthen our economy in long run.

Source: India Seatrade magazine

Dedicated and Committed Leadership



Makarand P. Pradhan – Promoter and Managing Director

Director of Company since 1994 and has vast experience in Freight Forwarding and Logistics Industry, stretching over thirty years

Oversees Business Policies and overall management of Companies

Also associated with various Overseas Organisations and is in best position to lead the Company

President of Consolidators Association of India

Chairman of CP World Group and I Cargo Alliance

Sanjiv A. Potnis – Promoter and Director

Started his career with Dolphin Chartering Services Pvt. Ltd.; Later he joined Forbes Gokak Ltd. Experience of over 25 years in field of Freight Forwarding & Offshore operations and exposure to shipping industry.

Responsible for Sales & Marketing across India and globe for Company

Actively takes part in key managerial decisions of the Company



Shrikant D. Nibandhe – Promoter and CFO

Diverse experience of thirty years in Logistics, Freight Forwarding and Management of Container Freight Stations (CFSS)

Associated since 1998 and is actively involved in all discussions with International Associates

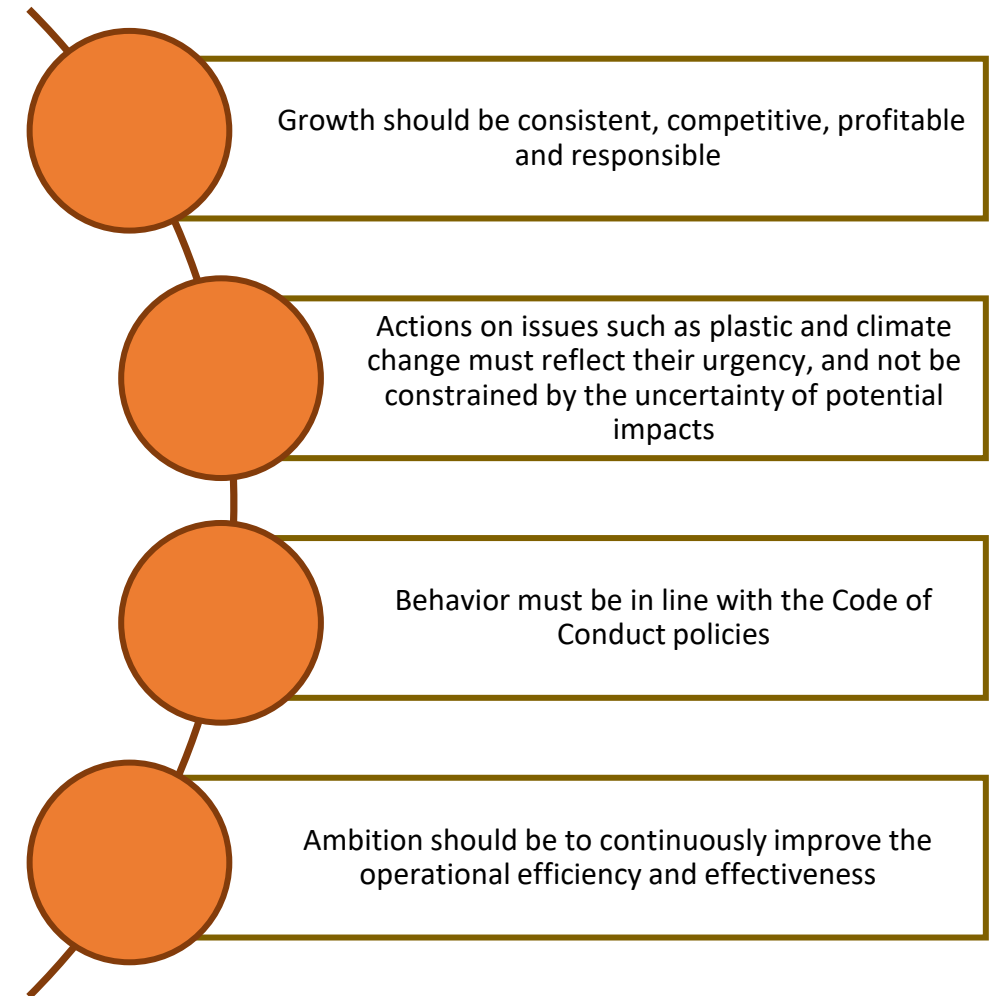
Also oversees Finance, leads various other functions like Corporate Communication and Human Resources

Treasurer of Consolidators Association of India since Inception in 2003.

Source: Company Disclosures

- **Company's freight forwarding business** depends upon their network of overseas agents for fulfillment of logistics needs of its customers.
- **Company's inability to maintain its relationships** with their overseas sales agents or deficiency in the service provided by such agents may adversely affect its revenues and profitability.
- **Delay in delivering the cargo** on time may have an adverse impact on Company's Image and can incur substantial cost in the form of claim.
- **Company do not own or control the transportation assets** that deliver their customers cargo and it also do not employ people directly involved in delivering the cargo.
- **Company are dependent on independent third parties** to provide logistic services this could cause delay in reporting certain events, including recognizing revenue and claims.
- **Delay or defaults in client's payment** could result in reduction of Company's profits.
- **Competition** both Domestic and International.
- **Changes in government** regulations or their implementation could disrupt Company operations and adversely affect its business and results of operations.

TTSL's appetite for risk is driven by the following:



❑ Under “Abhilaya” brand -

- Company is **planning to launch dedicated business application** which is under development stage.
- Company is **planning to enter 3PL business activity which is Third Party Logistics, warehousing and distribution and transportation.**
- Further, **Company entering into the hyper-local market too.** In this Co. will be focusing certain cities where it can do hyper-local activity, In which company sale groceries and pharma, then other day-to-day requirements within a radius of 5 to 7 kms.



❑ Under “TTSL” Business –

- Company is establishing and **enhancing their customer base** and strong relations with their marquee clients.
- Capitalize on **strong base of over 1,000 plus clients** of the Company.
- **Consolidation for Ecommerce logistic players.**
- **Ramping up the Air freight** business through Global Network.
- **Strong relationship** with over 500 custom brokers.
- **Cross selling of FCL** with existing Customers.



Source: Company Disclosures

- ❑ **Although small in size now, but we believe TTSL is destined to be a part of "League of Legends"**
- **Some companies depicts sign of "standing out of crowd"** by the virtue of ethical, honest, ambitious promoters building the business brick by brick. TTSL seems to fall in that group. From 2017 to 2021, revenue were flat, this period was the base building period for the company. Last mile delivery with brand "Abhilaya" was launched in 2017.
- **For FY22, company's revenue has almost doubled to 530 crores (standalone).** Many reasons have contributed to this growth, one of them being a huge contract bagged from Argentina for freight forwarding – adding 4,000 tonnes per month –resulting in exports from various ports of India to Argentina and also handled one of the shipments from Argentina, which was more than 5000 tons of cargo, which was moved out to, from Mundra port as well as Nhava Sheva port.
- **With the current capacity company can generate peak sales of ~ ₹ 670-680 crores** depending on the product mix. Management expect company to reach peak sales by FY23E which should help the company to benefit from scale and operating leverage thus would lead to improvement of margins and return ratios.
- **Smart money or any smart investors are yet to identify this opportunity,** hence we will be the early mover in this little known company with bright future ahead.
- **Refer an interesting Q&A covered in this magazine -** www.indiaseatrade.com/november-2021/ & interview of Makarand P. Pradhan here - www.facebook.com/watch/?v=1757234681097709
- TTSL is a much stronger player in terms of fundamentals with higher ROCE, ROE, better Debt/Equity ratio & lower Market Cap to Sales. **Immense potential of growing and become a leading brand in both segments. It's clear case of "Heads I win, Tails I don't lose much (Little downside)".**

SEBI Research Analyst Registration No. : INH200006451

1. At the time of writing this article, the analyst have no position in the stock covered by this report.
2. The analyst has not traded in the recommended stock in the last 30 days.
3. The research analyst does not have any material conflict of interest at the time of publication of the research report.
4. The research analyst has not received any compensation from the subject company in the past twelve months.
5. The research analyst or its associates has not managed or co-managed public offering of securities, has not received any compensation for investment banking or merchant banking or brokerage services nor received any third party compensation. The subject company was not a client during twelve months preceding the date of distribution of the research report.
6. The research analyst has not served as an officer, director or employee of the subject company.
7. The research analyst or research entity has not been engaged in market making activity for the subject company.
8. The research analyst or research entity or its associates or relatives does not have actual/beneficial ownership of one per cent or more in the securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance.
9. The analyst does not own more than 1% equity in the said company.