

Tiger Logistics (I) Limited

October 28, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.00	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	2.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (Double B Minus ; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	14.00 (₹ Fourteen Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE has been seeking information from Tiger Logistics (I) Limited (TLIL) to monitor the rating(s) vide e-mail communications dated August 05, 2022, August 22, 2022, October 27, 2022 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on August 03, 2021, the following were the rating weaknesses and strengths:

Key rating weaknesses

Moderate albeit increasing scale of operations with moderate profitability margins

The scale of operations remained moderate however the same has been increased as reflected by its total operating income which increased to Rs. 617.20 crore in FY22 vis-à-vis Rs. 168.05 crore in FY21. The PBILDT and PAT margins have improved in FY22, however it remains moderate at 6.43% and 5.45% respectively.

Competitive and fragmented nature of the industry coupled with exposure to forex risk

The Indian logistics industry is characterized by high degree of fragmentation. India's diverse geographical and socio-economic features, huge retail network and infrastructure limitations enable most of the logistics service providers in the country to provide the entire gamut of logistics services. Owing to this, the company has to compete with large number of small and medium-sized players operating in the sector. The company is also exposed to foreign exchange risk and so it undertakes forward trading to hedge any significant fluctuations in movement of currency rates.

Susceptibility to economic slowdown and variation in trade volume

The performance of the logistics and freight forwarding industry is linked to global economic activities which have an impact on the Exim trade volume. Any slowdown in the domestic and global manufacturing/industrial activities due to weak economic conditions or restrictive trade policies can have a negative impact on the business of the company.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key rating strengths

Wide range of services in the offering

The company offers wide range of in-bound and out-bound logistics services such as transportation, customs clearance, international freight forwarding, etc. TLIL has an asset light business model with almost entire fleet hired from a network of truck vendors/operators. The company has opened office in Singapore to tap into international markets, however currently the operations are negligible.

Association with reputed and diversified customers and shipping lines/airlines

The company has been associated with reputed clientele facilitating the logistics needs of the corporates and multi-national companies. The company's association has a diversified client base across sectors.

Liquidity: Stretched

Due to the impact of pandemic and limitations of customers to remit timely payment, the company's liquidity has remained stretched. The company reported cash loss of of Rs.11.20 crore in FY21. The Liquidity position has further deteriorated during FY21 as evident from further elongation of operating cycle from 96 days in FY20 to 124 days in FY21.

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Service Sector Companies](#)

About the company

Incorporated in the year 2000, Tiger Logistics (India) Limited (TLIL) is a multi-vertical logistics solution provider. It undertakes both in-bound and out-bound logistics solutions. The company offers air and ocean freight forwarding, project logistics, customs clearance/brokerage and trade compliance, supply chain consulting & logistics, cold chain logistics, warehousing and distribution services. Headquartered in Delhi, the company has offices in Ahmedabad, Pune, Chennai, Kutch, Ludhiana, Kolkata, Jaipur, Mundra, Veraval, etc. The company has received ISO 9001:2008 certifications.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	167.95	616.94	291.12
PBILDT	-9.42	39.43	17.23
PAT	-12.42	33.63	12.47
Overall gearing (times)	0.36	0.00	0.00
Interest coverage (times)	NM	26.14	NA

A: Audited; UA: Unaudited; NM: Not meaningful; NA: Not available.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	2.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BBB-; Negative (27-Feb-20) 2)Withdrawn (27-Feb-20) 3)CARE BBB; Negative (11-Jun-19)
2	Fund-based - LT-Cash Credit	LT	12.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (03-Aug-21)	1)CARE BB+; Negative; ISSUER NOT COOPERATING* (08-Sep-20) 2)CARE BB+; Negative (31-Jul-20)	1)CARE BBB-; Negative (27-Feb-20) 2)CARE BBB; Negative (11-Jun-19)
3	Non-fund-based - LT/ST-Bank Guarantee	LT/ST*	-	-	-	-	-	1)CARE BBB-; Negative / CARE A3 (27-Feb-20) 2)Withdrawn (27-Feb-20) 3)CARE

								BBB; Negative / CARE A3 (11-Jun- 19)
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST *	2.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATIN G*	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATIN G* (03-Aug-21)	1)CARE BB+; Negative / CARE A4; ISSUER NOT COOPERATIN G* (08-Sep-20) 2)CARE BB+; Negative / CARE A4 (31-Jul-20)	1)CARE BBB-; Negative / CARE A3 (27-Feb- 20)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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