



“Premier Roadlines Limited  
FY24 Earnings Conference Call”

June 12, 2024



**MANAGEMENT: MR. VIRENDER GUPTA – CHAIRMAN AND MANAGING  
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MR. SAMIN GUPTA – DIRECTOR AND CHIEF  
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**Moderator:** Ladies and gentlemen, good day and welcome to the Premier Roadlines Limited FY24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during this conference, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. We have with us today the management team of Premier Roadlines Limited, Mr. Virender Gupta, Chairman and Managing Director and Mr. Samin Gupta, Director and CFO, who will represent Premier Roadlines Limited on the call. The management will be sharing the key operating and financial highlights for the full year ended March 31, 2024, followed by a question and answer session.

Please note that some of the statements made in today's discussion may be forward-looking in nature and may involve risk and uncertainties. Documents relating to the company's financial performance are available on the website of the stock exchange and the company's investors section. Trust you have been able to go through the same.

I now hand the conference over to Mr. Virender Gupta. Thank you and over to you, sir.

**Virender Gupta:** Thank you, ma'am. Good afternoon, everyone. My name is Virender Gupta. Thank you for joining us on the very first call after the listing. We hope you all got a chance to see our investor presentation uploaded on the stock exchange. We'll be sharing key operating financial highlights for the year ending March 31, 2024.

But before we begin with the updates, since this is our maiden call, some of you might be looking at the company for the first time. We'd like to take this opportunity to brief you all about our business model. Premier Roadlines Limited, established in 2008, is a logistics service provider that provides tailored logistics solutions to marquee clients in various sectors.

We broadly provide four services, which are project logistics, over-dimensional, overweight, contracted integrated logistics and general logistics. I will explain what we do in these verticals.

1. Project logistics: Handling an entire project from planning of dispatch, choosing vehicle type, meeting daily placement targets by the customer, customers' end on a bulk basis.

2. Over-dimensional/overweight: Over dimensional cargo is any cargo or goods that exceeds the vehicle's dimensions. Hence, they require added security, safety measures during transport to ensure that the consignments are in good condition. and we offer facilities up to 250 metric tons.

3. Contracted integrated logistics services: Provide integrated logistics services to clients where the contract is a maximum of two years. These services include vehicles ranging from one metric ton to 30 metric tons.

4. General logistics: This type of service includes out of contract, spot bidding, transportation, etc.. The nature of goods in this service type can be spares, accessories, or others on a full truckload basis, including transportation to hilly terrains, material-related exhibitions, etc..

We differentiate ourselves from our peers on the back of superior service due to which we have managed to win a diversified reputed clientele serving clients across the Indian subcontinent and serve various industries like energy, power, oil and gas etc. Some of our esteemed clients include Tata, L&T, KEC, etc.. It was the retention of customers and long-standing relationships that enabled the expansion of business and growth of our operations.

We are also focused on technological infrastructure in the company as having a robust ERP system helps us in outsourcing large fleet from small third-party operators with ease.

Last year, we moved 19,851 vehicles on a pan-India basis. Each of these vehicles were mapped with our GPS tracking software to give real-time visibility to our customers.

Going forward, we plan on expanding tech activities to further streamline large-scale activities.

We believe that the logistics sector has many tailwinds in its favor. Some of them are renewable energy sector, oil, gas and other direct link with infrastructure growth of the Indian economy. Having been in this industry for so many decades, I firmly believe there are many good times ahead for us and for the logistics industry in India.

I will now request Mr. Samin Gupta to provide his thoughts on the quarter as well as provide some updates on financials. Thank you.

**Samin Gupta:**

Thank you. Good afternoon, everyone. Now, I will begin with sharing key highlights and numbers for the year that ended 31st March 2024. The total income of FY24 stood at INR229 crores, which was up by 19% year-on-year, with EBITDA at INR21 crores, up by 63% year-on-year, and increased our margins by 250 basis points year-on-year to 9.3%. This was due to focus on higher-margin project logistics and over-dimensional cargo services that we gave to our clients and also attributed to the technology that has helped to cut down the cost by bringing efficiency.

Our three-year CAGR for revenue is at 34% and PAT is at 101%. We have healthy return ratio with our ROE at 38% and ROCE at 27% in FY 2024. Debt-to-equity at a comfortable level of 0.9 times. On the operational front, we fulfilled 26,460 orders and served 940 customers with the average revenue per order at INR86,373. The IPO proceeds will further aid the company's growth as this was for the repayment of debt, which will result in strengthening the balance sheet and reducing finance costs.

Purchase of vehicles for commercial purposes and meeting working capital requirements will definitely help scale up the operations. Thank you all and we can now open the floor for questions and answers.

**Moderator:**

Thank you very much. We will now begin the question and answer session. We have a first question from the line of Yogeshwar Saini from Moonshot Ventures. Please go ahead.

- Yogeshwar Saini:** Congratulations, sir, for the good set of numbers. Basically, I want to ask what is the bifurcation of revenue in the vertical of contracted logistic service, which we have for two years and project logistic services?
- Samin Gupta:** Thank you so much. The bifurcation that we have currently is a very estimated figure. So for project logistics and ODC consignments combined, we can say it is up to 50% to 60% and for contracted, it can go up to 30%. But these are not exact numbers. We are in process of having a system where we can derive at complete and concrete numbers and accurate to the last decimal. So once we have that in place, we will publish them to the Stock Exchange accordingly.
- Yogeshwar Saini:** Okay, my second question is, can you give some revenue wise break up of top five customers or what are your largest customers? Because what I can see from your presentation is we have a very long queue of some big players like Tata, KEC and all. So I just want to have insight on what kind of revenue we get from big players?
- Samin Gupta:** Understood. So we are not dependent on any specific customer. And every quarter, I would say our top customers keep on changing depending on the orders that our customers have in their hand, because we have many customers in our pipeline and many customers that we serve. So they keep on fluctuating. So I will not be able to name the exact numbers and exact customers which are our top clients at the moment.
- Yogeshwar Saini:** Okay and my next question is on, as we were told, we have introduced some technological improvements that increase our efficiency and revenue. So I just want to ask, is there any plan for such technological interventions, like do we have Porters where we can serve a wider client base request for transportation or logistic? What I want to ask is, can we have some...
- Samin Gupta:** Understood your question, what you're trying to say. So we do have something in mind. And in the next coming financial years, we will definitely do some tech-based app or maybe some sort of innovation where we can serve B2B clients. We aim to be a B2B company only, like Porter, like you mentioned, is a B2C also. They provide to direct customers. So we have some plans in the future. We might get into doing this.
- Moderator:** Thank you. We'll take our next question from the line of Chirag Jain from Yogya Capital. Please go ahead.
- Chirag Jain:** Hi, sir. Good afternoon and thanks for the opportunity. I had some basic multiple questions on the business part itself. So I will go ahead with them. So first part is on the tendering part. So how does a customer look at the tender while giving a tender? Is it the pricing itself or is it there are some special things that a customer looks at?
- Samin Gupta:** Hi, good afternoon, Chiragji. So the customer looks at various things, first of all. Obviously, commercial is one of the foremost reasons why a customer would pick an LSP. But there are other factors that are also involved in marquee clients where we operate in and where we want to focus in the future also. And those aspects are the service quality that we give, the reliability that we have in services, the safety equipment's that we use. So these are, as a combined, as a package, it is the order is given to us and it is awarded to Premier Roadlines Limited.

- Chirag Jain:** Okay. So a customer issues a tender or it is a negotiation on one on one basis?
- Samin Gupta:** So tender is widely used in terms of government orders is what I'm aware of. So we are not working for any government clients. We are working for private sector. So in private sector, customers that we operate in, we have for contract logistics, they float once in a year or once in two years, a set of requirements where, they note down, they let us know that these from point A to point B, we have these many requirements, you please give us a quotation and your service types.
- So we give them our rates for that for contract. But for project, they give us a list of equipment's that has to be moved. And then they let us know that, you have to be present on this particular online platform to bid for it and win the contract. So once that is done online, then we go to offline negotiations and then we show our credentials, our reliability and a company profile and our past work. That is how we get the job.
- Chirag Jain:** So how many, how is the hit rate of our company in terms of the tenders we submit and how the order we get in hand? So that was what I was trying to figure out?
- Samin Gupta:** See, we do not have any right metric to get a right number about the hit rate and everything. But if we want a tender, if we want a job, we are able to get it.
- Chirag Jain:** So for example, you bid for 100 contracts, you get out of that 20, 30, 40, something?
- Samin Gupta:** So understood what you're trying to say. So we only bid for contracts where we know we can get it. So I would say around 80% is our accuracy in terms of getting it. So we are only bidding where we know it is our expertise and the customer will value the kind of history and the kind of reliability we offer.
- Chirag Jain:** Okay. So, and margins we kind of target what?
- Samin Gupta:** Depends on the service type. So if it is a project logistics and over-dimensional cargo, obviously the margins are higher. And if it is a normal general logistics and contracted, then margins are slightly lower. So talking about project logistics, it goes upwards of 12%. And talking about general logistics and the contracted logistics services, it starts from 10% and goes upwards, depending on the situation and the contract.
- Chirag Jain:** So why the margins, why are margins lower around seven? It has been in previous years around four, five, six. So, I was trying to figure out that because you mentioned that your segment margins are range between 9 to 12. So why don't we see something on that? And why is the dip around 4%?
- Samin Gupta:** See, earlier, like we mentioned, there was not many technological advancements in the company. So there were a lot of human involvement and a lot of, I would say, a huge burden on the salaries part and human manpower part. So that is why the margins were not, we were not able to give good numbers out. So now we have, because of the technology available and everything and we

are serving such marquee clients. So where there's an entry barrier, we're able to get out some good margins also from them.

**Chirag Jain:** Okay. Understood. So what would be the segment size overall that you target for? And what is our market share in this segment? Rough...

**Samin Gupta:** Segment type like our service type or...

**Chirag Jain:** No. So for example, you target B2B logistics and also in that part, you target for moving machinery or heavy parts. So how much is that segment market size in total in India that you cater to? Okay. First is that. And how much is our market share?

**Samin Gupta:** We haven't done the entire market study, how much exact number the market is having and what the exact number is. And our market share is, I'm not too sure with it, but definitely we can come back to you after we have the metrics. So you can write to us or maybe Stellar and we'll get back to you once we have these numbers.

**Chirag Jain:** Got it. Sir, next question is on the fleet of vehicles. So how do we book our vehicles that we have? So do we book in advance that we would be booking any vehicle for a minimum number of days or it is on order specific basis?

**Samin Gupta:** There are two ways how we book. Number one way is that we have some small fleet operators and owners which are in touch with us since many years and we do have agreements with them and we do have mutual understanding with them that your entire fleet size is supposed to be managed by us. Number one is that. So their entire fleet, for example, if one person has say 10 vehicles.

So with that person, that owner deploys the 10 vehicles to Premier Roadlines Limited and we are responsible for the up and down load or whatever. The second thing is the spot time. So if I have a load available from Delhi to Bombay say so our ERP has a set of owners, numbers and details and each and everything that will send a message to all the owners and drivers available in that area.

And then they will be engaged through our traffic managers and then we will procure, do our value addition by following all safety protocols checks and by doing thorough checking of each and every part of the vehicle be it the documentation, be it physical verification and then we proceed to the customer's premises and we load the consignment and then it goes forward.

**Chirag Jain:** So in terms of percentage of orders delivered in FY24 so how much would be the contracted vehicle versus on an order-to-order basis that was what I was trying to figure out?

**Samin Gupta:** So contracted is more than order-to-order basis. Order-to-order basis is something that we are looking to get down also in the future. We want to have contracted and project. I mean we do want fixed businesses in the future in the long run. So if you see in the past 2 years, 3 years we will be soon publishing the data on the exchange as well. There has been a decline in the general

logistics in terms of spot business. There has been an increase in contracted and project and ODC businesses as well.

**Chirag Jain:** So 78% to 80% would be the contracted part?

**Samin Gupta:** Correct or probably even more than that.

**Chirag Jain:** Sir next question was on the related parties. So they compete with us or they are complementing us. So could you give some color on that?

**Samin Gupta:** They are complementing us.

**Chirag Jain:** So they don't compete with us in the B2B segment?

**Samin Gupta:** No not at all. So as I mentioned earlier as well in the call we are serving to only marquee clients where there's a huge entry barrier. So not any logistics company can go to them and ask for work and get immediate entry. So it is because of the long standing relationships we have and the reputation and the service that we give that has enabled us to start business with them. So where we are serving -- we are serving with our -- we are competing with apple-to-apple companies.

**Chirag Jain:** So sir my question was on the related parties of our company. So that was my question regarding too? So the Ritam Roadlines and PRL Supply Chain and so they don't compete with?

**Samin Gupta:** No, they can't compete because they don't have that much finance and that much of volumes to enter that customer that we are serving. So they can't compete is what I'm trying to say.

**Chirag Jain:** So last question before I get back in the queue there was a company listed until 2014 Premier Auto Finance. So, what was the reason behind the company being delisted from the exchange and why didn't we relist it? So from a corporate governance point of view we wanted to look at it?

**Samin Gupta:** See we do not have any direct involvement in that and to give an answer to that you can write to us and I can probably the entire reason and everything only.

**Chirag Jain:** Sure. That's helpful. I will get back in the queue.

**Samin Gupta:** Yes. Thank you.

**Moderator:** Thank you. The next question is from the line of Raaj from Arjav Partners. Please go ahead.

**Raaj:** I wanted to know the breakup of sales for FY24.

**Samin Gupta:** Hello. Good afternoon. Like I mentioned earlier in the call as well we are not having the exact breakup and we are currently working on to have a metrics where we can give exact numbers to the last decimal. So once that is out we will definitely upload it on the exchange.

**Raaj:** And I also wanted the EBITDA percentage of -- I also wanted to know segment wise EBITDA?

- Samin Gupta:** We do not have that data available right now. We will shortly do it and we will shortly upload it on the exchange.
- Raaj:** One more thing I wanted to ask is how much is the order book for FY25 and for FY26?
- Samin Gupta:** So companies like us we do not work on order books. We do have contracts. So by contracts it is from point A to point B. We do have binding with our customer that if they have any requirements of transportation they will be utilizing our services and therefore those contracts they are not quantifiable. They do not have any figure mentioned in them, but on a ballpark number I can give you we have around INR100 crores worth of contract already in place for FY2025.
- Raaj:** Sorry I just skip out the number part?
- Samin Gupta:** INR100 crores.
- Raaj:** INR100 crores to be executed for FY25?
- Samin Gupta:** Approximately INR100 crores we have contracts.
- Raaj:** And further do we have any scope for improvement in the EBITDA of the company overall?
- Samin Gupta:** Definitely, yes. We are trying to cater to customers where the entry barrier is even tougher where the competition is lower and we are trying to increase our offerings in project logistics and over-dimensional cargo that is where margins are also slightly higher.
- Raaj:** And how much would be the capex required for FY25 and for FY26?
- Samin Gupta:** I do not have an exact number in hand at the moment. I can get back to you regarding this.
- Raaj:** So your business model is such that you do not own the truck?
- Samin Gupta:** That's right.
- Raaj:** But you have a contact with the fleet owner and that fleet owner owns that truck?
- Samin Gupta:** Correct sir.
- Raaj:** And how are the terms between you and the fleet owner like is it commission-based or how is it like I would like to know that?
- Samin Gupta:** It is not commission-based. We give them for example if you were a fleet owner and you have associated your fleet with Premier Roadlines Limited. So, if I am charging the customer say INR1 lakh, I give you 80,000 or whatever the mark-up. I leave the mark-up and I give you that money that is it. So there is no commission. It is just I am hiring from you and giving it to the other person there is no commission.



- Raaj:** One more thing I wanted to know regarding the earlier participant who highlighted there are two unlisted companies which are said to be in the same line of business. So what business these companies actually do?
- Samin Gupta:** They are also into road transportation -- they are also doing road transportation and logistics, but they are doing into -- they are catering to I would say a second line of customer where we do not want to work with -Premier Roadlines Limited because with Premier Roadlines Limited we only want to work with customers who value the name, who value the finances, who value the reliability, experience and everything.
- And only customers where there is an entry barrier, where there is a good name we work with Premier Roadlines Limited. For the others some small traders or some small companies. So, that is where the operations are going on, which we do not have any direct involvement in.
- Raaj:** So, those two companies work for a smaller client compared to PRL?
- Samin Gupta:** Yes, they work for micro-companies.
- Raaj:** Micro-companies, but still, this becomes an issue for the investor. If they think about investing in a company, you already have a company in a similar line of business, and where the entry barrier is not that much high, as I had to talk about. But this becomes a concern for any investor, I think.
- Samin Gupta:** Understood, sir. That is up to your discretion, but I am being transparent and giving you the information up to my knowledge, sir.
- Raaj:** All right. I also wanted to ask, are you confident of maintaining this sales category for FY '25 and FY '26? Or do we expect to have higher execution?
- Samin Gupta:** Absolutely. Expectation is higher, but we want to maintain the past performances, the ratios of increase.
- Raaj:** All right. I think your sales growth was around 34% CAGR, it has grown over the last 3, 4 years, I guess?
- Samin Gupta:** Correct.
- Raaj:** For FY '25 also, we can expect a similar growth like this, or a higher number?
- Samin Gupta:** Yes. We want to maintain the same growth level.
- Raaj:** And are we expecting an increase in the EBITDA from 6%-7% to a higher number?
- Samin Gupta:** Expectations are there, yes.
- Raaj:** All right. And accordingly for FY '26, do you expect a higher EBITDA over FY '25?

- Samin Gupta:** We want to continue the same trend of increment.
- Raaj:** All right. Thank you.
- Moderator:** Thank you. Next question is from the line of Prince Choudhary from Pinc Wealth. Please go ahead.
- Prince Choudhary:** I have a couple of questions. First one is, the percentage sharing with your vehicle owners, I didn't get that part. How much percentage you keep and how much you give to the vehicle owners?
- Samin Gupta:** In terms of profits or numbers or what are you asking, sir?
- Prince Choudhary:** In terms of numbers, percentage, whatever. You said you have an agreement with the vehicle owners. So how does it work? Can you please tell us?
- Samin Gupta:** I explained earlier also, the agreement is what we have. For example, if he has 10 vehicles, then those 10 vehicles will be running in our system. So if we have any load available for those 10 vehicles, we will be utilizing those 10 vehicles for to and fro movements. So that is the kind of agreement that we have with the vehicle owners.
- Prince Choudhary:** Okay. But suppose you have a contract of one lakh, how much you share with them and how much you keep with yourself?
- Samin Gupta:** They get the market rate. So they get whatever the market rate is going on. So on an average, we are able to save, if it is a contracted minimum, if it is a contract, around 10%-12%.
- Prince Choudhary:** Okay. And another question, you told that you are entering into fleet rental service. Can you please give the status on it?
- Samin Gupta:** Fleet rentals, we have already bought two hydraulic, two pullers and 18 axles. We've already bought it. And they're on the road at the moment. We are looking for opportunities where we can give them on long-term contract or long-term fleet rental. So once that is there.
- Prince Choudhary:** Okay. How much revenue do we expect from this?
- Samin Gupta:** The revenue expectations for a month can be close to INR20 lakhs approximately.
- Prince Choudhary:** Annum or monthly?
- Samin Gupta:** Monthly.
- Prince Choudhary:** Okay. And the number of vehicles which we are going to own in this FY '25 means basically how much vehicles we are going to add?
- Samin Gupta:** We are not going to add any vehicles, any more vehicles. We are into an asset right model. We just wanted to own these type of vehicles in terms of whenever we need them and whenever we

are in the need of our own vehicles. So we want to continue the asset right model. We do not want to purchase any more vehicles.

**Prince Choudhary:** All right. That's it from my side. Thank you.

**Moderator:** Thank you. Next question is from the line of Sanika from Sapphire Capital. Please go ahead.

**Sanika:** So if I'm wrong, you said that you're looking to get a revenue growth of 31% and FY '25, '26?

**Samin Gupta:** Yes. Each year.

**Sanika:** Okay. So can we say that this kind of growth will be reflected in our H1 results as well?

**Samin Gupta:** See, very good question. So first half of the year is H1 is slightly slow for our industry because of heavy rains. And so we expect in the second half, you can see the considerable growth.

**Sanika:** So what kind of split do we have between H1 and H2? Is it a 40-60 or a 55-45?

**Samin Gupta:** Around 36%, I mean, no, 35-65.

**Sanika:** 35-65. So 35 is in H1.

**Samin Gupta:** Yes.

**Sanika:** Okay. And in terms of margins, can you say that we're looking at around 10%, 11% kind of margins in FY '25?

**Samin Gupta:** The target is slightly higher but yes, minimum this much.

**Sanika:** So 10%-11% is the minimum, but you're targeting a much higher rate?

**Samin Gupta:** Yes.

**Sanika:** Okay. And then FY '26, can we say we can go to about 13%, 14% or that is too optimistic?

**Samin Gupta:** That is too optimistic to comment right now. So once we get into that financial year, we will be able to get to know that one of what the market situation is like and what we are, where we are standing.

**Sanika:** Okay. And just one last question. So what are the major risks that we see which may hamper our growth trajectory?

**Samin Gupta:** Our business is directly linked to the Indian economy. So if there's a major risk to the Indian economy, it is a risk to us. Apart from that, there is no external risk that we go under. So there's no risk of damage or insurance. I mean, there's no other risk as such, zero risk.

**Sanika:** Okay. Thank you.

- Moderator:** Thank you. We have our next question from the line of Manav Kothari from Kothari Investments. Please go ahead.
- Manav Kothari:** Congratulations for a brilliant set. I would like to ask, as you mentioned, there's INR100 crores in-hand order book right now. We don't call it an order book, but INR100 crores in-hand order. So can we expect a top-line around INR300 crores for the FY '25, INR300, INR350 crores?
- Samin Gupta:** On a conservative side, INR300 crores, yes.
- Manav Kothari:** Yes, on a conservative side. And second question I would like to ask, how do you see the exports opportunity for the next few years?
- Samin Gupta:** Can you please come again?
- Manav Kothari:** Exports.
- Samin Gupta:** Exports. We do not have anything immediately in pipeline regarding that, but definitely we will keep the cards open for that, maybe in the next financial year.
- Manav Kothari:** Yes, right. Because the global container logistics price has been surged a lot. So maybe that may be an opportunity for us to bang on.
- Samin Gupta:** Our hands are full currently and we are making good amount of margins and volumes with the business we are doing. So we are not thinking of adding a new vertical or doing export or anything else. So maybe in the next financial year, we can look into it as well.
- Manav Kothari:** Right. And how do you see as an optimistic conservative number for a view of five years? What do you see the company as?
- Samin Gupta:** A view for five years, if you ask me?
- Manav Kothari:** Like around three to five years, what do you see?
- Samin Gupta:** Let's skip this question, please. I'm not sure if I'm allowed to say it or not on the call.
- Manav Kothari:** Okay. Thank you for the response.
- Samin Gupta:** Yes, thank you.
- Moderator:** Thank you. Next question is from the line of Nitin Kapoor, an individual investor. Please go ahead.
- Nitin Kapoor:** Hi, sir. Congratulations on a great set of numbers, especially the bottom line part. So I have a few questions regarding the numbers. You've already mentioned that on a conservative side, you're looking at INR300 crores revenue for FY'25. So what could be the number on the higher side? Let's say if we beat that, what could be the most optimistic number?

- Samin Gupta:** Hello. Hi, Nitin. Thank you. Thank you for the congratulations. We can look at, say, 330 -- INR325 crores, INR330 crores on a higher side.
- Nitin Kapoor:** Okay. Thank you very much. And EBITDA margins you mentioned that it could be more than 11%. So if you do 11%, how much could be the PAT percentage? Because last year it was 5.5% I think. So could it go to 7% or 6.5%? What could be the number?
- Samin Gupta:** See, I would not like to comment on that. It would stay around, between 5% to 7%.
- Nitin Kapoor:** Okay. Yes, sure. So pretty much similar to what we've done in FY'24.
- Samin Gupta:** Yes. Or maybe our goal will obviously be to increase that, but it's very hard for me to comment.
- Nitin Kapoor:** Okay. So basically, we are paying INR15 crores debt. So I think that should slightly improve the bottom line. Am I right in thinking so?
- Samin Gupta:** Absolutely. That creates a huge breather for the bottom line. And I'm being very conservative in whatever numbers I'm giving. We would like to surprise the investors as we did last time.
- Nitin Kapoor:** Okay. Sure. And just one other question. So you said the debt to equity ratio is currently at 0.9. So how much that would come down in FY'25?
- Samin Gupta:** I'm not too sure with the exact projections. So maybe you can...
- Nitin Kapoor:** That will come down, you think?
- Samin Gupta:** Yes. It will come down, but I don't know the exact numbers talking about that.
- Nitin Kapoor:** Okay. And just last question, 11% EBITDA you said. So can it be slightly higher? I mean, 11.5%, would that be your target?
- Samin Gupta:** The target is sky high. Coming down to reality, you don't know where it will be coming to. I don't know. We are targeting good numbers by 11%, 12% is achievable, doable. It depends on the economy, what sort of orders are there, what sort of orders come in. So if you do good numbers in revenue, obviously our fixed costs remain the same. We have a good ERP system. Our fixed cost remains stagnant. So that is where we'd be able to put out a few extra percentages.
- Nitin Kapoor:** I understand. I get your point. You basically want to give conservative guidance, but as you did in H2, you want to surprise the market.
- Samin Gupta:** Yes, that's right.
- Nitin Kapoor:** Thank you so much. It was really nice talking to you. Thank you, sir.
- Samin Gupta:** Likewise.
- Moderator:** Thank you. Next question is from the line of Navratan Jain, an individual investor. Please go ahead.

**Navratan Jain:** Good afternoon, sir.

**Samin Gupta:** Good afternoon.

**Navratan Jain:** Very congratulations on a stellar number.

**Samin Gupta:** Thank you.

**Navratan Jain:** Yes, I just wanted to know, you had told INR300 crores is on the conservative side, which we can do on the revenue front, and say 10% to 11% of EBITDA margin. And when there is a repayment of debt of, say, around INR15 crores, then there would be -- how much do you think finance cost would come down to, which is currently at INR3.4 crores? So will it go down to half?

**Samin Gupta:** If you ask me practically, yes, slightly less than half, but the exact number I'm not having, yes.

**Navratan Jain:** And if it goes down to, say, half, then your PAT margin would improve, say, from 0.5% to around 6.5%, if there is no improvement in technology as well, or if there is no improvement in operations as well, right?

**Samin Gupta:** Absolutely.

**Navratan Jain:** And so we can expect improvement in operations and everything. And then it can be around 7.5%. Can we expect that?

**Samin Gupta:** Like I said, I won't be able to comment on that. So if it is there, you'll get a surprise. If it is not there, Yes.

**Navratan Jain:** Also, I wanted to know how many fleets do you own? And how many of them are on finance?

**Samin Gupta:** So we do not own any vehicle on finance. Currently, we have just bought the two pullers. That is two Eicher 8055 models. It is called a puller vehicle, and 18 axles. And in the previous year, we did not have any asset. This year, we do have some assets. And that is it, sir.

**Navratan Jain:** Do you also have refrigeration trucks or something like that? Do you serve those?

**Samin Gupta:** Refrigerated, you ask, sir?

**Navratan Jain:** Yes, refrigerated trucks or something like that.

**Samin Gupta:** No, we do not have any refrigerated trucks. But we have eight trailers as well. I missed to mention, so these are eight specialized trailers. These are low-bed vehicles. So apart from what we've added after the IPO proceed, we had eight specialized vehicles as well in our fleet.

**Navratan Jain:** So are those flatbed trailer or coil trailer?

**Samin Gupta:** Yes, these are low-bed trailers. It is in a Z shape. So it is just one feet above from the ground. It is to accommodate higher dimensions and ODC consignments. So we do have eight of them.

- Navratan Jain:** Yes. Okay, sir. Thank you very much. Most of the questions have been asked by previous members, so I have been answered. And congratulations, sir.
- Samin Gupta:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of Prince Choudhary from Pinc Wealth. Please go ahead. Mr. Choudhary, can you please unmute your line?
- Prince Choudhary:** Yes. On page 12 on your presentation, page 12, 13, you have mentioned in your business strategies part that you are going to own vehicles in order to increase the goods transportation network. Can you please comment on that?
- Samin Gupta:** Just one second. So that is only for ODC and high hydraulic axles that we have. So we would want to do that in the next financial year where we will be purchasing more axles. So these are specialized movements for fleet rentals only.
- Prince Choudhary:** Okay. How much -- what you have planned, how much you will going to add in the next year?
- Samin Gupta:** Probably one or two, that's it. Because each month, we can get INR20 lakhs of revenue extra and it is highly profitable. So to give on rent and to get some assured incomes and revenue streams, we might add in the next financial year.
- Prince Choudhary:** Okay.
- Samin Gupta:** Yes, to get an idea about the value, it will be around INR4 crores to INR5 crores.
- Prince Choudhary:** INR4 crores to INR5 crores for?
- Samin Gupta:** For the fleet.
- Prince Choudhary:** Okay. That is the cost for the fleet.
- Samin Gupta:** Yes, that is the cost for the fleet, yes.
- Prince Choudhary:** Okay. Thank you.
- Moderator:** Thank you. Next question is from the line of Vivek Chadha, an individual investor. Please go ahead.
- Vivek Chadha:** Yes, so first of all, congratulations for posting a good set of numbers.
- Moderator:** I'm sorry, sir. Can you please use your headset? Your audio is not very clear.
- Vivek Chadha:** Okay. Is it better now?
- Moderator:** Yes.
- Vivek Chadha:** Yes, so first of all, sir, congratulations for posting up a good set of numbers.

**Samin Gupta:** Thank you.

**Vivek Chadha:** So I have two questions. Basically, first question would be on the renewables. As you mentioned, there is a push from the government side on the renewables. And I was reading your RHP and the presentations also. So we have mentioned, you know, we were delivering the heavy transformers, we were delivering boilers and all those things. So even in the power sector also, you guys have mentioned a few things. So just wanted to know what kind of opportunities are we looking at there, you know, at the power sector and at the renewable sector? Are we specifically targeting that sector? What kind of reason we have it there?

And the second question would be on application specific. So as you know, like there are certain trucks which are having, which are having feature of temperature control and there are trucks which are used for specific applications, right? So as in Premier Roadline do we have any plans to add on those sleeves or those trucks which are application specific? So basically, I'm just asking about the control tellers, temperature control tellers so which are used for specific applications, right?

**Samin Gupta:** Understood. So I'll answer your question one by one regarding the first question, which is renewable energy. Definitely, it is under our radar of serving extensive customers and market clients in that particular sector. We are doing our best to cater to all their needs. Currently also, we are doing good volume. In the future, we want to expand be it transformers and be it any equipment related to any renewable energy sector. So that answers your first question. Second question that you asked is about the temperature-controlled vehicles.

So temperature-controlled vehicles, we do not own any and we do not intend to own any temperature-controlled vehicles. Regarding specialized and specific use case vehicles, we are already owning hydraulic axles and pullers for specific use case. That is why also in the investor presentation, we have mentioned that we will increase our fleet size of these special assets in the future, if we get any opportunity to get fixed and I would say, assured monthly revenue.

**Vivek Chadha:** Okay, understood. Fair enough. If you allow me, I would like to ask one more question here.

**Samin Gupta:** Yes, please ask.

**Vivek Chadha:** So I was going through certain videos. So I get to know you guys also do the cross-border transportation, right? So we were transporting few things to Nepal and all Asian countries. So I would like to know if there are plans to expand on that and if we have order book around INR100 crores, as you mentioned. So if you can just give a brief idea about it what kind of segmentation-wise, if you can just give idea. What kind of revenue is there for the cross-country and...

**Samin Gupta:** Understood. So like talking about last year revenue, I don't have the exact number but because of their orders are not that much if you compare to the Indian the pan-India network and everything. So, talking about Nepal, we want to concentrate where is an order. So currently we are concentrating only in high volume industries and high-volume customers where they are having daily dispatches of say, multiple trucks and multiple vehicles. So if there's any opportunity for Nepal, Bangladesh we have the specified resources, we have the capability, we



have the manpower, we have all the resources to do that transportation for Nepal, Bangladesh, and Bhutan also.

**Vivek Chadha:** Understood. Fair enough, sir. Thank you. Thank you.

**Moderator:** Thank you. We'll take our next question from the line of Sai Soumya from PWC. Please go ahead.

**Sai Soumya:** Firstly, heartily congratulations on the wonderful set of numbers.

**Samin Gupta:** Thank you so much. Thank you.

**Sai Soumya:** So my first question is regarding the debtor days. So I mean the trade receivable days. So is there any possibility of a reduction in the next year FY '25?

**Samin Gupta:** Yes, we have seen a decline in the debtor days if you compare. And we are focusing and working hard to further reduce it. So we are focusing on sectors and customers where it is even lower than what it is currently. So, yes.

**Sai Soumya:** Okay. And the second question is regarding the revenue. So you said that on a conservative part, we can expect INR300 crores of revenue in FY '25. So can I ask this, how much of the revenue can we attribute to the H1 and H2?

**Samin Gupta:** 65, 35. 65 will be H2, 35 will be H1.

**Sai Soumya:** Okay. And can we expect any quarterly guidance? Because I mean, it will be difficult for retail investors like me to wait for the half a year. So can we expect a quarterly investor meetups going forward?

**Samin Gupta:** We are in talks and we are definitely planning the same.

**Sai Soumya:** Okay. Sure. Thank you. That's it from me. Thank you.

**Moderator:** Thank you. Next question is from the line of Heet Vora from Guardian Capital Partners. Please go ahead.

**Heet Vora:** Yes, hello. Good afternoon. So I had one question on debtor days. So when we compare your debtor days versus certain other logistics players this number comes much higher. So what is the reason for the difference between our days being much higher than maybe other logistics players?

**Samin Gupta:** See, we are working for project companies and we are doing project logistics. So the transit time is also high. And also the companies that we are serving for are project-based. Maybe if you compare other listed entities their debtor days can be lower because we are working for FMCG or other sectors. So what our debtor days is as per our knowledge and as per our research, we are at par with industry norms.

- Heet Vora:** And how do you plan to maybe improve? Is there a possibility where they pay you on a percentage completion basis if you want to sort of lower this down?
- Samin Gupta:** Like I mentioned, we want to work for customers who take lesser time to pay and there's lesser debtor days and lesser aging. And on the other side, we do have options of bill discounting available. So there are multiple options. We are working as a management to further reduce it. And you will see a change in future. Some improvement in the future.
- Heet Vora:** Understood. That was my question. Thank you so much.
- Moderator:** Thank you. We have a question from the line of Prince Choudhary from Pinc Wealth. Please go ahead.
- Prince Choudhary:** Hello?
- Moderator:** Yes, please go ahead.
- Prince Choudhary:** Yes, can you provide an update on the current state of your fleet management? I mean, how you're optimizing your fleet utilization?
- Samin Gupta:** See, we own next to zero fleet if you compare to our operations. We are moving close to 19,500 vehicles in a year. And we only own -- We have started owning vehicles right now after IPO. So we are not managing our own fleet as such. But talking about the market fleet that we are utilizing, we have a complete ERB system. It is having each and every metric and each and every detail of the vehicle that is on the road. So at any given point there are close to 500 to 600 vehicles on the road with Premier Roadlines Limited goods.
- Prince Choudhary:** Okay. And steps you take to improve your route planning also to reduce the transit time?
- Samin Gupta:** That is all decided by maybe the GPS and the traffic manager. So we do have managers who are dedicated and deployed for a certain sector or a certain geographical area. So they keep and check all these metrics.
- Prince Choudhary:** Okay. And also the fluctuating fuel prices, how do you do that? Do you hedge any -- Hedging sort of tools you use?
- Samin Gupta:** First of all, if there's a contract that we are into, if there's an increase in fuel price the customer pays the additional fuel price. So we do have a clause in the contract that we have with the customer. But because we've seen in the past a few months and years that it's been stagnant and it's not been moving up and down. So it's not something that we have to worry about. And going forward also, we are discounting that and keeping that in mind.
- Prince Choudhary:** Okay. So customer pays for all the fuel prices?
- Samin Gupta:** No. If it is increased. For example, if I have fixed a price of INR100 and if the diesel price increases by INR1 and then the difference cost has to be paid by the customer in the contract. There's already terms and conditions as to what percentage of increase the customer has to pay.

- Prince Choudhary:** Okay. So any increase in prices then customer will pay. Okay.
- Samin Gupta:** Yes.
- Prince Choudhary:** Okay. And can you please tell about the revenue recognition for the contract segment?
- Samin Gupta:** I've already mentioned in the earlier half of the call that we do not have a metric at the moment to recognize it very correctly to the last decimal. We are about to develop something that will be able to give us exact numbers because some of the times it is overlapping. So, once we have that number and exact metrics in place, we will definitely post it on the exchange.
- Prince Choudhary:** No, not for the breakup. Suppose you have a contract for 2 years. So, what method do you use to recognize that? Whether it is completion method or, I mean?
- Samin Gupta:** So it is not a contract that you have to complete this contract and then only you will get the payment or something like that. It is an ongoing contract. For example, if a consignment has to leave from a factory in Delhi and it has to go to Bombay. So, one material can go today, the other material can go the next month.
- So whenever the material will be ready to dispatch, we will be able to place the vehicle and we will be the only provider engaged in that transportation. So, there's a fixed lane kind of a contract. It is not a contract to complete something or to do something like that. You understand what I'm trying to say?
- Prince Choudhary:** Yes. And the last question, how do you differentiate your services from your competitors?
- Samin Gupta:** First of all, we are quite professional. Second, we have the experience. We have the reliability. My father has been in this trade for decades. He has a name. He has the required manpower. We have the most professional team is what we consider, and like if you compare with the competitors, these few factors is what we differentiate at.
- Prince Choudhary:** Thank you, that's it from our side.
- Moderator:** Thank you. We'll take our next question from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.
- Prateek Chaudhary:** Would we be entering or overhead?
- Moderator:** Mr. Choudhary, your audio is not very clear. Can you use your handset mode, please?
- Prateek Chaudhary:** Yes, is it clear now?
- Moderator:** You can go ahead, yes.
- Prateek Chaudhary:** I wanted to check that, for our revenue, sort of, say we are under to continue, we will probably also need to have certain long-term arrangements with our customers that they keep giving us business, so do what, anything that is happening along.

- Moderator:** We've lost the connection of Mr. Choudhary. We'll move on to the next question from the line of Vivek Chadha, an individual investor. Please go ahead.
- Vivek Chadha:** So, as you mentioned, we have order book of INR100 crores, right? So, down the line, how do you see that growing it? So can we expect, by end of this FY'24? So we can have the order book of around INR300 crores or INR200 crores?
- Samin Gupta:** Like I mentioned in the past also and early in the call, these order books are not some completion sort of orders that you see typically in an infrastructure company, or some other sort of company. It is a contract that we have with the customer that we engage with that if there is any requirement of transportation from point A to point B, our services will be engaged. We do have currently approximately INR100 crores of order book in that sense. And we do not see any chance of increase in that particular number for this year.
- Vivek Chadha:** So no, my clear question was actually, this will be keep growing, right? So, as you move on...
- Samin Gupta:** Yes, obviously, because we are not dependent on the contract. You understand, we are not dependent solely on the contract. We have, this is just a contracted logistic service that we are giving. So, we have INR100 crores in hand till now. And going forward is the same what we're expecting. Next year, obviously, once we enter the next financial year, it will definitely see a growth.
- Vivek Chadha:** Okay, understood. Thank you.
- Moderator:** Thank you. Next question is from the line of Raaj from Arjav Partners. Please go ahead.
- Raaj:** I have two more questions to answer. The first one is, around two months back, I came across the news where NHAI increased the toll rate. I guess. So will that have any impact on our margins?
- Samin Gupta:** No, it does not have any impact on our margins. Because if the costing increase, our rate will also increase to the customer. So, if our costing is increased by the toll prices, the rising toll prices, the customer has to pay for it.
- Raaj:** And other thing I wanted to understand is, I heard you're getting into the business of fleet rentals. So, how many trucks have you bought?
- Samin Gupta:** So we have bought two pullers and 18 axles. So, these are specialized vehicles that we bought after the IPO proceeds. And we want to give them on equipment rental where they will be using for fixed needs. So, this is the current situation.
- Raaj:** So, two pullers and 18 axles you have bought. And how much is the cost for those?
- Samin Gupta:** Across approximately INR4 crores to INR5 crores.
- Raaj:** INR4 crores to INR5 crores in total?

- Samin Gupta:** Yes, in total for these vehicles.
- Raaj:** And how much would be the payback period for this?
- Samin Gupta:** I cannot hear you. Payback period?
- Raaj:** Yes.
- Samin Gupta:** Payback, the return capital, like when I can get the capital back, is what you're asking?
- Raaj:** Yes.
- Samin Gupta:** Around 2 years.
- Raaj:** 2 years, okay. And do we have any plans to increase the number of vehicles?
- Samin Gupta:** No, we do not have any plans to buy any more vehicles like normal vehicles. But definitely, if we have any opportunity of an equipment rental, we will buy only for that specific use because we want to stay in a very asset-light model. We do not want to be in an asset-heavy model where we want to purchase 100 trucks, 200 trucks. We don't want to do that.
- Raaj:** And for this INR4 crores to INR5 crores investment you've done, do we have orders in place for these vehicles?
- Samin Gupta:** Yes, we do have orders in place for that vehicle. They're already engaged. They're already on the road.
- Raaj:** All right, okay, sir. Thank you. All the best.
- Moderator:** Thank you. We have our next question from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.
- Prateek Chaudhary:** Sir, my line had got disconnected earlier. So I wanted to ask, whether we are having a long-term contract with our customers to be able to attain the revenue, CAGR that we are targeting, or what are the things that are happening in that direction?
- Samin Gupta:** See, long-term, if we want to achieve growth in terms of our top line and bottom line, we do have good relations, good service background, good service history with our customers. That definitely helps in, increasing our market share with those particular customers that we want to serve, those market clients. And the longest contract that we possibly, that we probably can have is of 2 years, because of the nature of our service. These companies do not engage in more, longer contracts.
- Prateek Chaudhary:** And could FY'25, we are seeing almost roughly 50% growth or thereabouts. So, FY'26 be upwards of 25%, 30% growth over FY'25?
- Samin Gupta:** Yes, that's the plan.

**Prateek Chaudhary:** So 25%, 30% FY'26 is reasonably achievable?

**Samin Gupta:** Achievable.

**Prateek Chaudhary:** Okay, thank you, sir.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Virender Gupta for closing comments. Over to you, sir.

**Virender Gupta:** Thank you all for sparing your available time for us. We are working rigorously and very hard. and we intend to achieve our target turnovers, as we have stated. And we can only thank you all for the meeting. Thank you.

**Moderator:** Thank you, sir. On behalf of Premier Roadlines Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.