

IPO Note

Zinka Logistics Solutions Limited

Recommendation: **AVOID!**

Company Background –

- **Incorporation:** Zinka Logistics Solutions Limited was originally incorporated on April 20, 2015. The registered office is located at Bengaluru, Karnataka.
- **Business Activity:** The company provides a platform to truck operators where they can digitally manage payments for tolling and fueling, monitor drivers and fleets using telematics, find loads on their marketplace and get access to financing for the purchase of used vehicles.
- **Revenue Stream:** The major revenue stream for the company is from commission income from payment solutions and subscription fees.
- **Human Resource:** The company had 1,849 full-time employees and 3,688 contract workers as of June 30, 2024.

Objects of the Issue –

- Funding towards sales and marketing costs
- Investment in Blackbuck Finserve Private Limited for financing the augmentation of its capital base to meet its future capital requirements
- Funding of expenditure in relation to product development
- General corporate purposes

Promoters Name –

Rajesh Kumar Naidu Yabaji, Chanakya Hridaya and Ramasubramanian Balasubramaniam

Rationale for recommendation –

- ✓ The PE ratio is 177.46 times post issue makes it aggressively priced.
- ✓ Though the top line has increased over the years, bottom line and profitability margins have remained negative.
- ✓ The company had negative cash flow from operations for FY2022 and 2023.
- ✓ The RoCE and RoE has remained negative over the years.
- ✓ The promoter holdings have reduced to 27.89%.
- ✓ The company is highly dependent on few suppliers for their vehicle financing solutions.

IPO Details

Opening Date	Nov 13, 2024
Closing Date	Nov 18, 2024
Allotment Date	Nov 19, 2024
Listing Date	Nov 21, 2024
Stock Exchange	BSE, NSE
Lot Size	54 Shares
Issue Price Per Share	₹259 to ₹273
Issue Size	1,114.72 Cr.
Fresh Issue	550.00 Cr.
Offer for Sale	564.72 Cr.
Application Amt	₹ 14,742 – ₹ 1,91,646 (54 to 702 shares)

INDUSTRY – Logistics – Truck

Avg. PE ratio as per RHP – 305.96

	KPIs (In Crores)			
KPI's	FY 22	FY 23	FY 24	Jun-24
Revenue	119.33	175.68	296.92	92.17
EBITDA	-221.89	-232.54	-158.37	8.36
Net Profit	-230.35	-236.89	-166.99	32.38
RoCE	-39.55%	-69.15%	-55.44%	-1.89%
ROE	-39.37%	-67.17%	-53.64%	9.39%
P/E	-	-	-	157.20*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post Issue
34.32%	27.89%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	-10.52	1.54
BVPS	30,322.72	31.20
P/E	-	177.46
P/BV	0.01	8.75
Mkt Cap (In Cr)	4,267.81	4,817.81

*Annualized

Lead Managers –

1. Axis Capital Limited
2. Morgan Stanley India Company private Limited
3. JM Financial Limited
4. IIFL Capital Services Limited

Registrar –

KFin Technologies Limited

Business Overview –

Zinka Logistics Solutions Limited provides a platform to truck operators where they can digitally manage payments for tolling and fueling, monitor drivers and fleets using telematics, find loads on their marketplace and get access to financing for the purchase of used vehicles. Truck operators use the **BlackBuck** mobile application for their diverse business needs. They have 9,63,345 truck operators transacting in their platform. As of June 30, 2024, they have sold and serviced products across 628 districts constituting including in all of the major transportation hubs and across 76% of the toll plaza network in India and have a digitally enabled a network of 9,374 touchpoints to conduct on boarding and servicing activities.

Subsidiaries: They have 3 direct subsidiaries –

1. **Blackbuck Finserve Private Limited (100% shareholding)** - BFPL is engaged in the business of financing various kinds of assets including plant, machinery, vehicles, buses and lorries.
2. **TZF Logistics Solutions Private Limited (100% shareholding)** - TZF is engaged in the business of providing technology based logistics products and services including transport for providing customers with a platform for hiring of all types of trucks, containers, cold storage vehicles, cars, fleet taxis etc.
3. **ZZ Logistics Solutions Private Limited (100% shareholding)** - ZZ Logistics is engaged in the business of providing technology-based logistics products/ services including transport for providing customers with a platform for hiring of all types of trucks, containers, cold storage vehicles, cars, fleet taxis etc.

Key Offerings:

1. Payments:

- a) **Tolling:** The company provides tolling solutions (FASTags) in partnership with FASTag Partner Banks. They generate revenue through commission margins from FASTag Bank Partners on the toll transaction and activation fee from truck operators.
- b) **Fuelling:** The company provides fuelling payments solution through a cashless fuel payments platform, in partnership with multiple oil marketing companies (OMCs) and generate revenue from commission margin from OMCs in fuelling transaction.
- c) They also earn revenue through subscription fees to access specific services on the platform such as distribution and recharge of fuel cards, dedicated customer support, alerts and transaction history.

2. **Telematics:** They offer telematics solutions for truck operators that provide real-time visibility into fleet movements, route optimization and enhanced fuel management, with the aim of increasing cost savings and improving efficiency. They also provide vehicle tracking and fuel monitoring solutions on their platform. They generate revenue from monthly or annual subscription fees.

3. **Loads Marketplace:** The loads marketplace efficiently matches truck operators with shippers across commodities, load weights, truck types and distance ranges. The registered shippers post loads on the BlackBuck Transporter App to find a truck. The BlackBuck App thereafter provides recommendation-based loads to truck operators, matching available trucks to shippers. In Jan 2024, they also started a freight brokerage business where they leverage the listing marketplace to discover trucks which meet the shipper's requirements, negotiate the price and payment terms, and handle fulfillment responsibilities with the truck operator, on behalf of shippers. They generate revenue through subscription fees which are charged to shippers (posting loads) as well as truck operators (preferred matching services).

4. **Vehicle Financing:** The company enables truck operators to buy used commercial vehicles or to avail financing on an existing vehicle by providing financing solutions and facilitate disbursement of credit in partnership with their Financial Partners. They generate revenue through loan service fees and certain other fees charged to the borrowers in the process of loan disbursal and collections.

Revenue Bifurcation:

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024	
	Amt	%	Amt	%	Amt	%
Commission Income	75.10	62.94	88.06	50.13	127.25	42.86
Subscription fees	39.11	32.77	74.28	42.28	117.89	39.70
Services Fees	4.45	3.73	13.279	7.56	50.95	17.16
Others – (Interest income from loans and other ancillary activities)	0.67	0.56	0.06	0.04	0.84	0.28
Total	119.33	100	175.68	100	296.92	100

Competition -

1. **Market Competition:** The company is into different business verticals and these industries are highly competitive and the key factors of competition are price and quality of service and technology used.
2. **Geographic Competition:** The company faces competition from organized as well as unorganized players in both domestic as well as international market.
3. **Barriers to entry:** Moderate barriers to entry.
4. **Threat of Substitutes:** High threat of substitutes.
5. **Bargaining Power of Buyers:** The bargaining power is high with the customers.

Business Strategies -

1. The company intends to continue to focus on growing customer base by attracting new transacting truck operators to their platform. They will do this by investing in deepening distribution base and increasing the density of distribution in key strategic pockets across India.
2. The company intends to continue investing in sales and marketing activities, building technology infrastructure to handle the growing scale and continue to strengthen customer experience in payment and telematics.
3. The company intends to focus on growing the loads marketplace in the upcoming years through investments in product and technology. Further, based on the performance of the freight brokerage offering, they propose to expand use of this offering to other cities across the country.
4. The company intends to focus on growing their vehicle financing business segment by investing in BlackBuck FinServe Private Limited.
5. The company intends to continue investing towards product development initiatives to launch new offerings. They aim to continue to leverage domain expertise, data-led insights, and technology capabilities to continuously iterate and expand their suite of products and services, ensuring that they remain at the forefront of addressing the evolving needs of the trucking ecosystem.

Risk Factors -

Some investors transferred 2,66,644 equity shares to Rajesh Kumar Naidu Yabaji, one of the promoters, in October 2024 as a gift, at Re 1 per equity share. There were no conditions attached to these transfers, raising potential concerns about proper valuation and transparency.

The company had incurred loss for FY2022, 2023 and 2024.

The subsidiary company (TZF Logistics Solutions Private Limited) had incurred loss in FY2024.

The company is highly dependent on two business segments (payment and telematics) which contributed to 98.65%, 97.22%, 94.53% and 92.79% for FY2022, 2023, 2024 and Jun-24 respectively.

The company is dependent on top 3 suppliers to procure a significant portion of vehicle tracking solutions which contributed to 83.12%, 90.68%, 81.81% and 91.25% for FY2022, 2023, 2024 and Jun-24 respectively.

The company has 13 outstanding cases against it for criminal, tax and civil matters amounting to Rs. 0.81 Cr and they have filed 72 cases regarding tax matters amounting to Rs. 1.44 Cr.

The promoters have 1 case against them regarding tax matter amounting to Rs. 0.57.

The company had negative cash flow from operations for FY2022 and 2023.

INDUSTRY OVERVIEW**Logistics and Trucking Industry in India-****1. Industry Size & Growth**

The Indian logistics sector, valued at \$250 billion in 2024, is projected to grow at a 14% CAGR, reaching \$380 billion by 2028. Trucking is a core part of logistics, representing a \$18-25 billion revenue pool in 2024, forecasted to expand to \$35 billion by 2028.

2. Fragmentation & Scale of Trucking

The trucking industry is highly fragmented, with 75% of operators owning fewer than 5 trucks. Comparatively, in China and the U.S., over 80% of operators also own small fleets. This high fragmentation impacts efficiency, with many truck operators relying on manual processes and informal financing, contributing to high operational costs and idle time.

3. Demand Drivers & Geographic Reach

Rural areas, where 65-70% of India's population resides, are a critical market, especially for agricultural logistics. Trucking connects agricultural producers to urban markets and plays a role in industrial supply chains, which are often remote from urban centres. 80% of trucks are registered across a vast geographic area in India, indicating the extensive reach of logistics networks across both urban and rural landscapes.

4. Payment Solutions & Digital Finance

Tolling and fueling make up nearly 80% of a truck operator's expenses, with FASTag helping reduce cash handling issues. The digital payments market within logistics is expected to grow from \$470-490 million in 2024 to \$850-910 million by 2028, driven by higher digital adoption.

5. Technology & Telematics

Telematics and fleet management solutions are increasingly used for vehicle tracking, fuel management, and route optimization. Companies like Samsara (with 2023 revenues around \$0.9 billion) illustrate the potential for tech-based logistics services globally, underscoring the scope of opportunities in India.

6. Maintenance & Consumables

The lack of organized repair services means operators face higher costs for parts and maintenance, often sourcing them from unaffiliated providers. Consumables like lubricants and tires are either costly or substandard, impacting operational efficiency and safety.

7. Insurance & Working Capital

55-60% of commercial vehicle financing is unorganized, leading to high interest rates and delayed funding. Insurance access remains low due to fragmentation, and truck operators rely heavily on personal networks or informal lenders.

8. Government Initiatives & Digital Reforms

- FASTag penetration reached 98% by March 2024, simplifying toll payments and reducing delays, with 3.5-4 billion transactions recorded.
- The AIS 140 mandate requires GPS in trucks for fitness certification and mining permissions, boosting safety and telematics adoption.
- E-way bills streamline goods transportation over ₹50,000, eliminating state-based transit passes and enhancing efficiency.
- National Logistics Policy (NLP) targets a reduction in logistics costs from 11-13% of GDP to globally competitive levels, integrating digital infrastructure and policy reforms for a more efficient ecosystem.

(Source: RHP)

Key Management -



Key Management Persons Name -	Rajesh Kumar Naidu Yabaji
Age	36
Designation and No. of experience	Promoter, Chairman, Managing Director and CEO, 14+ years of experience
Qualification	Bachelor's degree in metallurgical and materials engineering and Master's degree in business administration
Other Directorships	BlackBuck Finserve Private Limited and TZF Logistics Solutions Private Limited
Key Management Persons Name -	Chanakya Hridaya
Age	35
Designation and No. of experience	Promoter, Executive Director and COO, 11+ years of experience
Qualification	Bachelor's degree in technology in mechanical engineering and a Master's degree in manufacturing science and engineering
Other Directorship	BlackBuck Finserve Private Limited, TZF Logistics Solutions Private Limited and ZZ Logistics Solutions Private Limited
Key Management Persons Name -	Ramasubramanian Balasubramaniam
Age	50
Designation and No. of experience	Promoter, Executive Director and Head – New Initiatives, 27+ years of experience
Qualification	Post graduate diploma in business management
Other Directorships	Miebach Consulting India Private Limited and ZZ Logistics Solutions Private Limited
Key Management Persons Name -	Anand Daniel
Age	49
Designation and No. of experience	Non-Executive Nominee Director, Several years of experience in medical and healthcare services industry
Qualification	Bachelor's degree in engineering (computer science), Master's degree in engineering and Master's degree in business administration
Other Directorships	Finnew Solutions Private Limited, Forus Health Private Limited, Rupeek Fintech Private Limited etc.
Key Management Persons Name -	Kaushik Dutta
Age	62
Designation and No. of experience	Non-Executive Independent Director, 27+ years of experience
Qualification	Member of ICAI
Other Directorships	Ather Energy Private Limited, Hero FinCorp Limited, Paisabazaar Marketing and Consulting Private Limited etc.
Key Management Persons Name -	Niraj Singh
Age	42
Designation	Non-Executive Independent Director
Qualification	Bachelor's degree in electrical engineering
Other Directorships	Spinny Autorev Private Limited, Valuedrive Technologies Private Limited and Yellowdrive Technologies Private Limited
Key Management Persons Name -	Hardika Shah
Age	53
Designation	Non-Executive Independent Director
Qualification	Master's degree in business administration
Other Directorships	Kinara Capital Private Limited
Key Management Persons Name -	Rajamani Muthuchamy
Age	66
Designation and No. of experience	Non-Executive Independent Director, 40+ years of experience
Qualification	Bachelor's of science degree in agriculture and Master's degree in agricultural extension
Other Directorships	Blackbuck Finserv Private Limited, Jana Capital Limited, Jana Holdings Limited etc.

- The overall management of the company is satisfactory.
- The management and promoters have good experience.
- There is an evidence of dual chairmanship, which is not favourable.
- Satyakam GN (CFO) is a qualified CA and has 10 years of experience.
- The senior management has is good with an average experience of 15 years.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	119.33	175.68	296.92	92.17
Other Income	24.15	19.41	19.59	6.16
Other gains (net)	12.65	-	-	0.01
Total Income	156.13	195.09	316.51	98.33
Expenses				
Employee benefits expense	216.08	219.55	286.93	39.19
Finance Cost	17.13	3.20	2.80	0.76
Depreciation and Amortization expense	15.25	20.41	25.34	6.95
Other Expenses	137.78	186.68	165.76	44.62
Other Losses (net)	-	1.98	2.61	-
Total Expenses	386.24	431.82	483.42	91.52
EBITDA	-221.89	-232.54	-158.37	8.36
EBITDA Margin	-185.95%	-132.36%	-53.34%	9.07%
Profit/(Loss) before exceptional items and tax	-230.11	-236.73	-166.91	6.809
Exceptional Items	-	-	-	25.62
Profit/(Loss) before tax	-230.11	-236.73	-166.91	32.43
Tax Expense				
Current tax	0.24	0.17	0.08	0.05
Deferred Tax (net)	-	-	-	-
Total Tax Expense	0.24	0.17	0.08	0.05
Profit/(Loss) for the year	-230.35	-236.89	-166.99	32.38
Net Profit Margin	-147.54%	-121.43%	-52.76%	32.93%

Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	0.01	0.01	0.01	5.66
Other Equity	0.26	0.26	0.26	0.26
Reserves and Surplus	584.81	352.40	311.03	339.07
Total Equity	585.08	352.66	311.29	344.98
2. Non-current liabilities				
Financial Liabilities				
(i) Borrowings	12.00	-	2.85	2.35
(ii) Lease Liabilities	-	9.91	7.73	7.18
Provisions	2.577	3.2	3.49	3.75
Contract Liabilities	-	-	2.79	3.12
Total Non-current liabilities	14.58	13.11	16.85	16.39
3. Current liabilities				
Financial Liabilities				
(i) Borrowings	187.00	165.84	170.89	158.67
(ii) Lease Liabilities	2.42	1.80	2.70	2.48
(iii) Trade Payables				
(a) Outstanding Dues to MSME	0.64	1.14	0.45	0.14
(b) Outstanding Dues to other than MSME	26.46	14.96	14.35	11.74
(iv) Other Financial Liabilities	47.84	53.62	63.58	14.53
Contract Liabilities	25.14	41.40	55.46	59.30
Provisions	6.79	6.52	6.93	7.16
Current Tax Liabilities (net)	0.17	0.12	0.05	0.11
Other current liabilities	3.59	3.08	8.55	10.47
Total Current liabilities	300.03	288.48	322.96	264.58
Liabilities directly associated with assets classified as held for sale	-	-	3.17	3.46
Total Liabilities	314.61	301.59	342.98	284.43

Particulars	FY 22	FY 23	FY 24	Jun-24
Total Equity and Liabilities	899.68	654.25	654.28	629.41
ASSETS				
1. Non-current assets				
Property, Plant and Equipment	19.15	19.17	29.18	27.57
Right-to-use assets	2.07	11.50	10.05	9.12
Intangible Assets	0.10	0.06	0.03	0.02
Financial Assets				
(i) Investments	121.85	15.78	-	-
(iii) Loans	-	-	9.57	9.71
(i) Other financial assets	25.10	2.33	26.76	26.81
Current Tax Assets	28.83	26.92	21.67	11.01
Other non-current assets	-	7.93	0.77	4.49
Total Non-Current assets	197.10	83.69	98.03	88.72
2. Current assets				
Financial Assets				
(i) Investments	114.62	195.14	60.23	54.55
(i) Trade receivables	214.54	126.56	20.84	20.43
(ii) Cash and cash equivalents	93.73	96.49	154.74	133.18
(iii) Bank balances other than (ii)	97.32	75.29	181.34	196.83
(iv) Loans	-	-	3.58	5.10
(iii) Other financial assets	144.53	42.30	36.49	43.07
Other Current Assets	37.85	34.78	29.20	30.60
Total Current assets	702.58	570.55	486.42	483.75
Assets classified as held for sale	-	-	69.87	56.96
Total Assets	899.68	654.24	654.32	629.43

Cash Flow Statement				Amt in Crores
Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	-78.16	-119.18	44.55	33.77
Net Cash Flow from Investing Activities	-218.60	168.61	19.19	-18.04
Net Cash Flow from Financing Activities	282.09	-36.92	-13.82	-28.01

Key Ratios

<u>Per Share Data</u>	FY 22	FY 23	FY 24	<u>Valuation Ratios (x)</u>	FY 22	FY 23	FY 24
Diluted EPS	-16.51	-15.86	-10.52	EV/EBITDA	-	-	-
BV per share	56,991.62	34,352.62	30,322.72	Market Cap / Sales	40.38	27.42	16.23
<u>Operating Ratios</u>				P/E	-	-	-
EBITDA Margins	-185.95%	-132.36%	-53.34%	Price to Book Value	0.005	0.008	0.009
PAT Margins	-147.54%	-121.43%	-52.76%	<u>Solvency Ratios</u>			
Inventory days	-	-	-	Debt / Equity	0.34	0.47	0.56
Debtor days	656.25	262.94	25.62	Current Ratio	2.34	1.98	1.51
Creditor days	-	-	-	Quick Ratio	2.34	1.98	1.51
<u>Return Ratios</u>				Asset Turnover	0.13	0.27	0.45
RoCE	-39.55%	-69.15%	-55.44%	Interest Coverage Ratio	-13.85	-92.26	-55.94
RoE	-39.37%	-67.17%	-53.64%				

FINANCIAL ANALYSIS –

1. The top line has increased over the years. For FY2023 it increased by 47% and for FY2024 it increased by 69% which was due to increase in average monthly transacting truck operators which led to an increase in commission income, subscription fees and service fees.
2. The company had incurred loss in FY2022, 2023 and 2024 which improved over the years and the company saw profit for Jun-24.
3. The PAT and EBITDA margin have remained negative over the years and seen a sudden jump in Jun-24.
4. The RoCE and RoE have remained negative over the years.
5. The PE ratio has remained negative over the years.
6. The company had negative cash flow from operations for FY2022 and 2023.

PEER ANALYSIS

Particulars	Zinka Logistics Solutions Limited			C.E. Info Systems Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	-193.0%	-134.8%	-56.2%	36.0%	34.0%	32.1%
EBITDA Margin	-186.0%	-132.4%	-53.3%	52.8%	48.1%	46.2%
RoCE	-38.2%	-70.5%	-55.4%	25.8%	25.5%	26.5%
ROE	-39.4%	-67.2%	-53.6%	0.1%	0.1%	0.2%
EPS (INR)	-16.51	-15.86	-10.52	29.83	20.06	24.87
P/E	-	-	-	51.02	49.47	74.95

The company has two international peers as well which are FLEETCOR Technologies Inc. and Full Truck Alliance Co. Ltd. which are listed on New York Stock Exchange.

LEAD MANAGER TRACK RECORD -

The lead managers to the issue are Axis Capital Limited, Morgan Stanley India Company Private Limited, JM Financial Limited and IIFL Capital Services Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Axis Capital Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2,822.60
2.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	132.95
3.	Baazar Style Retail Limited	834.68	389.00	Sep 06, 2024	337.65

The company has handled 43 mandates in the past three years (including the current year).

Morgan Stanley India Company Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Hyundai Motor India Limited	27,870.16	1,960.00	Oct 22, 2024	1,822.30
2.	Brainbees Solutions Limited	4,193.73	465.00	Aug 13, 2024	526.40
3.	Go Digit General Insurance Limited	2,614.65	272.00	May 23, 2024	333.25

The company has handled 4 mandates in the past three years (including the current year).

JM Financial Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Western Carriers (India) Limited	492.88	172.00	Sep 24, 2024	129.35
2.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	132.95
3.	Baazar Style Retail Limited	834.68	389.00	Sep 06, 2024	337.65

The company has handled 43 mandates in the past three years (including the current year).

IIFL Capital Services Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Sagility India Limited	2,106.60	30.00	Nov 12, 2024	29.88
2.	Waaree Energies Limited	4,321.44	1,503.00	Oct 28, 2024	2,822.60
3.	Bajaj Housing Finance Limited	6,560.00	70.00	Sep 16, 2024	132.95

The company has handled 36 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 12th Nov 2024.

As per the offer document, the above-mentioned mandates Hyundai Motor India and Western Carriers (India) have opened at a discount and remaining all have opened at a premium on the listing day.

Recommendation -

Zinka Logistics Solutions Limited has been in the industry since 2015 and has good experience in the industry. The management overview of the company is satisfactory.

IPO Note – Zinka Logistics Solutions Limited

Recommendation: **AVOID**

The P/E on a post-IPO basis is 177.46 times which makes it slightly highly priced.

Though the company's top line has increased, the bottom line and profitability margins have remained negative over the years. The RoCE and RoE have remained negative over the years. The company had negative cash flow from operations for FY2022 and FY2023

The subsidiary company (TZF Logistics Solutions Private Limited) had incurred loss in FY2024.

The company is highly dependent on top 3 suppliers for their vehicle financing solutions.

The promoter holding has dropped to 27% which reduces the investors' confidence in the company.

Though the company is India's largest and leading digital platform for truck operators (in terms of number of users), the financial health of the company is very poor which raises concern over their sustainability.

Thus, investors can **AVOID** this IPO.

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