Ref: BLACKBUCK/CORP/2026-27/63
August 03, 2026

To
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 544288, Scrip Symbol: BLACKBUCK, Series – EQ
ISIN- INE0UIZ01018

Dear Sir/ Madam,

Sub: Transcript of the Earnings Conference Call for Analysts and Investors conducted on July 29, 2026.

Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby provide the transcript of the Earnings Conference Call for Analysts and Investors conducted on Wednesday, July 29, 2026 during 05:00 PM (IST) to 5:45 PM (IST).

Enclosed is the transcript of the Earnings Conference Call, which is also hosted on the website of the company. The link to access the transcript is provided below:

https://a.blbk.in/Corporate_Announcement

Kindly take the above information on record.

Thanking you

Yours Sincerely,
For BlackBuck Limited
(Formerly known as Zinka Logistics Solutions Limited)

BARUN PANDEY
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Date: 2026.08.03 15:57:31 +05'30'

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BLACKBUCK

Tarakki Ka Naya Tareeka

Hosted by

RAADHI CAPITAL

BlackBuck Limited

Q1 FY27 Earnings Conference Call

July 29, 2026

Speakers:

Mr. Rajesh Kumar Naidu Yabaji - Chairman, Managing Director and CEO

Mr. Satyakam G N - Chief Financial Officer

Moderator:

Ms. Vinita Pandya (Raadhi Capital)

Moderator:

Good evening, ladies and gentlemen. Welcome to the Q1 FY27 earnings conference call of Blackbuck Ltd., hosted by Radhi Capital. As a reminder, all attendees will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you have any questions, please feel free to press the raise hand button. We'll call on you in turn and unmute your line so you can speak.

Important note, if you need to ask a question, please ensure Microsoft Teams has permission to access your microphone when you log in. Otherwise, you will not be able to unmute.

Please note that this conference is being recorded. Kindly also note that the audio of the earnings call is a corporate material of Blackbuck Ltd. and cannot be copied, rebroadcasted or attributed in the PR media without specific and written consent of the company.

Please note that anything said on this call that reflects the outlook towards the future, which can be construed as a forward-looking statement, must be reviewed in conjunction with the risk that the company faces. A copy of the disclosure is available on the Investor Relations section of the website as well as on the stock exchanges.

To give you an in-depth understanding of the company and answer all your queries, we have from the management side today, Mr. Rajesh Kumar Naidu Yabaji, Chairman, Managing Director and CEO, Mr. Satyakam GN, Chief Financial Officer. I now hand over the conference to Mr. Rajesh for his opening remarks. Thank you and over to you, Rajesh.

Rajesh Kumar Naidu Yabaji (Chairman, MD & CEO):

Thank you. You're able to hear me?

Moderator:

Yes, loud and clear.

Rajesh Kumar Naidu Yabaji:

Good evening, ladies and gentlemen. Welcome to FY27 Q1 earnings presentation. We'll walk you through what happened this quarter and we'll discuss the flavour and the usual proceedings. So, at a summary basis, on the total income of the company, we grew by about 38% on a year-on-year basis. On the EBITDA, we grew by 23% on a year-on-year basis, reaching closer to 50 crores of EBITDA this quarter. On a PAT basis, we grew 25% on a year-on-year basis, reaching 42 crores on PAT basis.

On some of the key KPIs, which typically indicate the health of the platform, we had close to about 900,000 monthly average transacting customers on the platform this quarter, which is a 13% growth on a year-on-year basis. Users who use the platform more deeply by the metric of who use more than or greater than or equal to two services, there we grew about close to 20% on a year-on-year basis. GTV of tolling, which is one of the lead metrics of how the flow through on the platform is happening, on that we grew by about 16% on a year-on-year basis. As we highlighted in the last earnings call, that some macro headwinds were impacting the whole logistics movements. Despite a very tough April month from a movement perspective, I think there was a decent recovery through end of May and June, which has enabled the business to deliver strong results and something which has helped us get back on track and do well from a BAU perspective. So just reiterating the core crux of the strategy, as you all are aware, the whole work of Blackbuck to disrupt and organize the trucking space, surrounds around the life of a truck operator where we design offerings for him. As tolling, vehicle tracking, fuel payments, all these offerings will be in life for a good enough time and we continue to build and innovate on new offerings.

And our Blackbuck app, which is the product which our customers use, continues to scale on engagement, continues to scale on the breadth of the users, which is who are using this. We are reaching close to 900,000 transacting customers, and the usage continues to be the same, hovering around 45 minutes daily.

And on distribution, as we've always discussed, we are present in almost every relevant trucking village in the country. So, we continue to go deeper, and we continue to be with our customers in the market to help them get onboarded on our products or get them serviced on our products. On the key KPIs, basis broadly, I've already touched some of them in the introduction.

Going into, if you see the metric on number of tolling transactions, which has grown by 12% on a year-on-year basis and has actually declined sequential quarter by 3%, largely because of the headwinds. And as you've seen, the GTV of tolling on a year-on-year basis has grown by 16%, which probably at an NETC level has grown by a very small single digit percentage number and then if you compare that to CV number would probably be in a little bit of a higher single digit. Despite that, because of the value prop of the platform and the widespread distribution, we have continued to compound at 16%. And, as the country grows, as India grows, as India invests in infrastructure, we believe some of the secular trends in the way tolling has grown in the past are going to sort of come back. By doing all of this, revenue from operations, which is at a gross level, we've grown by about 42% on a year-on-year basis. And on a sequential basis, that's roughly about close to 10%.

Coming to net revenues, year on year basis, we've grown by 25%. Contribution margin continues to be at that 93% level, showing the quality of business we continue to build. And on an adjusted EBITDA basis, we have grown from 47 crores to 55 crores this quarter from a year on year perspective, 16% growth, on a year on year basis. So that is the narrative on overall business.

Just wanted to highlight that on PAT numbers which you have seen in the headline, sequentially you would see a decline largely because of the deferred tax asset which has got recognized in the previous quarter. So, if you remove that impact, largely most of the metrics move in line with adjusted EBITDA in the business, which is business as usual over the past.

Now moving into, giving a bit more colour into what's really happening. As we saw, 42% is the growth in operations, revenue from operations in the year-on-year basis. If we split that out, the core businesses grew by about 21% year on year, continued to maintain its growth path while the industry trends were negative, which is a strong metric, and tolling in that continued to deliver 16% on a year-on-year basis. What is very important to note is that we've been in the telematics business now probably for more than half a decade, and the last quarter we saw the highest sale of new devices at a quarter level, which was very encouraging. This is a record number not only on the AI side, but also on the non-AI side, and also on the other specialized tracking, specialized telematics devices which we are building. So, the telematics vertical is gaining strength to strength.

And you will see that, because the revenues of telematics devices, despite this, we onboard the customer with the annual subscription revenue one time, most of the revenues are spread out over the course of 12 months, so you would see the strength of the revenues kicking in over the course of the year, and you would not see a sudden spike in this year - that's how the whole revenue accounting is built out, and what's also more interesting is that, because in the future, the renewals of these devices will kick in, which largely come at a very, if you look at only the revenue renewal revenue, they largely come at a very high contribution margin and the flow through to EBITDA is very strong. So, net net, the narrative on the core business is that in the payments business, we continue to compound strongly and telematics, I think we're achieving ever highest numbers on sale of new devices, which will result in very strong profitability and very strong revenue growth in the quarters to come.

Coming on the growth business narrative, as you can see, at a gross level, there is a growth of close to about 2.5x on a year-on-year basis, and more importantly, acceleration of revenue growth in the recent quarter. So, there used to be questions around that, we're investing in the super loads business. We need to be seeing probably a faster growth. And I always had admitted that some of that will come as we step into the future. So last quarter, sequentially we grew about 20% in our growth businesses on a sequential basis. This quarter, that number of 20% has accelerated to 44% on a sequential basis, which is largely delivered by compounding in obviously both the businesses, both in super loads and vehicle finance. But in superloads business, both the existing cities have strongly compounded largely because that business is evolving as an AI led business. And there have been a lot of productivity gains, which we've been able to, deliver in the last quarter, which has resulted in such compounding. And the newer cities have also caught in momentum. So that's a very positive news from the superloads side.

Coming to the commentary on profitability, as we've always highlighted, I think our view on going at profitability would always be segmented that core businesses would continue to deliver profitability. So, core businesses have again delivered a record quarter from a profitability and cash flows perspective despite the macro headwinds. The operating leverage story there between 60 to 85 percent of revenue growth converting into EBITDA continues to be delivered, every quarter. And as we have always highlighted, Super Loads is a clear opportunity to invest in and we are calibrating our investments which are stepping up every quarter and we continue to increase in investments over there and that's the sort of a two-pronged story on the whole profitability and as we've maintained beginning of this year that vehicle finance would converge into profitability by the end of this financial year and that continues to happen. The conversion continues to sort of flow through. So largely on the colour on numbers, BAU with very strong signs on growth compounding and everything else consistent with the strategy outlined over the past four to six quarters, we continue to execute. And that's a good news because we are able to bet on the same strategy. As the strategy matures, more results come in. Our strategy is getting more and more stronger and we continue to go in the same direction.

P&L overview, summarizing whatever we said on the total income growth of about 38%, which is revenue from ops growth of 42%. Core 21, growth 153, net revenues year on year growth of 25%. And, as you see, the direct cost of the business growing largely in line with the growth in revenues about, of 42%, which is 27%, contribution margin growth of about, 25% on a year-on-year basis. Adjusted EBITDA, 55 crores, which is 16% growth on a year-on-year basis and similar walkthrough on EBITDA, PBT, and PAT. As I highlighted in my commentary, if you look at PAT of Q4 FY26, which is 66, the drop of PAT from there to 42 is largely the deferred tax line item, which is causing that. On an adjusted PAT basis, adjusted to the deferred tax line item, largely it is in line with EBITDA and PBT, so that's the summary, from our side, happy to answer, any questions.

Moderator:

Thank you, Rajesh. We will now open the call for questions. Kindly raise your hand to ask a question. We will unmute your line. Please announce your name and organization name before you ask a question. And as a reminder, we request all participants to restrict themselves to two questions and come back in the queue. We'll just wait for the queue to assemble.

The first question is from Gaurav Malhotra. Gaurav, please introduce yourself and your organization name.

Please go ahead.

Gaurav Malhotra (Axis Capital):

Yeah, hi Rajesh. Hi, Satyakam. Just wanted to get some better sense on the super load business. If you can give us a sense on which all hubs you are present in? What kind of daily loads is being carried? what kind of traction you're seeing beyond the Bangalore, Hyderabad hubs and where do you sort of see this business in the next one to two years? Thank you.

Rajesh Kumar Naidu Yabaji:

Yes, Gaurav, as we've highlighted at the moment, as it's a very new business, we'll continue to have limited disclosures, but giving you a bit of colour, as we've always maintained, we had initial first four cities launch, which was largely Bangalore, Hyderabad, Mumbai, Chennai, right? And we launched another 10 cities by March, April. So now we're present in 14 cities and, we are in a very strong investment phase and the growth outlook of next one year, obviously, we would be doing everything it takes to sort of mature our first four cities and then also put these cities in the same direction as these four cities are maturing. I think building of playbook is what is continuing, but every quarter after quarter we're getting better and we are able to better understand the growth levers. We are able to better understand what is giving results, we are able to get hold on productivities, we are able to get hold on delivering predictability on contribution margins, able to get predictability on obviously the demand growth on the platform, ability to add supply. So, it works as a flywheel, right? Because you need to generate demand, you need to start fulfilling and do the whole ops and then make margin out of it, right? So, I think the whole playbook building, we're learning newer things every quarter, and that's causing us to also go to a newer scale frontier. I think that's what is happening at the moment, and yeah, it's a very, very nascent business, but yes, you would always expect that we would continue to invest aggressively in this direction because we are definitely far better than what we were last quarter. The last quarter we were definitely far better than what we were probably two quarters back.

So, as I was giving in my narrative as well, the sequential growth in super loads also has been pretty strong. It has been closer to 50% on a sequential basis up from 23- 24% a quarter back. So that's, a strong indicator of how we're going in this business.

Gaurav Malhotra (Axis Capital):

Thank you.

Moderator:

Thank you, Gaurav. The next question is from Atul Borse. Atul, please unmute yourself.

Atul Borse (JM Financial):

Hi team, thanks for the opportunity. My first question is, this macro headwind that we're talking about in tolling and in fuelling, do you see them tapering down in 2Q, for at least in FY27 and how should we look at this steady state growth for tolling or fuelling business if you want to give some colour on that?

Rajesh Kumar Naidu Yabaji:

Yeah, so two parts. I think both of them had very different flavours. Talking on the tolling part of the business, right? Tolling part because the inherent movement was showing a very high volatility between days and through the first half of April and whole April actually.

We were observing the normalized metrics, normalized metric like for a particular type of trucks, which are like largely the inter-city movements. We were observing how many swipes were they typically normally doing, right on a sequential basis and a year-on-year basis. So, we are observing a very sharp contraction in the normalized metrics in the month of April. Most of that impact largely has got normalized. So, I would say that the narrative on something, we need to be a bit cautious, which we iterated last quarter, that cautiousness has gone away and largely BAU has got restored. That's on tolling, right? So whatever narrative we've, we've explained in terms of how we can model tolling in terms of like road growth, in terms of inflation on toll fares in terms of number of trucks growth, we can go back to that normal way of modelling that, right? That's on tolling.

Coming to the other part, which is fuelling, which is obviously a very small portion of our revenue, right? Because of the uncertainty, and as we were mentioning in the last quarter as well, the whole loyalty margin is a discretionary spend to drive sales, right? Because supply is short, the reason to spend on that was basically lower, right? As we speak, there is a partial recovery because, the crude touched low prices, early part of this month. And then there is a partial recovery, partial strong recovery in that business.

But I would say that till the time some of this fully stabilizes, we don't see full recovery happening on the fuel. So, I would say I'm still more cautious, from a fuel recovery perspective, but obviously we are much better. We are in a much better position compared to where we were when we were giving you the commentary 3 months back. But I don't have a full hold on or let's say to give you a guidance on when will the full recovery sort of you know set in. So that's the commentary on tolling and that's a commentary on fuelling. I hope I have answered your question.

Atul Borse (JM Financial):

Yeah, yeah, understood. And I have one more question, more from a strategic point of view. So, delhivery in the recent filing highlighted that they might enter into this overall tolling, fuelling, and even vehicle financing business for truck operators. So, do you feel that this could be a substantial threat to Blackbuck business, may not be in the near term, but let's say from a medium term perspective.

Rajesh Kumar Naidu Yabaji:

Yeah, so I see this as a very, positive direction in the industry because there is hardly any qualified competition in the space. And there are so many problems to solve. The space is hard. The space needs more investment. So, I would see this more as a positive move that there'll be players from whom we can really learn a lot, but at this point in time, I think, because, as I've always explained, the business model, there's a lot of legwork on the ground, there's a lot of ploughing the ground to get to the, get to the business model, get to the value delivery to the customer, so as you rightly articulated, we don't see much of near time, near term threat, but yes, we'll always be cautiously watching, how things are moving, and we would at any point in time would want to like, keep a very strong hold on market share in this business and continue to compound, as I gave the commentary, largely, tolling growth in line with what we were observing, telematics, we've been like supremely, happy with delivering a very record quarter there. And even on top of that, we probably will have, further good quarters as well in telematics. So yeah, so I think an absolute position, I think we're doing fantastically good.

Atul Borse (JM Financial):

Yeah, thanks, and best of luck.

Moderator:

Thank you. Our next question is from Abhisek Banerjee. Abhisek, please unmute yourself and go ahead.

Abhisek Banerjee (ICICI Securities):

Hey, thanks for the opportunity. Just a couple of questions from my side. The transacting user base has gone up double digits this quarter on a y-o-y basis. So, what is driving that, and also on the minutes of usage. Honestly, I would have thought that, with super loads that can go up more, right? So, if you can give some colour on, what percentage of your transacting customers are using super loads and what would be the minutes usage for those customers.

That would be very interesting.

Rajesh Kumar Naidu Yabaji:

Yeah. Abhisek, so first of all, the 13% growth in transacting base has been a secular growth trend always for us. So, if you pick up any quarter in the last, like, 10, 12 quarters, we've grown in the range of that 20% to like 13% because the base continued to grow bigger. That's why the growth rate is now 13%.

What drives that, as we've always maintained for us, the whole acquiring customers on tolling, acquiring customers on telematics, and acquiring customers on the classified part of the marketplace platform adds users on the platform because most of these basically use cases are first-time use cases for these customers, right? So that adds users on the platform.

So, the story behind how users grow on the platform has largely been same for us in the last, like, six, seven years, right? That's point #1. Coming to explain the minutes of usage, right? If you're aware of history of the platform as well, we attempted at solving the whole loads marketplace using an enterprise business in a full stack approach, which did not work for us. That's when we learned that loads is actually the most infrequent use case for a truck operator, because a truck operator who has like 3 trucks, like let's say, would be doing 15 to 20 loads a month intercity, so he essentially is using for loads once in like 2 days.

And because he also has his own proprietary network of demand, the use case essentially goes down a lot. And that's why the whole story of building a digital platform changed towards first building the whole payments platform, then the telematics and so on and so forth, because all other use cases are very high frequency use cases.

So, answering your question, even in the long term, even though, like for example, if more than 50% of our users also use super loads or the loads, the usage time will be still driven by high involvement use cases like the payments use cases or the telematics use cases. The highest usage at a session level or a usage at a product level is actually in telematics because he tracks his driver. That consumes a lot of time. Payments because he's actually recharging every alternate day and checking the balances continuously. That consumes a lot of time. So, that's the answer towards first of all, like let's say broadly how to track usage.

Now coming to the question on the usage on super loads, Super loads, India has like 300 plus industrial hubs. Super loads is live only in like 14 cities at this moment, so the share of users for whom super loads is first of all relevant is a very small proportion. So, extrapolating super loads into the minutes usage is not something which will ever correlate. So, because A, as a use case, it consumes lower time, number one, and we would want it to be having lower time. And #2, we are first of all in super loads very, very early. We are like in less than 5% of the hubs across the country. So, that will never move the metric on basically usage.

Abhisek Banerjee (ICICI Securities):

Understood, understood. This is very helpful. Thank you so much. And just one more thing. So, from what I have understood, speaking to you on super loads, is that, as the number of routes kind of increase, the number of connections kind of increase. So, if you're increasing say one route, the number of connections increase much more, and that kind of brings in a lot of you know scale benefits. So, are you kind of seeing that in the in the older nodes that you kind of started?

Rajesh Kumar Naidu Yabaji:

Yes, of course. In the older cities and older lanes we have started, there is obviously pretty much very strong repeat and very strong recollection of the product, very strong customer retention on both the sides. And, of course, thereby the impact on margin as well. So, everything generally compounds with densities.

Abhisek Banerjee (ICICI Securities):

Right, so any clarity on how much kind of time it will take to mature for a typical node?

Rajesh Kumar Naidu Yabaji:

Yeah, so I mean, yeah, I've always answered this, in the metric of loads per day, I think we believe that in a hub, being able to do 5,000 loads a month, which is roughly about 250 loads a day, 200, 250 loads a day, is a place where some of these become really relevant. Some of these network effects will come to very strong fruition, and I think in the first hub of ours, I think we have gotten like, decently close to that, milestone. I think on the playbook building, I think every quarter we're advancing by 5 to 10 percentage points, and I think that is the progress and I think that's the right direction and we will continue in that direction.

Abhisek Banerjee (ICICI Securities):

Right. Thanks a lot. Thank you so much.

Moderator:

Thank you. The next question is from Monica Joshi. Monica, please unmute yourself and go ahead.

Monica Joshi (Hornbill Capital):

Hi, can you hear me?

Moderator:

Yes, we can. Please go ahead.

Rajesh Kumar Naidu Yabaji:

Hi, Monica, we can hear you.

Monica Joshi (Hornbill Capital):

Yeah, hi, Rajesh, Satyakam, hi. Rajesh, you've been extremely consistent in your commentary. Thanks a lot for that. I just wanted to understand, you did mention that you're getting better in the subsequent city that you launched. If you could share a couple of learnings that you would have made, or done, mistakes you would have done earlier, which you are implementing in newer cities.

That would help us understand how this playbook really works. So, from one city to the other, I believe the time will contract for you to reach that milestone of 5000. So, what are those two, 3 learnings that you had from your initial experience to what it is today?

Rajesh Kumar Naidu Yabaji:

Yeah, so I think the whole strategy, I mean, the biggest learning is the whole strategy in the new cities was very layered because you experiment one and then it works. You onboard it and you scale that strategy, then you experiment a few more things, what works, you layer it and then you scale that strategy. I think I would say that from a mistake point of view, I mean, generally we look at it more like we run 3 experiments and one works and then we onboard that and we keep moving forward, right? So, I would say that the strategy was more layered because we learned everything, every three to four months we'll have a new learning, we'll incorporate that in our strategy and keep going forward. In terms of pace of scale, in terms of market be it like from a demand perspective, like serving 3PLs transporters, serving SMEs, in SMEs the mid-market, the top end of the market, the lower end of the market. And then in terms of how do you work with them, how do collection process work, how would execution work, how would pricing work. So, I think in each of these, there have been like largely, I would say, transformation of processes from one maturity to the other and layering of these processes when to do, you know what. I think that's been probably one of the strongest learning where when we are launching a new city, we know that this gets cracked very easily. I think we should, go in that direction first, and then we can do three to four things pretty much simultaneously rather than doing, one thing once and the second thing in the second time, right? So, I would say that the biggest, like I think this has been the biggest probably learning which we are taking forward from existing to the new. And other one obviously is that earlier we saw this business as a lot Like, let's say the way the offline, market works is broker-centric, and then we were essentially thinking, how could we, enable that within using technology processes? But I think another thing which has happened in the last two years is basically, AI, which has really transformed how we build, people-led workflows, really better.

And I think incorporation of that has like resulted in a strategy which is sort of also AI first and, very less people dependent, much more granular, much easier to scale. I think all those have been, newer things which were not available before we are able to do now much more powerfully.

Monica Joshi (Hornbill Capital):

Thanks for this, Rajesh. Very helpful. So, if we can put some clarity on this, may not be accurate numbers, but you are closing in on 5,000 loads per month in Bangalore, right? And it has taken you about, what, 1 1/2 or two years to get there.

How are you seeing this timeline come close?

Rajesh Kumar Naidu Yabaji:

No, no, it will. Sorry, sorry, Monica, I'll correct you. There is some more time to sort of get there, but I would say that we are good, good in terms of playbook building. We probably are 60 by 70% there, but yeah, in terms of numbers, we may be, more than halfway there.

Monica Joshi (Hornbill Capital):

Got it. So how do you see that timeline compressing, for the recent densities that you have added? And you're not there, but in your mind, how do you see that happening?

Rajesh Kumar Naidu Yabaji:

Yeah, so, good point, Monica. I think 70, 80% of these cities are growing faster than the, first four cities. So that is very clear, much faster. So that's what I was explaining to you that we are able to do a lot of things from day one in these cities.

Monica Joshi (Hornbill Capital):

Got it. And the like for like growth in Bangalore, if you could just put some ballpark number, on either a sequential basis or a year on year basis, how is that shaping up for you?

Rajesh Kumar Naidu Yabaji:

Yeah, I mean, that's what, as I was mentioning, for the previous question also, I think at this point in time, super loads disclosures will keep them a bit limited, will give the overall colour, and I think when the business is of decent size to be able to like cut this out and start reporting, I think that's when we will get there. Probably we are, we are probably three to four quarters down the line. I think we'll get there.

Monica Joshi (Hornbill Capital):

Yeah, Rajesh, just last question. And you mentioned renewal rates, as renewal for your telematics, kick starts. In your experience, how are the earlier renewal rates for devices you had sold? What do they generally stabilize at in month 12, month 24?

Rajesh Kumar Naidu Yabaji:

So first of all, as you rightly said, the renewal happens yearly. So, whenever we onboard a customer, we either onboard on a one-year plan or a two-year plan or sometimes even a three-year plan, right? So, the renewal rates are more annually once. So, that helps us have better control on renewals. And #2 is that as the second and the third renewal approaches, they are largely in like, early to late 80s is how they stabilize over a period of time.

Monica Joshi (Hornbill Capital):

So, you have months 12, so that's the first renewal that the customer does is 80%.

Rajesh Kumar Naidu Yabaji:

First renewals are roughly in the range of early 70. And as the second renewal and the third renewal keeps coming in, it goes in the 80s.

Monica Joshi (Hornbill Capital):

Understood, understood. Thank you so much for this, Rajesh. Thanks a lot.

Rajesh Kumar Naidu Yabaji:

And higher end products typically have 10 percentage, whatever I gave you the number is largely for the GPS products. Higher end products typically have about, 5 to 10 percentage points better renewal rates across all the years as well.

So, let's say a fuel sensor and it renews, it will renew with more closer to a 80% kind of renewal rate.

Monica Joshi (Hornbill Capital):

Understood. Got it. Thank you so much, Rajesh. Thanks a lot.

Moderator:

Thank you. The next question is from Atul Borse. Atul, please go ahead, unmute yourself and go ahead.

Atul Borse (JM Financial):

Hi, Rajesh. You mentioned that you know you're implementing AI on workflows and seeing a productivity gain. Could you just elaborate a bit on what use cases you're finding and how it has changed your current workflow basically to deliver the productivity gains?

If there's some elaborate answer you want to give.

Rajesh Kumar Naidu Yabaji:

Yeah, so I mean, I will just segment like this in like 3 parts. One is basically, new, new parts, new, new, old, new, and then old, old. So, the, three parts are that, new, new is that with the advent of AI what can we do like because AI is available, right? And which was not at all happening before, right? That is how the first category, which is the most exciting category. The second category is that earlier we were doing something and because of AI, we'll do the same thing but better. Better and more cost efficient. And the third part is what's running, we'll keep running.

Right, so obviously, in the first bandwagon, we took the new, new efforts, which will be probably into nine months of implementing those roadmaps, right? Where, for example, in like, let's say, the super loads business, if a load request comes in, ability to reach out to, let's say, 1000 people at one go. Let's say assuming the earlier workflow is that a load comes in and then you send the load basis the information you have about the truckers. Let's say these truckers have swiped their toll in the city of Bangalore and we know that this is a Bangalore to Delhi trucker. Then a Delhi load comes and then we send a notification to that guy and then he opens the load and then he converts on that load, right? So that's typically a very high latency process.

So, you identify trackers, you send them a notification, then they open it, blah, blah, blah, right? Versus, let's say if you had to call them, you would need like a very high call center bandwidth to sort of do that. So, which was not possible during, the pre-AI phase, but in the AI with very low cost calling, you can elastically expand this capacity, how much ever you want, right? So, outbound use case in placing a truck became a very strong use case, which basically helped us identify, curate truckers who are ready to take up a load and which improved our placements, which improved AI enabled sort of placements for us, right? So, the good part is in case of super loads, I think close to about 40 to 50% of the loads give or take on any day are AI enabled today.

In terms of how we get the placement done, that's a typical use case in new new right now, explaining an old new, which is, let's say, let's pick up a business. So, by the way, I'm just giving one use case, and like that, there are several use cases which we are solving now. Let's say in an old new use case, let's say, assuming we're doing a toll card issuance to a customer and we have to do a KYC of the customer. We need to, under the KYC, we will do a KYC where we'll understand the vehicle, we'll understand the customer, we'll know the customer and understand like the truck RC and et cetera, right? So, in that way, we do few 100,000 KYCs a month, right? And for that, we have operation center where there are people who do all this like manually, right? And who have APIs, but they in the end trust the manual outcome right? Now, the same use case with AI is very easy to solve. So, we've seen, we've been able to reduce the headcounts in these desks by like 85%. We've been able to reduce cost by like sixty-five to 70%, so this is an example of how productivity gains, are coming in from an AI sort of use case, and just to highlight when I explained AI-led productivity gains, that was largely for super loads in the earnings call narrative. All of this I was not talking about because this is a business as usual for most of the companies to implement AI and deliver productivity gains. And like that, we are enabling like multitude of processes using AI. And, we continue to invest in that direction.

Yeah, yeah, so I was saying that, yeah, yeah, so that old new is what something I think is very exciting because that will help probably improve margins further. And, I think that's a direction we will obviously take. And then I was saying, summarizing the old old is, something which you are doing physically and a physical person has to go will continue as it is.

So that's how like we've divided the whole activities of the workflows we do as a business. And we are strongly as P0 going after new new and obviously P1, we've expanded the bandwidth to accommodate P1, which is the old new. So that's the AI framework for us as a company.

Atul Borse (JM Financial)

Yeah, thanks for that elaborate answer.

Moderator:
Thank you. The next question is from Gaurav. Gaurav, please go ahead with your question.

Gaurav Malhotra (Axis Capital):

Follow up, Satyakam, what would be the effective tax rate for this year and maybe next? How should we think about it?

Satyakam G N:

So, for the next two quarters, broadly, this trend should continue with deferred tax offsets the tax that is there. At the end of the year for the fourth quarter, we'll reassess how we can utilize the losses and then take a view of it. But at least for the next two quarters, you should expect largely that there will be a set off between the current tax and the deferred tax.

Gaurav Malhotra (Axis Capital):

Good. Thank you.

Moderator:

Thank you. The next question is from Lokesh Manik. Lokesh, please go ahead with your question.

Lokesh Manik (Vallum Capital):

Yeah, hi, good evening, Rajesh and team. I have a couple of questions, bookkeeping. One is that depreciation cost has gone up. So, what is driving this?

Rajesh Kumar Naidu Yabaji:

Yeah, Lokesh, so as we highlighted, we had a very strong quarter on telematics. So, telematics needs investment in the device, which we depreciate over a period of two years. So, you see the depreciation typically goes up in the short term. And the whole, narrative around very strong revenue to EBITDA conversion, or cash flow conversion, which we have typically kicks in with the subscription revenues, which flow in on renewals, which typically flow into EBITDA straight. So, you will see depreciation being upfronted and upfronted increase in depreciation, which is for us, a good sign because it will give us a very strong long-term profitability and largely because of the investment in devices, for the, growth spurt which we're seeing in the telematics business.

Lokesh Manik (Vallum Capital):
Great, good. And the second question was on the GTV number. So last year's presentation mentions 6,800 crores. This year's presentation mentions 6,000 crores. So, there is some deviation out there. What is driving this? Any idea?

Rajesh Kumar Naidu Yabaji:

Yeah, so earlier we used to represent the GTV of payments, which is both tolling and fuelling combined. And because of the uncertainty on how the fuelling business is panning out and also with the uncertainty in fuel prices, et cetera, we have taken out the fuel component and we have given the GTV of Tolling, and I think we've also provided across, like, yeah, so, basically largely what you're seeing right now is only the tolling part and the fuelling is not being provided. It's not a combined metric right now. It's a standalone tolling metric.

Lokesh Manik (Vallum Capital):

Got it. That's it from my side. Thank you so much.

Moderator:

Thank you. That was the last question for the day. Thank you once again for your time and participation. On behalf of Blackbuck Ltd., this concludes today's conference. For any questions, please feel free to write to us on the e-mail IDs mentioned on the invite. We appreciate your engagement. You may now disconnect your lines.

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