



## IPO Note – SJ logistics India Limited

IPO Date	12 <sup>th</sup> Dec- 14 <sup>th</sup> Dec'23
Face value	Rs. 10/-
Price band	₹ 121-125
Lot Size	1000 shares
Fresh Issue	₹48 Cr
Listing at	NSE Emerge
Post issue Promoter Holding	49.64%



### Object of the Issue:

- Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company: As on September 30, 2023, our total outstanding fund-based borrowings (on a consolidated basis) amounted to ₹ 2952.40 lakhs. Company proposes to utilize an estimated amount of ₹1450 lakhs proceeds towards full or partial repayment or pre-payment of certain borrowings availed from the lenders by our Company.
- To meet working capital requirements;
- General Corporate Purpose;

### About the Company

Started the business as a proprietorship concern during the year 2000 under the leadership of our Promoter Rajen Hasmukhlal Shah. Later, during the year 2003, considering the market demand and business opportunity in the logistics and freight forwarding business, promoter incorporated and carry on the business of freight forwarding under the name and style of “SJ Logistics (India) Private Limited”.

S J Logistics India Limited stands as a premier international logistics service provider, encompassing an array of services including freight forwarding, transportation, warehousing, Non-Vessel Operating Common Carrier (NVOCC), and customs clearance., Co. caters to yarns, textiles, transmission towers, tyres, polyfilms, chemicals, agro commodities, and Fast-Moving Consumer Goods (FMCG) sectors.

During the fiscal 2023, Co. have processed over 3100 bills of lading to countries/ areas including African countries, South American, Australia, Bangladesh, European countries, Gulf counties, south east Asian regions, Russia, United States of America etc. Apart from this, company have entered into mutual cooperation or agency agreements with parties located in countries like Ecuador, Brazil, Chile, Peru, United States of America, Paraguay, Bolivia, Hongkong, China, Taiwan, Vietnam and other countries for logistics and freight forwarding



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business for inward and outward movement of the cargo and performing all required operations and documentation work for the cargo movement to and from India to the abovementioned countries.

Co. also undertakes ODC (Over Dimension Cargo) which is out-gauge cargo that requires special handling, low bed trailer transportation, necessary authority approvals for road transport, and a specialized team for handling such cargo at ports until loading on the vessel.

**Subsidiary Companies:**

- SJA Logisol India Private Limited (“SJALIPL”).
- S. J. L. Group (Singapore) Pte. Ltd.

**Certifications and Accreditations:**

- MTO Certification
- Federal Maritime Commission (FMC OTI-NVOCC)
- International Federation of freight forwarders Association (FIATA)
- Member of PPL Network
- Member of Africa Logistics Network

**Company Area of operation**

Ocean Freight Forwarding	Air Freight Forwarding
Project Cargo	ODC (over dimensional cargo)
Customs Clearance:	Inland Transportation
Warehousing:	Door Delivery
NVOCC	Open Top Containers

**Industry Outlook**

NLP 2022: The policy focuses on key areas such as process re-engineering, digitisation, and multi-modal transport. It is a crucial move as high logistics cost impacts the competitiveness of domestic goods in the international market. Logistics costs have to be cut by half to be near global benchmarks by 2030 by reducing the cost of logistics from 14-18% of GDP to global best practices of 8%, The current cost is 16% of GDP. Being the 5th largest economy in the world, India aims to be among the top 10 in the LPI (Logistics Performance Index) by 2030. It has to match the pace of South Korea.

**Digital Integration System:** It will lead to seamless and faster work-flow, making logistics significantly more efficient. Unified Logistics Interface Platform: It aims to collapse all logistics



and transport sector digital services into a single portal, thereby freeing manufacturers and exporters from the present tyranny of long and cumbersome processes.

**Ease of Logistics Services:** E-Logs, a new digital platform, will allow industry to directly take up operational issues with government agencies for speedy resolution.

**Comprehensive Logistics Action Plan:** The Comprehensive Logistics Action Plan comprising integrated digital logistics systems, standardisation of physical assets, benchmarking service standards, human resource development, capacity building, development of logistics parks, etc.

### Growth Drivers in the Industry

- PM Gati Shakti will get further boost and complementarity with the launch of the National Logistics Policy.
- The Policy will help make the sector an integrated, cost-efficient, resilient, and sustainable logistics ecosystem in the country as it covers all bases of the sector along with streamlining rules and addressing supply-side constraints.
- The policy is an endeavour to improve the competitiveness of Indian goods, enhance economic growth and increase employment opportunities.

### Strength:

- Company has been in the logistics service since 1999.
- In fiscal 2023 company has processed 3100 bill of lading
- In 2013 Company has established its own office in Singapore and also received FMC license.
- 40% of the customers have repeated the business with the company.
- Wide range of the logistics services and solutions are provided
- Company's top Clientele list includes:

Trident Group	Rswm Limited
Transrail	Skipper Limited
Sterling Wilson	Sterlite Power
Kctex	Sagar Yarn
Vardhman	DCM Nouvelle

### Strategies:

**Focus towards development of warehousing facilities:** Co. has entered into LOI in sept'23 for obtaining premises on lease located at K-Square Logistics Park, Bhiwandi, Dist – Thane, to be used as warehouse of the company. The proposed warehouse of the company is spread over an area of 38910 sq. fts.

**Expanding the team** for the Project Cargo handling Vertical, further to increase the presence



in the same segment

Co. plans to continue to invest in enhancing the presence into different geographies and to enable to respond quickly to customers' changing requirements, thereby continually improving the competitiveness of services. As a part of expansion strategy, Co. have entered into an Agency Agreement dated September 07, 2023 with its customer Alpha TND Limited, Ghana for providing DAP services in Africa and work order dated September 29, 2023 for Tower Shipments from Transrail Lighting Limited.

The Company is also planning to operate as NVOCC (Non-Vessel Operating Common Carrier). The Company has already entered into Agency Agreement dated October 16, 2023 with Good Voyage Shipping Services operating in Middle East to represent as its Agent in India.

### Key Highlighted points:

- Co. has given corporate liability to below mentioned companies, which has h KMP and their relatives have significant influence

#### K. SUMMARY OF CONTINGENT LIABILITIES

Particulars	Amt. (Rs. in lakhs)			
	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Other commitments</b>				
Corporate Guarantee given on behalf of				
Micro Logistics India Pvt. Ltd.	952.98	952.98	952.98	952.98
Opus Dei Logistics India Pvt. Ltd.	819.54	819.54	819.54	819.54
<b>Total</b>	<b>1772.52</b>	<b>1,772.52</b>	<b>1,772.52</b>	<b>1,772.52</b>

- Co. has issued bonus shares in 2:1 in May 18, 2023
- Company had faced loss on exchange risk in 2 out of 3 years, currently company has no hedging contracts to manage the exchange rate risk. F.Y. 2022-23, F.Y. 2021-22 and F.Y. 2020-21 were Rs. 52.23 lakhs (loss), Rs. 136.00 lakhs (gain) and Rs. 82.43 lakhs (loss) respectively
- Co. outstanding trade receivables, as at September 30, 2023, March 31, 2023, 2022 & 2021, there were outstanding trade receivables of Rs. 5559.95 lakhs, Rs. 4836.90 lakhs, Rs. 4096.08 lakhs and Rs. 3968.96 lakhs, respectively, of which Rs. 312.92 lakhs, Rs. 601.55 lakhs, Rs. 204.47 lakhs and Rs. 166.33 lakhs, respectively, represents due outstanding for over one year.
- Co. has made private placements on June 02, 2023, June 07, 2023, June 10, 2023, June 19, 2023, June 26, 2023, July 04, 2023, July 11, 2023, July 25, 2023, August 08, 2023, August 17, 2023, August 22, 2023 & September 05, 2023 at Rs. 90/-



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- As on 30<sup>th</sup> Sept'23 total outstanding indebtedness was Rs. 2952.40 Lakhs.
- Co has availed unsecured loan of Rs. 429.51 lacs
- On an Average 90 to 144 days has been trade receivable holding days
- On an Average 12 to 29 days has been trade payable holding days

## Financial Analysis

Company's EBIDTA has risen by CAGR of 85% from FY21 to FY23, while its PAT has shown rise of more than 100 % from FY21 to FY23. Also, Company's ROE stood at 24.41% in FY 23 while its ROCE stood at 18.50% in FY23.

Particulars	Consolidated		Standalone	
	Sept'23	FY- 2022- 23	FY 2021-22	FY 2020-21
Revenue (in lacs)	10309	13431	10362.43	12392.64
EBITDA (in lacs)	1286.065	1172.47	363.25	343.83
EBITDA Margin	12.47%	8.73%	3.51%	2.77%
PAT	931.07	761.56	188.37	86.32
PAT Margins (%)	9.03%	5.67%	1.82%	0.70%
Networth	5640.93	3120.32	1536.49	1348.12
RONW	16.51%	24.41%	12.26%	6.40%
ROCE	15.07%	18.50%	11.68%	7.54%

### Peer Analysis- Sept- 2023

Metric	SJ logistics	Cargos trans Maritime	Patel Integrated logistics	Tiger Logistics
Rev From Operations	10,309	4461.58	12,789	9559
EBITDA	1,286	181	424.65	659
EBITDA- Margins-%	12.47	4.07	3.32	6.89
PAT (mn)	931.07	135	237	532.83
PAT margin	9.03 %	3.04 %	1.86	5.57
RONW	16.51 %	9.65 %	1.99	5.17
ROCE	15.07 %	11.89 %	2.55	6.79
Net Worth	5,640.93	1403.90	11924.23	10316.04

### Peer Analysis- Sept- 2023 - Ratio

Name	CMP	EPS	PE	RONW	Book Value
<b>S J Logistics (India) Limited</b>	--	8.84	14.14	24.4%	36.22
<b>Cargotrans Maritime</b>	95.5	5.74	16.64	18.45%	31.14
<b>Patel Integrated Log</b>	15.90	1.13	14.07	4.16%	17.82
<b>Tiger Logistics</b>	397.50	21.94	18.12	23.78%	92.34

**Rationale for IPO Investment:** Company is very well positioned in India and other diversified geography, Co. also has wide range of the services, and also debt will be reduced once the ipo proceeds are the received, one can apply for listing gains.



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