



IPO NOTE

WESTERN CARRIERS (INDIA) LIMITED

Rating:

May Subscribe




(For Long Term)



ISSUE OFFER

Issue Opens on	SEP 13, 2024
Issue Close on	SEP 18, 2024
Total IPO size (cr)	₹492.88
Fresh issue (cr)	₹400.00
Offer For Sale (cr)	₹92.88
Price Band (INR)	163 - 172
Market Lot	87
Face Value (INR)	₹5
Listing At	NSE, BSE
Market Capitalization (cr)	1753.63

ISSUE BREAK-UP (%)

QIB Portion		50%
NII Portion		15%
Retail Portion		35%

PROMOTER HOLDING %

Pre Issue	Post Issue
99.99%	71.89 %

INDICATIVE TIMETABLE

Basis of Allotment	19-09-2024
Refunds/Unblocking ASBA Fund	20-09-2024
Credit of Share to Demat A/c	20-09-2024
Listing Date	23-09-2024

Western Carriers (India) Limited is the largest private, multi-modal, rail focused, 4PL asset-light logistics company in India in terms of container volumes handled/operated by private players in Fiscal 2023.

OBJECTS OF THE ISSUE

- Payment of borrowings.
- Funding of capital expenditure requirements

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	39.35	39.35	39.35
Net Worth	398.36	318.40	257.37
ROCE %	29.23%	29.71%	33.40%
Revenue	1685.76	1633.06	1470.87
Operating Profit Margin %	9%	7.7%	7.4%
Net Profit of the year	80.34	71.56	61.12

FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

OUTLOOK & VALUATION

- The company has exhibited slow but consistent financial growth with a positive trajectory.
- The IPO's valuation is considered reasonable.
- The company faces a long payment cycle and is exposed to several operational risks.
- Given the company's financial challenges and limited market interest, a "may apply" rating is recommended for long-term investors with a high-risk tolerance.



COMPANY PROFILE

- Market share: Domestic 6%, EXIM 2%.
- Years of experience in road, rail, sea, and river transport for domestic and international cargo in India.
- Strong relationships with third-party providers ensure control over capacity,
- Offers tailored 3PL and 4PL solutions to meet specific customer needs.
- Established relationships with customers in various sectors, including metals, FMCG, pharmaceuticals, chemicals, engineering, oil and gas, and retail.



COMPETITIVE STRATEGIES

- Grow its relationships with existing customers.
- Acquire new customers and expand into new sectors and new geographies.
- Continued focus on improving margins.
- Pursue inorganic growth on an opportunistic basis.
- Continue to invest in its infrastructure capabilities.
- Enhance its technology capabilities



KEY CONCERNS

- Dependence on a limited number of key customers.
- The payment cycle is long.
- Employee strikes or work stoppages may impact operations.
- Exposed to risks associated with sudden increases in fuel prices.
- Operational risks: Accidents, asset breakdowns, and warehouse damage.

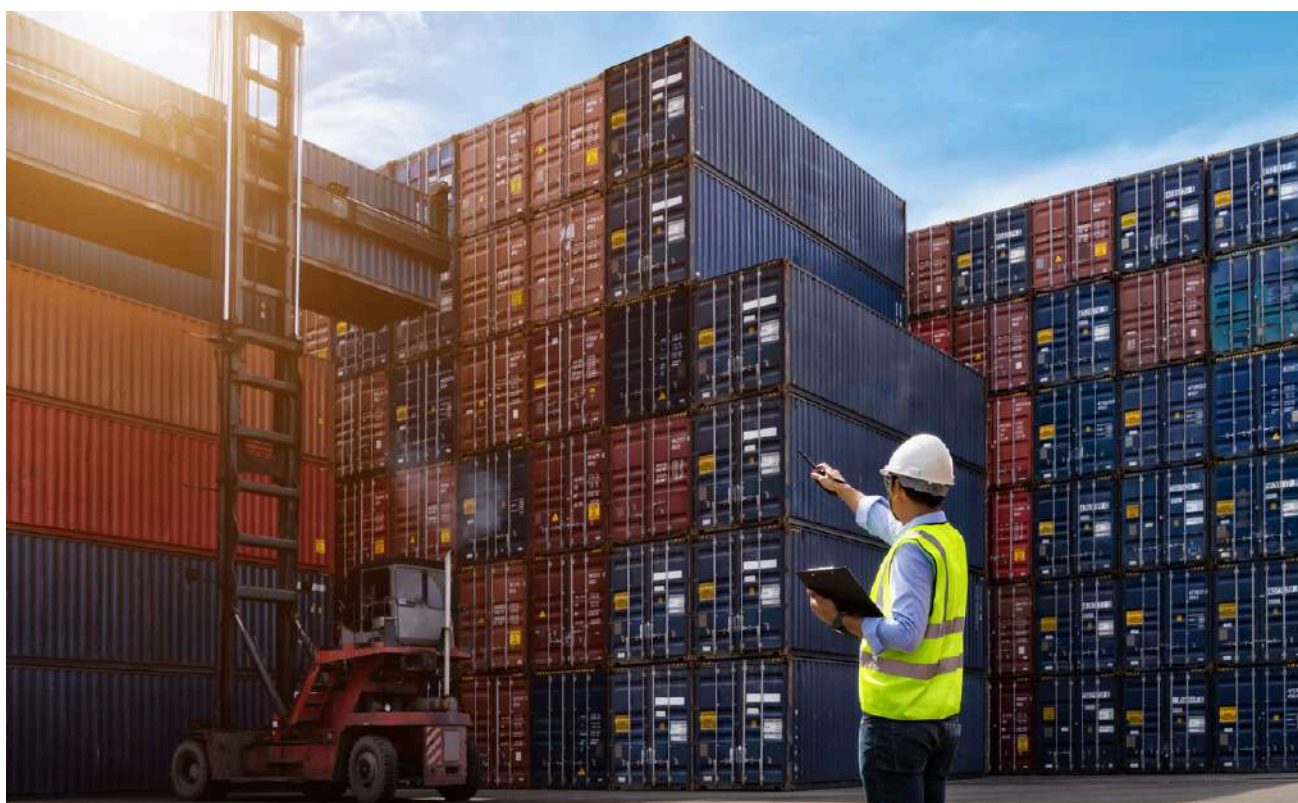


KEY STRENGTHS

- Expertise in customized, end-to-end services and complex project execution.
- Comprehensive and integrated multi-modal, end-to-end logistics solutions.
- Strong customer relationships with a diverse customer base.
- Strategically positioned to capitalize on a fast-growing logistics market.
- Scaled, asset-light business model.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE (%)
Western Carriers (India) Limited	10.21	50.6	16.84	16,857.69	29.23%
Peer Group					
Container Corporation of India Limited	20.22	193.87	47.73	86,534.10	13.44%
Mahindra Logistics Limited	(7.60)	69.99	(62.93)	55,059.70	3.80%
TCI Express Limited	34.36	183.57	32.48	12,538.20	24.32%


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