

Company Business

- ✦ Tejas Cargo India Limited is primarily engaged in **logistics services, mainly domestic transportation of goods by roadways.**
- ✦ Their operations are spread across the country through various branches and hubs.
- ✦ As on October 31, 2024, the company's fleet size is 1,131 vehicles which consists of 218 trailers and 913 container trucks.
- ✦ As on date, the company operates on a pan-India basis through an established network of twenty-three branches having facility of placements, loading and unloading.

Industry Analysis

- ✦ Major domestic freight is still transported by road which accounts for 71% followed by rail - 24%, waterways - 5% and balance through pipelines.
- ✦ At present, around 1.5 million trucks operate on the Indian roads and the number of trucks increases by around 10% per year.
- ✦ The market size of the industry grew by a **CAGR of 19.5%** during CY19-23 from Rs. 763.9 billion in CY19 to Rs. 1,557.3 billion in CY23.
- ✦ The industry market size is expected to grow at a CAGR of 13.2% from CY23-29. The market size is expected to grow from Rs. 1,557.3 billion in CY23 to Rs. 3,278.2 billion by CY29.

Promoters Details

- ✦ The Promoters are **Chander Bindal and Manish Bindal.**
- ✦ As of the date of the document, Chander Bindal and Manish Bindal each hold 87,96,134 shares, representing 100% of the pre-Issue shareholding.

Positive and Negative Points

Positive

- ✦ Growth in revenue.
- ✦ Heavy Asset Ownership Model.
- ✦ Leveraging modern technology to operate and monitor fleet.
- ✦ Track record of growth and robust financial position.

Negative

- ✦ The company has 4 criminal proceedings against it and 5 criminal proceedings against the promoters.
- ✦ PAT margins are low due to high depreciation and Finance Cost.
- ✦ High PE as compared to peers.

IPO Details

- ✦ The IPO is a **fresh issue of up to 63,00,000 equity shares. - Rs. 105.84 Cr**
- ✦ The IPO is scheduled to open on February 14, 2025, and close on February 18, 2025.

Objects of the Issue

The company intends to use the net proceeds for:

- ✦ Purchase of additional trailers. **Rs. 31.76 Cr.**
- ✦ Meeting working capital requirements. **Rs. 30 Cr.**
- ✦ Repayment/pre-payment of certain borrowings. **Rs. 15 Cr.**
- ✦ General corporate purposes.

Financials of the company

(Fig. in Cr)

| Particulars | Sep 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|-------------------------|--------------|----------------|----------------|----------------|
| Revenue from Operations | 252.60 | 419.32 | 381.78 | 209.29 |
| EBITDA | 45.56 | 69.03 | 32.82 | 8.37 |
| EBITDA Margins | 18.04% | 16.46% | 8.60% | 4% |
| PAT | 8.74 | 13.22 | 9.85 | 3.15 |
| PAT Margins | 3.43% | 3.13% | 2.56% | 1.50% |
| ROCE | | 28.30% | 44.50% | 24.80% |
| CFOA | 24.56 | 48.14 | -7.27 | -5.22 |

Comparison with Peers

| Companies | Revenue | EBITDA Margin | PAT Margin | D/E Ratio | MCap | P/E |
|-----------------------------|------------|---------------|------------|-----------|------------|--------|
| Tejas Cargo India (FY 2024) | 419.32 Cr. | 16.46% | 3.13% | 3.21 | 401.39 Cr. | 30.36* |
| AVG Logistics (TTM) | 540 Cr. | 17% | 7.22% | 0.99 | 386 Cr. | 13.90 |
| RITCO Logistics (TTM) | 1,096 Cr. | 8% | 3.92% | 0.77 | 811 Cr. | 18.90 |

*Forward PE is 22.96 on the basis of FY 25 PAT.



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