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Issue Offer

An Offer for Sale of 5,400,000 equity shares amounting to INR 928.8 Mn, and a Fresh Issue of 23,255,813 equity shares amounting to INR 4000 Mn.

Issue Summary

Price Band INR	163-172
Face Value INR	5
Implied Market Cap INR mn.	17536.3
Market Lot	87
Issue Opens on	Sep 13, 2024
Issue Close on	Sep 18, 2024
No. of share pre-issue	78,699,400
No. of share post issue	101,955,213
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

Link Intime India Private Limited

Book Running Lead Managers

JM Financial Limited
Kotak Mahindra Capital Company Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	99.99%	71.89%
Public & Others	0.01%	28.11%

Objects of the issue

- Prepayment or scheduled re-payment of a portion of certain outstanding borrowings.
- Funding of capital expenditure requirements towards purchase of commercial vehicles, 40 feet specialized containers and 20 feet normal shipping containers and reach stackers.
- General corporate purposes.

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Riddhi Shah

Western Carriers (India) Limited incorporated in March 2011, is a Multi-modal, rail-focused, 4PL asset-light logistics company. The company offers fully customizable, multi-modal logistics solutions encompassing road, rail, water, and air transportation and a tailored range of value-added services. The company's clientele includes Tata Steel Limited, Hindalco Industries Limited, Jindal Stainless Limited, JSW Steel Coated Products Limited, Bharat Aluminium Company Limited, Vedanta Limited, Hindustan Unilever Limited, Hindustan Coca Cola Beverages Private Limited and others. The company also provides chartering services to overseas destinations, stevedoring services at Indian ports, and coastal movement of cargo within India.

Investment Rationale

Comprehensive and integrated multi-modal end-to-end logistics solutions: The company's operations are B2B-focused, offering integrated and seamless connectivity for the movement of goods across different transport modes. This enhances last-mile connectivity to customers' distribution centers, ensuring regular and reliable deliveries with reduced transit times and lower costs. Company offers a wide range of value-added services, including storage, warehousing, custom house agency, labeling, packaging, cargo handling, customs clearance, stevedoring, palletizing, fumigation, pre-shipment inspections, and containerization. Company's comprehensive presence across the entire logistics value chain allows company to seamlessly integrate rail, road, river, air, and ocean freight services, regardless of the size or scale of the shipment.

Strong customer relationships with a diverse customer base: The company serves a diverse customer base of 1,647. Top 10 customers accounts for ~71% of total revenue for FY24. Company's extensive infrastructure and ability to operate across India and certain neighbouring countries enables to cater a geographically varied customer base. Through integrated, solution-oriented, and customized services, company effectively meet customers logistics needs, fostering long-term relationships with industry leaders across various sectors, including metals and mining, FMCG, pharmaceuticals, chemicals, oil and gas, utilities, and others. In Fiscal 2023, 80% of revenue came from customers who had been for over 3 years, and achieved a 100% retention rate among top 10 customers.

Strategically positioned to capitalize on a fast-growing logistics market in India: The company is well-positioned to capitalize on growth opportunities due to its operational scale. In Fiscal 2023, company held a 6% market share in the domestic market and a 2% share in the EXIM market, based on container volume. This positions company as one of India's largest private, multimodal, rail-focused, asset-light logistics providers, in terms of container volumes handled by private players. The company primarily operates using an asset-light business model, wherein it does not have ownership of assets. Instead, it relies on leased infrastructure with network partners. This approach allows the company to manage capacity, availability, and fleet effectively, as well as oversee the scheduling, routing, storage, and delivery of goods or containers.

Enhance technology capabilities operational Efficiency: Company has extensive warehousing network, spanning 16 strategically located facilities covering over 714,000 square feet, supported by ERP software for seamless data flow and integration with customer systems. Consistent investments in technology over the past several years have enabled efficient management of operations, maintained strong operational and fiscal controls, and supported efforts to improve client service levels and ensure timely delivery of shipments. Company is upgrading ERP system to incorporate mobile portability, allowing for real-time data entry of receipts and dispatch details, which will reduce billing cycles. Additionally, company is also working on fully integrating complex 4PL services with ERP system to enhance offerings.

Valuation and View :

The company is strategically positioned to leverage the rapidly growing logistics market in India through an asset-light business model providing customized end-to-end 3PL and 4PL logistics solutions, offering a range of value-added services such as inventory planning, warehouse management, cargo handling, and customs clearance to meet unique client needs. Investing in technological capabilities will enhance company's ability to effectively manage operations and maintain strong operational and fiscal controls. At the upper price band of INR 172 , the issue is priced at a P/E of 21.82x based on the FY24 EPS of INR 7.88 .

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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