

### IPO Details

<b>Opening Date</b>	Nov 02, 2022
<b>Closing Date</b>	Nov 07, 2022
<b>Stock Exchange</b>	NSE SME
<b>Lot Size</b>	1600 Shares
<b>Issue Price</b>	₹ 81 per share
<b>Issue Size</b>	5,39,200 Equity Shares
<b>Application Amount</b>	₹ 1,29,600

### IPO Objective

Funding Working Capital Requirement  
General Corporate Purpose

### Pre-Issue Shareholding

Category	No. of Shares	% Of Total Shares
Promoter & Promoter Group	12,09,000	100%
Public		

### Promoter of the Company

1 Mr. Lalit Lakhamshi Mange

### Competitive Strengths

- 1 Diversified revenue sources and customer base.
- 2 Modern Processes and Technology.
- 3 Team of professionals.
- 4 Smooth flow of operations.
- 5 Comprehensive solution for logistics requirement.
- 6 Customer oriented approach.
- 7 Infrastructural Strength.

### Company Background

- Company was incorporated in the year 2002 in Mumbai, Maharashtra.
- Company is in the business of providing services to importers and exporters for the smooth clearance of all kinds of imports and exports by air and sea.
- Company services also include import export consultancy, international freight forwarding, recovery of all type of claims including custom & insurance, warehousing, and transportation through air, road and sea.
- Company is the Member of "The Brihanmumbai Custom House Agent's Association" popularly known as BCHAA or BCBA.
- The company cater its services mainly in the domestic market specifically in the state of Maharashtra.
- As on September 30, 2022 Company has around 39 employees on payroll.

### Financial Summary

	(In Lacs)		
For the Period Ended	Sep-22	Mar-22	Mar-21
<b>Total Assets</b>	657.01	368.21	317.48
<b>Net Assets</b>	240.62	175.54	127.16
<b>Total Borrowings</b>	61.42	4.54	65.76
<b>Total Revenue</b>	1,364.09	1,725.92	1,403.53
<b>Profit After Tax</b>	65.08	48.38	29.67

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### Company Overview

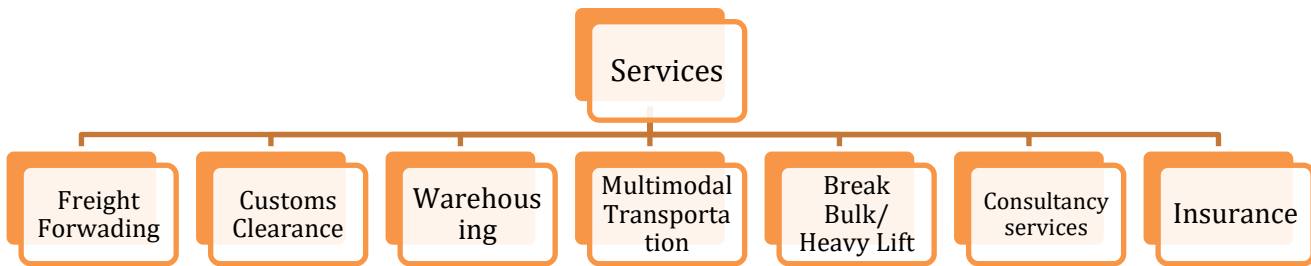
Amiable Logistics (India) Limited was incorporated in the year 2002 and is in the business of providing services to importers and exporters for the smooth clearance of all kinds of imports and exports by air and sea as a clearing and forwarding agent. Company acts as a bridge between trade & government authorities like Customs & DGFT. Company's services also include import export consultancy, recovery of all type of claims including custom & insurance, warehousing, and transportation through air, road and sea. Company is Member of "The Brihanmumbai Custom House Agent's Association" popularly known as BCHAA or BCBA. Company has its registered office in Mumbai, Maharashtra and 3 branch offices, 1 in Ahmedabad, Gujarat and 2 in Navi Mumbai, Maharashtra.

### Analysis

Being in the business from 2002, Company has experience of more than 2 decades in logistics Industry. Company initially started the work as custom clearance broker and then swiftly moved across domains, geographies, and industries to offer a gamut of services for the logistics industry. Company provides complete range of services like Freight Forwarding (Sea freight & Air freight), Custom Clearance, Warehousing, Transportation, Multimodal Transportation, loading/unloading of items to facilitate the customers with end-to-end solutions and other related value-added services.

Company's strength lies in an extensive communication network covering like Mumbai, JNPT, Ahmedabad, Mundra, Delhi, Chennai, Kolkata & others supported by a strong fleet of fast and adequate transportation facilities. Company has 6 trucks owned by it. Company caters services mainly in the domestic market specifically in the state of Maharashtra. Company's Air, road and sea links allows them to fully serve customers with tailor made solutions to fit their specific door-to-door transportation needs, whether it is smaller consignments, part-loads or full-loads.

Company's services include:



To conclude, the logistics industry in India is very unorganized and highly fragmented and the company also shows average performance as compared to its peers. Company's bottom and top line both can be seen growing giving a positive outlook on the company, however they face tough competition due to large number of unorganized as well as from organized players operating in the similar space. So, if the company can overcome the constraint of high competition, it will be in a good position in coming future.

### Industry Charts

Exhibit 1: Contribution of logistics sector in GDP

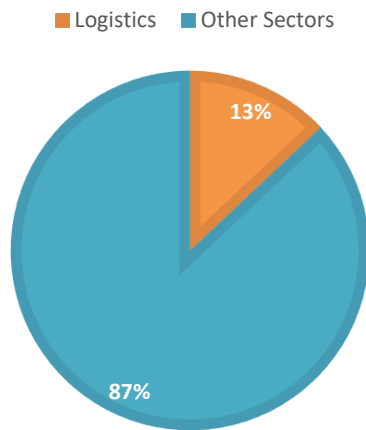
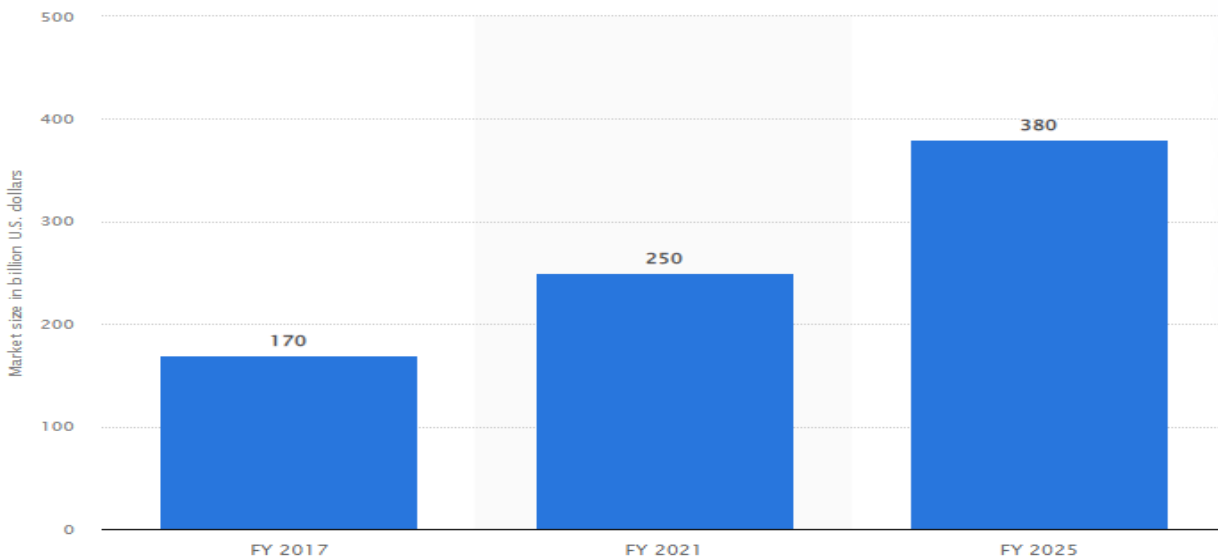


Exhibit 2: Size of Logistics market in India



(Source: statista.com)

## Investment Overview

### Logistics Industry

Logistics sector globally has a market size of over USD 5.2 trillion as per a report from IMARC group. On an average, sector accounts for anywhere between 8–20% in various country's GDP. Logistics costs in India are higher than those in developed countries. USA spends 9.5 per cent of the GDP on logistics while Germany is even more competitive with a share of eight per cent. Higher logistics costs in India could be ascribed to the lack of efficient inter-modal and multi-modal traditional systems thereby presenting significant future scope for development and efficiency. India has the second-largest population in the world with 1.38 billion people and its logistics market is estimated to be around \$210 Billion. The domestic logistics market is growing at a faster pace than the economy and is expected to maintain its CAGR of 8-10% in coming years. As per various reports logistics sector contributes around 13% of GDP. Last decade has witnessed multi-fold changes in logistics landscape like implementation of GST, improvement in road infrastructure and high degree of automation leading to improvement in logistics efficiency. It is estimated that these reforms have led to around 200 to 300 BPS improvement in overall logistics cost to GDP ratio.

Lockdown imposed due to COVID-19 was a huge shock on the Indian Economy as well as the Indian logistics Industry. The impact was especially serious for transportation sector in the initial few weeks, due to strict restrictions on movement of goods vehicle limiting to only essentials. Logistics sector also faced intense labour crisis in initial months of FY21. However, workforce returned and resumed their respective duties after 2-3 months of lockdown. As lockdowns were lifted across the country, the logistics industry, in cohesion with the economy showed high degree of resilience. In the year of pandemic in FY 21 total cargo volume for Indian railway has registered a growth of 2% in volume and 3% in revenue terms. After sharp dip in e-way bills generation during April 2020, it witnessed a consistent growth post lockdown and in the month of March FY 21 it touched the ever-highest figure of 71.2 million e-way bills. Similarly in EXIM, international trade suffered significantly because of lockdown around the world and in India as well. But, as the lockdowns were lifted across the world, the total

export shipments grew by 60.2 when compared with march20. Also, imports grew by 53.74% to \$48.38 billion in March21 when compared with march20. Indian Logistics market for FY 2020 was estimated to be \$215 bn in economic survey of 2017-2018, research has estimated logistics market to touch \$320 bn by 2025.

The logistics sector in India can be divided into following categories: 1) Transportation 2) Warehousing 3) Value Added / Other Services Out of these components, transportation account for the largest pie. In Indian context out of total logistics cost share of transportation and warehousing is lower compared to developed market like US. This is due to low cost of transportation and high contribution of cost due to wastages & inefficiencies.

(Source: Prospectus)

### **Addressable Market for Amiable Logistics (India) Limited**

The company has been established in India and caters services mainly in the domestic market specifically in the state of Maharashtra. The company has extensive communication network covering like Mumbai, JNPT, Ahmedabad, Mundra, Delhi, Chennai, Kolkata & others. The company is planning to be the market leader across the nation in future.

### **Competition**

The logistics industry in India is very unorganized and highly fragmented and the main challenges lies in quality, reliability, pricing and goodwill to mention the least in India. There are no entry barriers in the industry which puts company to the threat of competition from new entrants as there are numerous players operating in the industry. Company faces tough competition due to many unorganized as well as from organized players operating in the similar space.

### **Peer Analysis**

As Mentioned in the prospectus, the company has 5 listed peer companies viz. Timescan Logistics (India) Ltd, Tiger Logistics (India) Ltd, Ritco Logistics Limited, Allcargo Logistics Limited, Shree Vasu Logistics Ltd. A summary on the key financial parameters is given in the table below –

Company	Amiable Logistics (India) Limited	Timescan Logistics (India) Ltd	Tiger Logistics (India) Ltd	Ritco Logistics Limited	Allcargo Logistics Limited	Shree Vasu Logistics Ltd
Net Profit (INR Cr)	0.48	2.91	33.63	16.27	925.73	3.24
EBITDA (INR Cr)	0.48	4.78	39.69	44.27	1713.02	10.28
Return on Capital Employed	23.20%	31.72%	50.44%	26.40%	27.65%	13.28%
Return on Equity	27.05%	22.20%	45.18%	13.13%	26.11%	11.52%
EPS (INR)	2.78	15.52	31.81	6.65	37.68	2.83
P/E* (Times)	29.13	12.01	7.55	28.58	11.49	43.53

\*As on 1/11/2022

#Post IPO Basis



## Promoters' Profile and Management Analysis

### Mr. Lalit Lakhamshi Mange



- Mr. Lalit Lakhamshi Mange, aged 55 years, is the Promoter, Chairman & Managing Director of the Company.
- He holds Bachelor's degree in Business Administration from Annamalai University.
- He is associated with the Company since July 01, 2003 as Director.
- He has experience of around 20 years in the field of logistics.

### **Analysis on the Company's Promoter and Board of Directors**

**Mr. Lalit Lakhamshi Mange**, aged 55 years, is the Promoter, Chairman & Managing Director of the Company. He holds bachelor's degree in Business Administration from Annamalai University. He is associated with the Company since July 01, 2003, as Director and has experience of around 20 years in the field of logistics. He is responsible for Finance, Business development, planning, marketing and operations in the Company.

**Mr. Kishor Laxmidas Mange**, aged 41 years, is the Executive Director of the Company. He has completed his Higher Secondary Education. He has experience of around 15 years in the field of logistics. He is responsible to oversee and review the reports for inbound and outbound shipments, manage import good transport planning, planning the process including procurement, inventory control, logistics and distribution.

**Mr. Mohan Karsandas Nanda**, aged 57 years, is the Executive Director of the Company. He holds degree in Bachelor of Commerce from University of Bombay. He has experience of around two decades in the field of logistics and is responsible for day-to-day business, approaching new clients, coordinating with all existing clients, resolving issue related to custom clearance, warehouses, transportations, forwarding

To conclude, the company's directors are the main driving force of the company and are very well experienced in the business line. The existence of obligatory hires is evident. The Non-Executive Directors and Independent Directors are experienced and might help the company grow with their valuable inputs, but looking at their academic qualifications they do not possess any knowledge about the logistics industry, which might be a huge concern in future.

### Financial Snapshot

(Amount in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2022	As at 30th Sep, 2022
<b>Profit and Loss</b>			
Revenue from operation	1,376.38	1,703.74	1,343.19
Other income	27.15	22.18	20.90
Total Revenue	1,403.53	1,725.92	1,364.09
<b>Expenses</b>			
Expenses	1,350.90	1,655.38	1,270.14
Depreciation and Amortisation Cost	9.86	7.63	2.99
Finance Cost	9.01	4.72	4.05
Total Expenses	1,369.77	1,667.73	1,277.18
PBT	33.76	58.19	86.91
PBT Margin	2.45%	3.42%	6.47%
EBITDA	25.48	48.36	73.05
EBITDA Margin	1.85%	2.84%	5.44%
Net Profit	29.67	48.38	65.08
Net Profit Margin	2.16%	2.84%	4.85%
<b>Balance Sheet</b>			
Total Borrowings	65.76	4.54	61.42
Net Worth	127.16	175.54	240.62
Tangible Fixed Assets	38.62	30.63	27.64
Net Working Capital	69.83	126.87	114.85
<b>Financial Measures</b>			
Inventory Turnover Ratio	-	-	-
Receivables Turnover Ratio	13.05	11.22	4.47
Payables Turnover Ratio	-	-	-
Tangible Fixed Assets Turnover Ratio	35.64	55.62	48.60
Return on Capital Employed	12.24%	23.20%	29.12%
Return on Equity	23.33%	27.56%	27.05%
Debt-Equity Ratio	0.52	0.03	0.26

(The data has been taken and calculated from the financials given in the prospectus)

### **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

The EBITDA of the company has grown from Rs. 25.48 lacs in 2021 to Rs. 48.36 lacs in 2022 and Rs. 73.05 lacs up to September 2022 which if annualised would be around 146.10 growing at a CAGR of 139.46%. The EBITDA margin in 2021 was 1.85%, 2.84% in 2022 and 5.44% up to September 2022. The growth of 139.46% in EBITDA is not sustainable and is extra-ordinary.

### **Net Profit**

The net profit of the company has grown from Rs. 29.67 lacs in 2021 to Rs. 48.38 lacs in 2022 and Rs. 65.08 lacs up to September 2022 which if annualised would be around Rs. 130.16 lacs growing at a CAGR of 109.45%. The net profit margin in 2021 was 2.16%, 2.84% in 2022 and 4.85% up to September 2022. The sudden growth of net profit is once again super-normal and the sustainability of the same is in question. The profit margin in 2022 has also increased substantially from the levels of 2021.

### **Finance Cost.**

The company has incurred finance cost mainly on the secured short-term borrowings.

### **Financial Measures/Ratios**

RoCE of the company up to September 2022 was 29.12% which if annualised would be around 18.87% vs 23.20% in 2022 and 12.24% in 2021. The RoCE on annualised basis has decreased due to increase in Equity capital through IPO, the RoCE is expected to increase after FY 23 due to increasing operating profit of the company.

ROE of the company up to September 2022 was 27.05% which if annualised would be around 17.53% vs 27.56% in 2022 and 23.33% in 2021. The analysis and prediction of the same can be set forth as that of RoCE.

The company receivables turnover ratio was 11.22 times in 2022 vs 4.47 times up to September 2022. The days of receivables has shot up from 28 days to 82 days approximately.



# Amiable Logistics (India) Limited

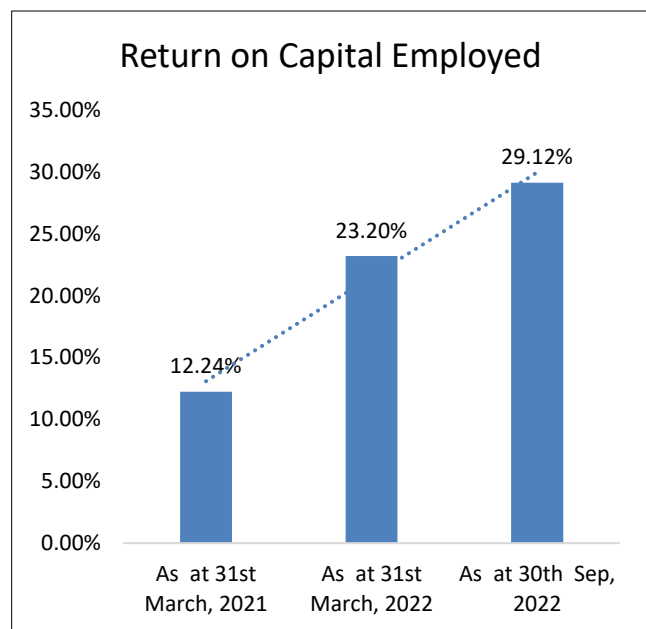
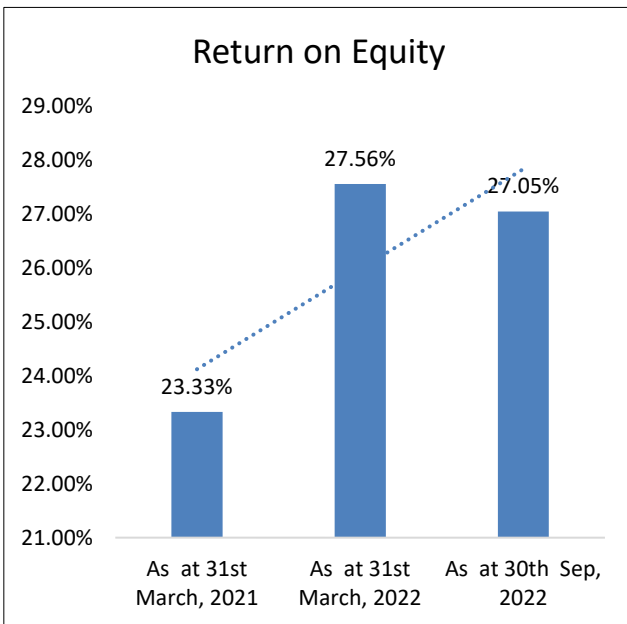
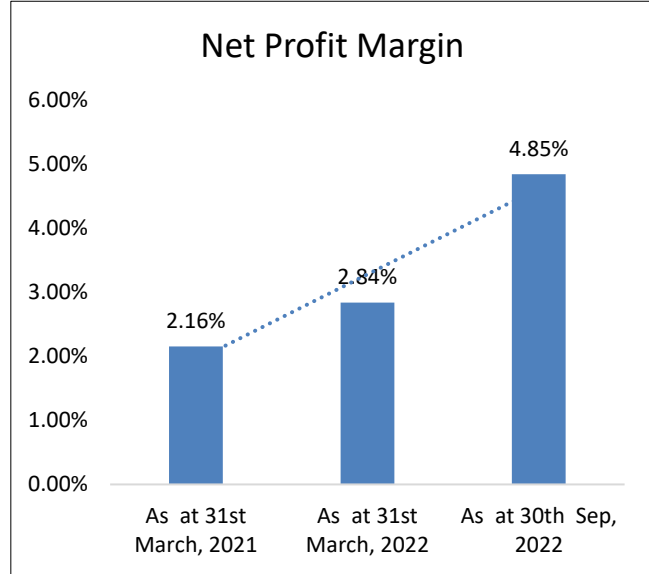
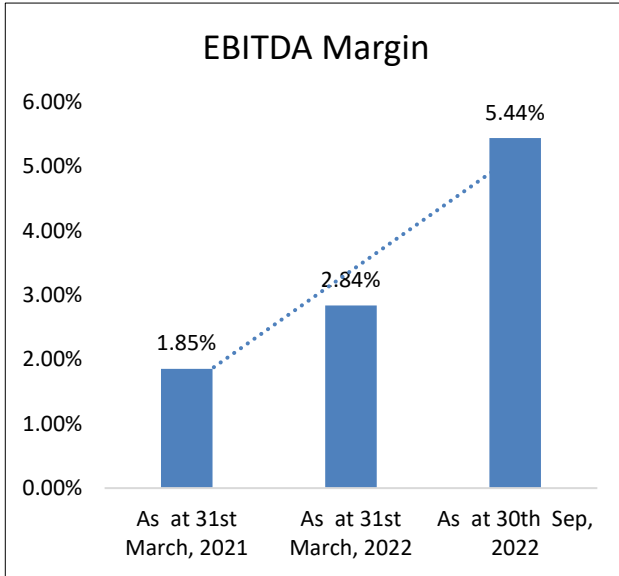
## Review Report On IPO



The company has a debt-equity ratio of 0.26 times up to September 2022. The debt structure of the company has remained constant as company only has short term borrowings.

## Financial Charts

**\*The charts are not annualised**



## Key Risk Factors

1. Company and Group Company are involved in certain litigations including tax related litigations totalling to an amount of Rs. 43.31 lacs and 1 criminal complaint against the directors on which amount is uncertain, which if determined against them, can affect financial conditions of the company.
2. Company's Promoter Director, Mr. Lalit Lakhamshi Mange was disqualified from directorship for the period of 5 years starting from November 01, 2016 to October 31, 2021.
3. Company is heavily dependent on trucks, machinery and equipment for operations.
4. Company face competition from several international and domestic third-party logistics companies, which may adversely affect market position and business.

### Track Record of Lead Manager

The lead manager to the issue is Shreni Shares Private limited and the previous issue details have been taken from the Prospectus. A table has been set below highlighting the details of the IPO of some of the companies handled by the Lead Manager in recent times –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share	Listing date	CMP#
1.	Cospower Engineering Limited	2.04	51.00	March 30,2020	142.00
2.	KSolves India Limited	4.02	100.00	July 6, 2020	476.45
3.	Bodhi Tree Multimedia Limited	3.70	95.00	October 21, 2020	61.00
4.	Shine Fashions (India) Limited	1.60	40.00	November 2 2020	34.95
5.	Adjia Technologies Limited	2.00	74.00	March 15,2021	24.5
6.	Getalong Enterprise Limited	5.18	69.00	October 08, 2021	69.00
7.	DMR Hydroengineering & Infrastructures Limited	2.09	21.00	December 07, 2021	39.00
8.	Alkosign Limited	12.15	45.00	February 01, 2022	72.90
9.	Quality RO Industries Limited	2.70	51.00	February 09, 2022	49.00
10.	Ekennis Software Service Limited	2.88	72.00	March 07, 2022	147.95
11.	Fidel Softech Limited	13.50	37.00	June 10, 2022	69.80
12.	SKP Bearings Limited	30.80	70.00	July 13, 2022	177.00
13.	Olatech Solutions Limited	1.89	27	August 29, 2022	76.50
14.	Ameya Precision Engineers Ltd	7.14	34	September 08, 2022	51.60

### #CMP is taken as on 31<sup>st</sup> October 2022

This is the 15th IPO of the Lead Manager, out of the last 10 listings, all opened at premiums ranging from 0.55% to 101.18% on the day of listing.



## Recommendation

The company was established in the year 2002 and has good experience in the business line it currently operates. However, logistics industry in India is very unorganized and highly fragmented and Company faces tough competition due to many unorganized as well as from organized players operating in the similar space.

The revenue of the company has grown at CAGR of 39.71%. However, the operating and net profit margins have shown substantial and supernormal growth.

Although the company's management does not have education in the relevant service line, but they claim to make it up with the experience they have gained over the years. **But the promoter of the company has history of disqualification from directorship for a period of 5 years.**

The company has issued bonus shares twice during the year 2021-2022.

To conclude, the management of the company is well experienced, but the industry is very competitive, and the company is getting listed at P/E of 29.13, which is very high compared to its peer companies. On comparison with peer companies the financial performance of the company is at minuscule level. Looking at all the factors one **should not apply** in the IPO.

## Disclaimer

We are not SEBI registered and not a certified Research Analyst. The information provided here is for education purposes only. We will not be responsible for any of your profit/loss with these suggestions. Consult your financial advisor before taking any decisions.

**We believe an SME company needs 2-3 years to show its true potential and therefore our recommendations are for Long-term investment and not for listing gains.**