

IPO Details	
Opening Date	May 10, 2024
Closing Date	May 14, 2024
Stock Exchange	NSE SME
Lot Size	2,000 Shares
Issue Price	₹63 to ₹67 per share
Issue Size	Aggregating up to 40.36 Cr.
Fresh Issue	Aggregating up to 40.36 Cr.
Offer for Sale	-
Application Amount	₹1,34,000

IPO Objective	
1.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company.
2.	Purchase of vehicle for commercial purposes
3.	To meet working capital requirements.
4.	General Corporate Purpose

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	1,68,38,547	100.00%
Public	-	-

Promoter of the Company	
1.	Virender Gupta
2.	Rakhi Gupta
3.	Samin Gupta

Competitive Strengths	
1.	Process and Technology
2.	Diverse customer base
3.	Assured quality services
4.	Experienced Senior Management
5.	Wide Transportation Network & Revenue from multiple geographies in India

Company Background	
○	Incorporated in 2008, Premier Roadlines Limited is headquartered in Delhi and offers logistics solutions for companies, especially for land transportation of goods between 1 MT and 250 MT.
○	The company offers general transportation services, project logistics, and oversized/overweight cargo transportation across India.
○	The company serves mainly to B2B customers and their customers come from sectors such as infrastructure, energy, electricity, oil and gas, mechanical engineering, construction, metallurgy, renewable energies, etc.
○	For the provision of transportation services, the company works with third-party providers.
○	The company has 28 branches and as of December 31, 2024, the company had 214 permanent full-time employees

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 113	₹153

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Jan-24
Total Assets	4,578.82	5,144.61	7,410.76	8,699.10
Net Assets	1,596.07	1,984.67	2,703.17	3,577.83
Total Borrowing	2,379.01	2,354.82	3,677.25	3,707.92
Total Revenue	9,415.77	13,868.81	19,205.59	17,420.7
Profit After Tax	155.39	388.59	718.49	874.67

Tentative Timeline	
Opening Date	May 10, 2024
Closing Date	May 14, 2024
Basis of Allotment	May 15, 2024
Initiation of Refunds	May 16, 2024
Credit of Shares to Demat	May 16, 2024
Listing Date	May 17, 2024

Company Background and Analysis

Incorporated in 2008, accredited as an approved transporter by the Indian Bank's Association, the company is engaged in providing transportation of goods, especially for land transportation of goods between 1 MT and 250 MT, in containerized trucks to various industrial sectors such as Infrastructure, Energy, Power, Oil & Gas, Engineering, Construction, Metallurgical, Renewable energy etc. The company is headquartered in Delhi and has 28 branches in Ahmedabad, Bengaluru, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Nashik, Pune, etc.

In the contract logistics segment, the company caters to B2B customers to transport large quantities within India and to other neighbouring countries like Nepal, Bhutan, etc.

For the provision of transportation services, the company works with third-party operators, i.e. small fleet owners and agents such as container trucks, trailers, hydraulic axles, etc. The company has a centralised information technological network. They have both offline and online presence.

The Company's transportation facilities include:

- 1. Project Transportation-** a contract to handle an entire project, planning of dispatch, choosing vehicle type and meeting daily placements targets by the customers' end on a bulk basis.
- 2. Contracted Integrated Logistics Services-** These services include vehicles ranging from 1MT to 30 MT. These movements are majorly from the client's warehouse/ premises to the end customer of the client.
- 3. Over-Dimensional / Over-weight Cargo-** Over-Dimensional Cargo is any cargo or goods that exceed a vehicle's dimensions. Various safety protocols and permissions are needed to execute this job.
- 4. General Logistics-** This type of service includes out-of-contract, spot-bidding transportation etc. The nature of goods in this service type can be spares, Accessories or others on a Full Truck Load basis.

The company was awarded "The Best Logistics-Large Fleet" for accelerating Large Fleet Transportation Services Pan India by Keller Group in Business Partner Meet-2022, Chennai and, as Preferred Supplier, by Triveni Turbines in Logistics Summit, 2023.

Revenue bifurcation on the basis of services provided by the company for the FY ended 2021, 2022, and 2023, and the Period Ended January 2024 is as follows –

(Amount in Lacs)

Services	Mar-21		Mar-22		Mar-23		Jan-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Project Transportation	3,364	36	4,996	36	7,325	38	5,666	33
Contracted Integrated Logistics Services	3,167	34	2,743	20	3,664	19	4,023	23
Over-dimensional/ Over-weight Cargo	1,085	12	2,907	21	4,045	21	3,977	23
General Logistics	1,767	19	3,215	23	4,159	22	3,750	22
Total	9,383	100	13,862	100	19,193	100	17,417	100

To conclude, since the company was founded in 2008, it has vast experience in the field. From the recent FY, the company has seen a notable increase in revenue majorly taken by the domestic area. The company has both online and offline presence as well as a wide transportation network & revenue from multiple geographies in India. The company is raising total proceeds of Rs. 40.36 Cr out of which 2.75 Cr is to be utilized for purchasing of Commercial Vehicles which can drive good growth for the company in the future due to their current dependency on third-party operators as mentioned.

Business Strategies

1. Continue to develop cordial relationship with Customers and Logistic Partners -

The company offers integrated logistics solutions for client flexibility and cost savings, while fulfilling their needs through network of reliable transporters. This focus on long-term relationships ensures efficient supply chain performance and business stability to the business and further enabling the business to grow and develop.

2. Enhancing Brand image and meeting quality standards-

The company prioritizes quality alongside cost-efficiency to ensure repeat business and brand growth. They achieve this through continuous process improvement, leveraging technology, and exceeding client expectations.

3. Increase goods transportation network across India-

The company plans to aggressively expand domestic transport network, offering fleet rentals and acquiring new clients in growing markets. This will strengthen brand visibility and enable faster deliveries, reaching new regions and capitalizing on economic growth.

4. Continue to serve more industries-

The company is expanding services to new industries while continuing to serve existing ones. Their experienced team identifies evolving customer needs and explores opportunities in emerging sectors, allowing them to actively scale and diversify their reach.

Competitive Scenario and Peer Mapping

Competition

The goods transportation industry in which the company operates is unorganized, competitive and highly fragmented in India, therefore, making the industry with low entry barriers. They compete with a variety of local, regional, and national goods transportation service providers of varying sizes and operations. The company believes that principal competitive factors include service quality, reliability, price and the availability and configuration of vehicles that are able to comprehensively address varying requirements of different customer segments and specific customer needs. They also believe that their ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices, thereby strengthening the brand over the years. Some of their major competitors are VRL Logistics Limited, AVG Logistics Limited, Ritco Logistics Limited etc.

Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –

Particulars	Premier Roadlines Limited	VRL Logistics Limited	AVG Logistics Limited	Ritco Logistics Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	3.74%	11.46%	1.94%	3.24%
EBITDA Margin	6.73%	20.39%	18.23%	7.33%
Return on Capital Employed	32.67%	26.22%	15.96%	29.80%
Return on Equity	26.58%	33.12%	9.29%	16.43%
EPS (INR)	4.27	36.58	7.08	9.97

The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –

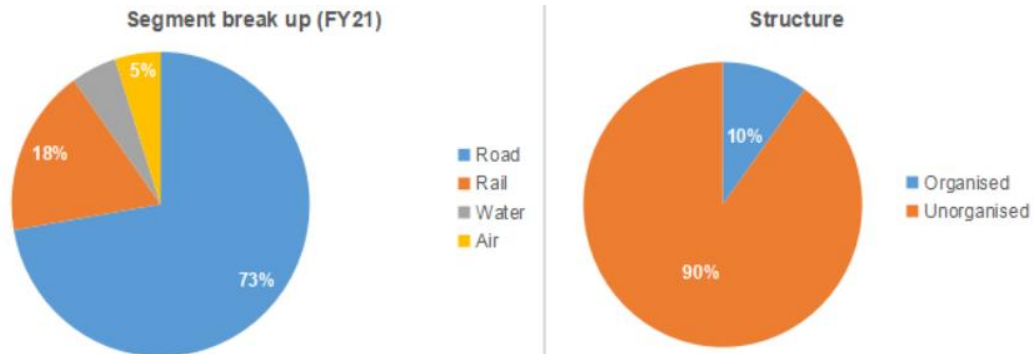
Particulars	Premier Roadlines Limited	VRL Logistics Limited	AVG Logistics Limited	Ritco Logistics Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	2.80%	7.33%	0.23%	2.73%
EBITDA Margin	5.64%	18.16%	9.68%	7.42%
Return on Capital Employed	29.75%	22.62%	7.84%	26.40%
Return on Equity	19.58%	24.57%	1.20%	13.13%
EPS (INR)	2.31	18.12	0.83	6.65

The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –

Particulars	Premier Roadlines Limited	VRL Logistics Limited	AVG Logistics Limited	Ritco Logistics Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	1.66%	2.54%	-0.51%	1.27%
EBITDA Margin	4.70%	14.69%	5.16%	7.13%
Return on Capital Employed	21.54%	10.76%	8.62%	16.46%
Return on Equity	9.74%	7.55%	-2.18%	5.62%
EPS (INR)	0.92	5.04	-1.55	2.47

Industry Overview

Exhibit 1: Pie chart representing segmented break-up and fragmented structure of Indian Logistics Industry respectively in FY21:



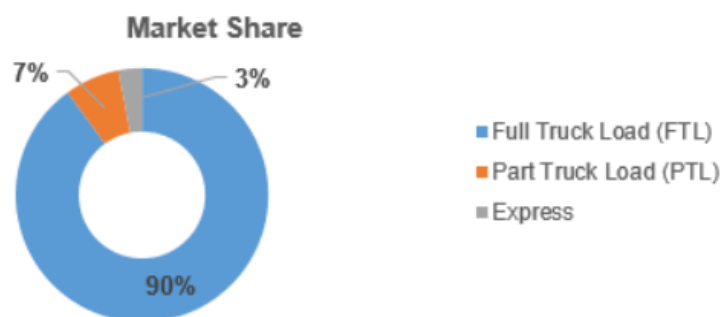
(Source: KPMG Report)

Exhibit 2: Division of Logistics Sector in India in FY22:



(Source: Prospectus)

Exhibit 3: Division of Surface Transportation sector in FY23:



(Source: Indian Chamber of Commerce)

Asia's Economic Overview:

The growth in emerging and developing Asia is projected to rise from 4.5 percent in 2022 to 5.2 percent in 2023, then to decline to 4.8 percent in 2024, with downward revisions of 0.1 percentage point and 0.2 percentage point for 2023 and 2024, respectively, compared with July projections.

Indian Economic overview:

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years.

Logistics Industry Overview:

The logistics sector in India is predicted to account for 14.4% of the GDP. The logistics sector in India was valued at US\$ 250 billion in 2021, with the market predicted to increase to an astounding US\$ 380 billion by 2025, at a healthy 10%-12% year-on-year growth rate. Moreover, the government is planning to reduce the logistics and supply chain cost in India from 13-14% to 10% of the GDP as per industry standards.

Logistics pertains to the general method of controlling how resources are obtained, housed and delivered to their ultimate location. It is a differentiating sector that can largely affect any country's exports, thereby adding a significant competitive edge, with the underlying assumption of a robust logistics sector.

Investment Trends:

Foreign corporations are actively investing in India's logistics infrastructure to capitalize on the country's strategic location, trained labour, and improved business environment. In 2022, these two segments received US\$ 1.8 billion in Private Equity (PE)/ Venture Capitalist (VC) investments, representing a 29% increase year on year. The industry garnered investments worth US\$ 1 billion (Rs. 8,257 crore) at the beginning of 2022.

Government Role towards Development of Logistics sector:

The government has initiated various steps to boost the logistics sector, such as follows-

- National Logistics Policy
- National Logistics Law
- Logistics Master Plan
- National Logistics Workforce Strategy

Transportation in India:

Surface Transportation The surface transport sector is anticipated to experience the fastest growth in India's infrastructure sector, with a CAGR of more than 8% in 2020. Additionally, the trucking sector is very unorganised and fragmented. Less than five trucks make up the fleet of 70% of the truck owners in the industry.

Roads Network and Development in India:

The National Highways have a total length of 1,44,955 km, which in totality serve as the arterial network of the country. India boasts of the world's second-largest road network, with over 6.37 million kilometres. In recent years, there has been a substantial increase in the pace of construction of national highways, from an average of 12 kilometres per day in 2014-15 to around 29 kilometres per day in 2021-22. The total length of highways has expanded from 97,830 kilometres in 2014 to 145,155 kilometres today.

(Source: prospectus)

Key Managerial Personnel

Virender Gupta, aged 55 years, is one of the Promoters, Chairman & Managing Director of the Company. He has been on the Board of Directors of the Company since incorporation. He holds a bachelor's degree in commerce from the University of Delhi. He has a work experience of more than 24 years in the field of Logistics & Transportation Industry. He has been instrumental in taking major policy decisions for the Company. He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the business development, Legal operations & Compliance and overall management of the business of the Company.

Rakhi Gupta, aged 50 years, is one of the Promoters, Whole Time Director of the Company. She has been on the Board of Directors of the Company since incorporation. She holds a bachelor's degree in Arts from the University of Delhi. She has a work experience of 15 years in the field of logistics Industry. She is responsible for general business and administration functions in the Company.

Samin Gupta, aged 24 years is one of the Promoters, Whole Time Director & Chief Financial Officer of the Company. He has been on the Board of Directors of the Company since 2022. He has completed his bachelor's in business administration in Finance and Accountancy in 2021 and also holds the degree of Master of Science in Supply Chain and Logistics Management from the University of Warwick, United Kingdom in 2022. He has a work experience of more than 1 year in the field of Logistics & Transportation Industry. He is responsible for the finance and accounting functions, and operations of the Company.

Naveen Bansal, aged 30 years, is a Non-Executive Director of the Company. He is a qualified member of the Institute of Chartered Accountants of India. He holds a post-qualification work experience of more than 7 years in various fields. He is currently engaged as a partner in a practising CA firm.

Sunil Gupta, aged 45 years, is an independent director of the Company. He is a qualified member of the Institute of Chartered Accountants of India. He holds a post-qualification work experience of 16 years in various fields. He is currently engaged as a partner in a practising CA firm. He joined the Company in 2020.

Megha Aggarwal, aged 38 years, is an Independent Director of the Company. She holds a bachelor's degree in commerce. She is an Insolvency Professional and a fellow Member of the Institute of Company Secretaries of India. She holds a post-qualification work experience of 12 years in various fields. She joined Premier Roadlines Ltd. in 2023.

To conclude, two of the Promoters of the company, namely, Virender Gupta and Rakhi Gupta have vast experience in the business field. Sumin Gupta has less work experience but holds degrees relating to this field. The company's Directors are well qualified and have good experience in their respective fields as well.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jan-24
Revenue from Operations	9,382.96	13,862.12	19,192.65	17,416.63
Other Income	32.81	6.69	12.94	4.08
Total Income	9,415.77	13,868.81	19,205.59	17,420.71
Expenses				
cost of operating expenses	8,110.96	11,953.81	16,518.31	14,648.34
Employee benefits expense	631.83	795.11	956.14	788.67
Finance costs	197.68	203.35	270.81	282.83
Depreciation and Amortization expense	59.25	62.98	69.40	73.82
Other expenses	198.95	331.01	425.76	449.40
Total Expenses	9,198.67	13,346.26	18,240.42	16,243.06
Earnings Before Interest, Taxes, Depreciation & Amortization	441.22	782.19	1,292.44	1,530.22
EBITDA Margin	4.70%	5.64%	6.73%	8.79%
Profit/(Loss) before tax	217.10	522.55	965.17	1,177.65
Tax Expense				
Current Tax	63.29	144.45	254.64	299.87
Deferred Tax	-1.58	-10.49	-7.96	3.11
Total Tax Expense	61.71	133.96	246.68	302.98
Profit/(Loss) for the year	155.39	388.59	718.49	874.67
Net Profit Margin	1.65%	2.80%	3.74%	5.02%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jan-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	153.08	153.08	153.08	1,683.85
Reserves and surplus	1,442.99	1,831.59	2,550.09	1,893.98
Total Equity	1,596.07	1,984.67	2,703.17	3,577.83
2. Non-current liabilities				
Long Term Borrowings	100.75	347.05	933.00	336.67
Long term Provisions	76.36	85.95	107.83	112.98
Total Non-current liabilities	177.11	433.00	1,040.83	449.65
3. Current liabilities				
(a) Financial liabilities				
Short-term borrowings	2,278.26	2,007.77	2,744.25	3,371.25
Trade payables-				
(i) MSME	-	-	484.66	532.76
(ii) Other than MSME	363.31	574.99	219.67	326.22
Other current liabilities	79.30	45.58	115.32	246.37
Short-term provisions	84.77	98.60	102.86	195.02
Total Current liabilities	2,805.64	2,726.94	3,666.76	4,671.62
Total Liabilities	2,982.75	3,159.94	4,707.59	5,121.27
Total Equity and Liabilities	4,578.82	5,144.61	7,410.76	8,699.10
ASSETS				
1. Non-current assets				
Fixed Assets-				
a) Tangible Assets:				
(iii) Net Block	480.55	361.29	918.16	965.60

Balance Sheet					(In Lacs)
b) Intangible Assets:					
(iii) Net Block	0.73	1.21	3.00	2.48	
Capital Work in progress	-	-	18.34	-	
Deferred Tax Assets (Net)	17.88	28.37	36.33	33.22	
Long term Loans and Advances	6.47	24.94	36.44	56.36	
Other Non-Current Assets	0.27	0.28	9.42	9.66	
Total Non-Current assets	505.90	416.09	1,021.69	1,067.32	
2. Current assets					
Trade receivables	3,599.87	4,320.81	5,922.60	6,835.05	
Cash and cash equivalents	232.43	159.44	160.62	112.59	
Short-term loans and advances	227.69	237.46	288.35	657.22	
Other Current Assets	12.93	10.83	17.52	26.95	
Total Current assets	4,072.92	4,728.54	6,389.09	7,631.81	
Total Assets	4,578.82	5,144.63	7,410.78	8,699.13	

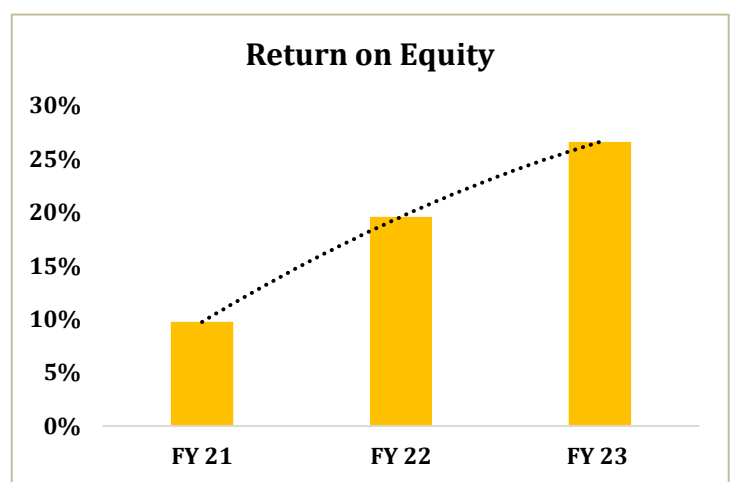
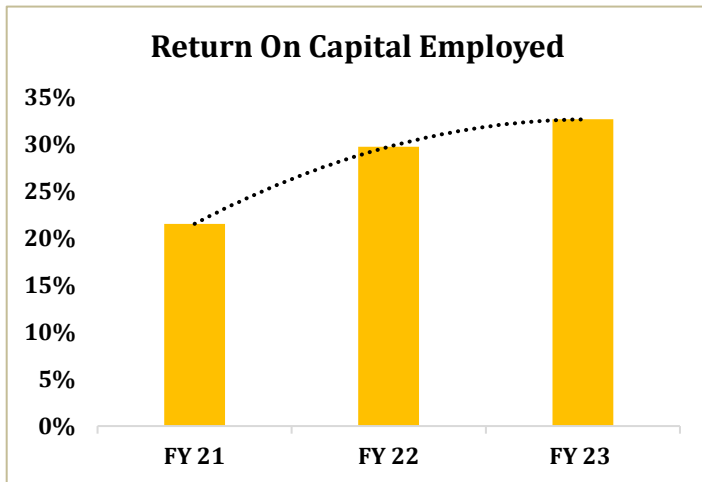
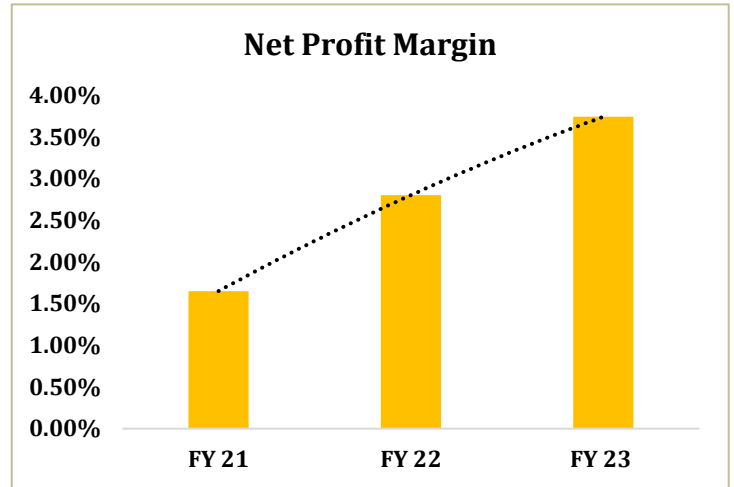
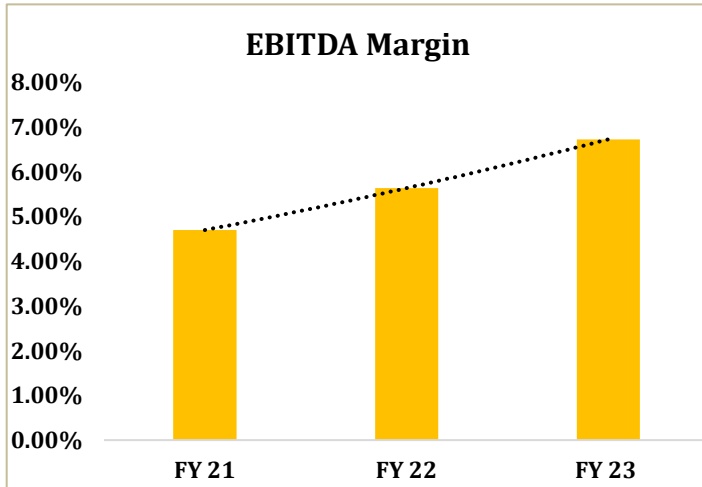
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jan-24	
Net Cash Flow from Operating Activities	243.12	128.07	-383.23	323.90	
Net Cash Flow from Investing Activities	-147.89	26.47	-667.22	-119.77	
Net Cash Flow from Financing Activities	66.63	-227.53	1,051.62	-252.16	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Jan-24*
Per Share Data				
Diluted EPS	0.92	2.31	4.27	4.61
BV per share	6.98	8.68	11.82	34.09
Operating Ratios				
EBITDA Margins	4.70%	5.64%	6.73%	8.79%
PAT Margins	1.65%	2.80%	3.74%	5.06%
Inventory days	-	-	-	-
Debtor days	140.04	113.77	112.63	120.09
Creditor days	14.13	15.14	13.39	15.09
Return Ratios				
RoCE	21.54%	29.75%	32.67%	22.35%
RoE	9.74%	19.58%	26.58%	13.52%
Valuation Ratios (x)*				
EV/EBITDA	8.48	5.34	4.81	6.16
Market Cap / Sales	1.63	1.11	0.80	0.74
P/E	72.83	29.00	15.69	14.53
Price to Book Value	9.60	7.72	5.67	1.97
Solvency Ratios				
Debt / Equity	1.49	1.19	1.36	1.04
Current Ratio	1.45	1.73	1.74	1.63
Quick Ratio	1.45	1.73	1.74	1.63
Asset Turnover	2.05	2.69	2.59	2.00
Interest Coverage Ratio	1.93	3.54	4.52	5.15

*Annualized Figures

*Valuation Ratios are calculated using the current Issue Price.

Financial Charts



Key Risk Factors

1. The company does not have their own fleet and is heavily dependent on third-party service providers.
2. There are certain outstanding legal cases involving the Company amounting to Rs. 175.86 lakhs. Any adverse decision in these legal cases may have an adverse effect on the business and financial conditions.
3. The company had negative cash flows in recent fiscal years having negative Operating cash flows in FY23.
4. Contingent Liability and Commitments of Rs. 134.90 lakhs which have not been provided in the financial statements could affect the financial position.
5. One of the company's Group Companies i.e. Premier Auto Finance Limited, was earlier listed on CSE, but currently the same is suspended from trading due to non-compliance with listing agreements.

Track Record of Lead Manager

The lead manager to the issue is Hem Securities Pvt Ltd. A table has been set below highlighting the details of the IPO of the recent 10 companies handled by the Lead Manager in recent times –

Hem Securities Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Amkay Products Limited	12.61	55.00	May 08,2024	109.72
2.	Aspire & Innovative Advertising Limited	21.97	54.00	Apr 03,2024	74.10
3.	Blue Pebble Limited	18.14	168.00	Apr 03,2024	314.55
4.	Enfuse Solutions Limited	22.44	96.00	Mar 22,2024	118.15
5.	Sona Machinery Limited	51.82	143.00	Mar 13,2024	161.85
6.	Harshdeep Hortico Limited	19.09	45.00	Feb 05,2024	59.29
7.	Megatherm Induction Limited	53.91	108.00	Feb 05,2024	323.40
8.	New Swam Multitech Limited	33.11	66.00	Jan 18,2024	82.00
9.	Shri Balaji Valve Components Limited	21.60	100.00	Jan 03,2024	223.15
10.	Shanti Spintex Limited	31.25	70.00	Dec 27,2023	71.11

*CMP for the above-mentioned companies is taken as of 9th May 2024.

As per the offer document, from the above-mentioned mandates, only Sona Machinery Limited opened at a discount and the remaining mandates have opened at premiums on the listing date.

The company has had 44 mandates in the past three years including the current Year.

Recommendation

The company has been in the industry since 2008 and has vast experience in the industry. The management overview of the company is also good.

The P/E on a post-IPO and annualised basis is around 14.53 times and the Industry P/E is 37.8 times which makes it fairly priced in the industry. The Company's debt-to-equity Ratio is 1.04 times.

The company operates in a competitive environment. The company has vast experience holders in their management. The company has an international presence. From the Net proceeds, the Company will be utilizing 2.75 Cr. to purchase Commercial vehicles which can drive good growth for the company in the future. The company has shown a consistent increase in the top line and bottom line of its financials. Thus, we recommend **APPLY** to this IPO.

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