

No near-term upside seen in logistics stocks, say analysts

Benefits from new policy may emerge in mid to long term

LOVISHA DARAD

New Delhi, 19 September



MIXED BAG FOR NOW

Logistics companies	CMP* as on Sept 19 (₹)	Change YTD (%)
VRL Logistics	645.0	50.6
Blue Dart Express	8,474.3	33.7
Container Corp of India	747.5	21.7
Allcargo Logistics	401.1	2.8
Transport Corp of India	766.7	2.6
Snowman Logistics	39.1	-3.5
Sindhu Trade Links	23.5	-5.2
Gati	177.9	-5.4
Mahindra Logistics	510.0	-24.9
S&P BSE Sensex	59,141.2	1.5

*Current market price
Source: Bloomberg, exchanges

Compiled by BS Research Bureau

Shares of logistics players saw a mixed response in trade on Monday after the government launched the national logistics policy (NLP) on Saturday. Investors lapped up shares of Allcargo Logistics, Concor, VRL Logistics and Lancer Container, sending them 0.4-7 per cent higher.

However, pressure mounted on shares of Snowman Logistics, Mahindra Logistics, and Delhivery. These stocks declined up to 4 per cent. The market reaction mirrors analysts' mixed response to the NLP even though they expect the policy to benefit logistics players in the medium to long term. But they foresee no upside in the near term. Analysts at Jefferies, for instance, believe that the goods and services tax (GST) tailwinds under the new policy will benefit organised players. They remain bullish on the medium-

term prospects of Concor, TCI Express, and Delhivery.

Over the weekend, the government launched the NLP, aimed at integrating and developing a technologically enabled logistics ecosystem in India.

The new logistics policy aims to trim the costs to single digits, from 13-14 per cent of gross domestic product at present, by 2030. This would be in line with developed countries like the US and Germany, where logistics

costs are in the range of 7 per cent to 9 per cent. These costs, the government said, would be reduced through initiatives like Integration of Digital System (IDS), Unified Logistics Interface Platform, Ease of Logistics (ELOG), Network Planning Group (NPG), and System Improvement Group (SIG).

Analysts at JM Financial believe, with the launch of platforms like Unified Logistics Interface Platform and ELOG, the NLP could boost prospects for almost all segments in the logistics space. "The policy stands to boost prospects of container train operators, road logistics players, warehousing players, express logistics companies, and air cargo companies. This is through reduction in costs and higher volumes or efficiency," they wrote in a note. They had a 'buy' rating on Container Corporation (Concor) and Gateway Distriparks.

"Since cargo and goods movement often takes place via roads, the NLP shifts focus to other modes of transport like the railways as well. This would help arrest the road logistics costs and open avenues of transport through rails," said

AK Prabhakar, head of research, IDBI Capital.

Further, analysts expect NLP to help centralise existing and planned initiatives of various ministries under one centralised portal. It would amalgamate railways, roads, ports, waterways, airports, mass transport and logistics infrastructure under one shell.

That apart, analysts also expect the new regulation to spring leadership change within the logistics space. New players like Delhivery are expected to benefit from the NLP, they said.

Synergies from the new policy are already priced in, and analysts expect no upside in the near term. "Logistics stocks have performed well in the recent past in anticipation of the new policy. But I do not see any further upside in the near-term as it is already priced in," said Ambareesh Baliga, independent market analyst.

Shares of Aegis Logistics, Allcargo Logistics, Concor, and VRL Logistics have surged in the range of 2-50 per cent so far this calendar year, ACE Equity data shows. In comparison, Nifty50 and BSE Sensex gained two per cent each, during the same period.

'After IL&FS and Covid-19, NBFCs have ceded space to private credit funds'

Private credit funds, a source of non-bank debt capital for private firms, could grow exponentially in the next five years. NILESH DHEDI, head of structured credit, Avendus Finance, in an interview with Samie Modak, explains the nuts and bolts of these investment vehicles which are aimed at sophisticated investors. Edited excerpts:



differentiated business models managed by high quality promoters and are backed by marquee private equity investors.

What could be the assets under management (AUM) of the domestic structured credit funds industry?
According to an EY report, the estimated annual

opportunity for private credit could be between \$15 and \$31 billion by 2026. There is a significant polarity in the Indian credit market. While banks lend to companies for very

specific end use under specific criteria, public markets generally look at companies having rating AA- and above. On the other hand, firms where the requirement needs to be flexible or customised, there aren't many players catering to this market. Earlier NBFCs used to target this segment, however post IL&FS and Covid-19, this space has been dominated by private credit funds.

What role do structured credit funds play in the overall financing ecosystem?

A structured credit fund offers companies and promoters bespoke financing solutions that may

not be available or cannot be solved for with traditional forms of capital from banks, NBFCs, mutual funds or the equity ecosystem. These may include financing for stake sales; buyout financing, growth financing, acquisition financing, capex financing, bridge to equity. It expands the entire capital structure spectrum and allows customised capital for the type of need.

What are the regulatory changes needed to develop this credit market?

One of the key factors affecting domestic investors' participation in private credit funds (AIF structure) has been the tax differential compared to other investment categories such as mutual funds or other listed debt products. AIF are taxed at marginal return irrespective of the holding period compared to long term capital gains tax of 20 per cent with indexation (effectively 13-14 per cent) for investments held beyond three years for mutual funds (MF) or listed debt products. This results in increased returns expectation from investors seeking to diversify their portfolios across different credit investment strategies.

How is Avendus' portfolio constructed?

Avendus has been an active participant in the structured credit or performing credit business for over a decade and has executed over 60 deals over the last five years. Deep domain knowledge, proprietary access across our platform, an ability to conduct private equity-type diligence for credit and deal structuring capability with an ability to control exit outcomes has helped derive desired outcomes.

Sebi puts Go Digit's IPO in 'abeyance'

PRESS TRUST OF INDIA

New Delhi, 19 September

The Securities and Exchange Board of India (Sebi) has kept in 'abeyance' the proposed initial share sale of Canada-based Fairfax Group-backed Go Digit General Insurance.

The markets regulator did not clarify further.

Go Digit had filed preliminary IPO papers with the capital markets regulator on August 17.

Cricketer Virat Kohli and his wife Anushka Sharma are among the investors in the firm.

Going by the draft papers, the company's proposed initial public offering (IPO) comprised fresh issuance of equity shares worth ₹1,250 crore and an offer for sale of 10.94 crore equity shares by a promoter and existing shareholders.

Proceeds from the fresh issuance were to be utilised for the augmentation of the com-

pany's capital base and maintenance of solvency levels and general corporate purposes.

Without disclosing the reason, Sebi said "issuance of observations (has been) kept in abeyance" with regard to the IPO of Go Digit, an update on the regulator's website showed on Monday. The information was updated on September 16.

The issuance of observations by Sebi implies its go-ahead for an IPO and the regulator usually gives its

observations on IPO papers in 30 days.

Go Digit offers motor insurance, health insurance, travel insurance, property insurance, marine insurance, liability insurance, and other insurance products. It is one of the first non-life insurers in India to be fully operated on the cloud and has developed application programming interface (API) integrations with several channel partners.

The Bengaluru-based com-

pany has a track record of delivering growth with Gross Written Premium (GWP) at ₹5,268 crore, ₹3,243 crore and ₹2,252 crore in financial years 2022, 2021, and 2020, with a compound annual growth rate (CAGR) of 53 per cent from fiscal 2020 to fiscal 2022.

ICICI Securities, Morgan Stanley India Company, Axis Capital, Edelweiss Financial Services, HDFC Bank, and IIFL Securities are the book running lead managers to the issue.

OFFICE OF THE COUNCILLORS OF SANTIPUR MUNICIPALITY
e-Tender Notice

Santipur Municipality invite 2 nos online tender for 1) Tender ID: 2022_MAD_407965_1 - Strengthening and Restoration work for water supply scheme from Bharat Mata More to Kuthirpara More Bituminous Road in Santipur Municipality under 15th FC Fund. 2) Tender ID: 2022_MAD_408002_1: Repairing AND Renovation of Sen para Street from JN of Bechumia Road and Fakir para lane upto Sen para ghat Street of Ward No 20 under TPC Fund. Last date of BID submission 10.10.2022 upto 10:00 a.m AND others details will be available in www.santipurmunicipality.in and <http://www.wbtenders.gov.in>.
Chairman,
Santipur Municipality

TENDER
Chairman on behalf of Board of Councillors, Raghunathpur Municipality is hereby inviting tender for Supply of Misc Goods (Plastic Bucket) under SWM project within Raghunathpur Municipality.

Sl.	Particulars	Date	Time
1	Date and Time of Publication	20.09.2022	10.30 A.M.
2	Bid Submission Start Date & Time	20.09.2022	11.00 A.M.
3	Bid Submission Close date & Time	26.09.2022	06.00 P.M.
4	Opening Date	29.09.2022	12.00 P.M.

Tender Id-2022_MAD_408204_1
For more details Please log on to www.wbtenders.gov.in
Sd/-Chairman
Raghunathpur Municipality

Office of the Ex-officio Manager, Green Projects Wing
West Bengal Forest Development Corporation Ltd. & Deputy Conservator of Forests, Urban Recreation Forestry Division
10A, Auckland Road, Eden Gardens, Kolkata-700 021

ABRIDGED TENDER NOTICE

The Ex-officio Manager, GPW, WBFDC & Deputy Conservator of Forests, Urban Recreation Forestry Division invites Tender Notice for various works as follows :

NIT No.	Name of Projects	Bid Submission Start Date	Last Date of Bid Submission
138/GPW/WBFDC/2022-23	Maintenance of Landscaping at Biswa Khudra Bazar, Bolpur, Birbhum during the year 2022-23.	20.09.2022 (10.00 AM)	28.09.2022 (05.00 PM)

Details can be seen at <https://wbtenders.gov.in>

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L&T Finance Limited
Registered Office: 15th Floor, P5 Srijan Tech Park Plot No. 52, Block DN, Sector V, Salt Lake City Kolkata 700 091, District 24-Parganas North.
CIN No.: U65910WB1993FLC060810
Branch office: Kolkata

L&T Financial Services

PUBLIC AUCTION FOR SALE OF MORTGAGED PROPERTY

The Authorised Officer of L&T Finance Limited under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [54 OF 2002] and in exercise of powers conferred under the said Act is E-auctioning the following property on "AS IS WHERE IS BASIS" and "AS IS WHAT IS CONDITION" by way of "PUBLIC E-AUCTION" for recovery of its dues and further interest, charges and costs etc.

Name of Borrower and Co-Borrower	Secured Property Address	Loan Account Number(s)	Physical Possession taken	Earnest Money Deposit 10% or more of RP (In ₹)	Total Outstanding dues as on 14/09/2022	Reserve Price (In ₹)	Date of Inspection	Date and Time of Auction
1. Manik Jana 2. Ratan Jana 3. M/S Lion Securitas Services 4. M/S Lion Security & Investigation Bureau	Property Address- Flat No. 7, 3rd Floor, S-E-N Facing & Flat No. 8, 4th Floor, Sen Facing, Holding No. 120/1, Naba Mahajati Road, Ps. Dum Dum, Ward No.7 Under Dum Dum Municipality, Kolkata, West Bengal, Bankura And Bounded As Well: East : Property Of Biswajit Das West: Nabo Mahajati Road North: 9 Ft Wide Road South: Property Of Ajay Banerjee	KOLHL180 00378 and KOLHL180 00383	5th September 2022	Rs. 3,96,988/-	Rs. 38,98,394.28	Rs. 39,69,880/-	14/10/2022	20/10/2022

Terms And Conditions Of Public Auction

- The E-auction Sale is being conducted online by the Authorised Officer through the website <https://sarfaesi.e-auctiontiger.net> under the provisions of SARFAESI Act with the aid and through public e-auction mode.
- The public e-auction will be conducted on the date and time mentioned herein above, when the secured asset/s mentioned above will be sold on "AS IS WHERE IS" BASIS & "AS IS WHAT IT IS" CONDITION.
- For participating in the public E-auction, intending purchasers/bidders will have to submit the details of payment of refundable Earnest Money Deposit of 10 % of the reserve price of the secured assets along with copies of the PANCARD, Board Resolutions in case of company and Address Proof on or before 14/10/2022.
- The EMD of all other bidders who did not succeed in the public E-auction will be refunded by LTF within 7 days of the closure of the public E-auction. The EMD will not carry any interest.
- The successful purchaser/bidder shall deposit the 25 % (inclusive of EMD) of his/its offer by way of by way of D.D./P. O favoring "L&T Finance Limited" payable at Mumbai on or before 18:00 hours on 20/10/2022 i.e., day of E-auction or on the next working day i.e., 21/10/2022, which deposit will have to be confirmed by L&T Finance Limited, failing which the sale will be deemed to have failed and the EMD of the said successful bidder shall be forfeited. The balance amount i.e., 75% of purchase price payable shall be paid by the purchaser to L&T Finance Limited on or before the fifteenth day of confirmation of sale of immovable property or such extended period as per provisions of law.
- For inspection of property or more information, the prospective bidders may contact the authorised officer i.e., "Name - ANKIT KUMAR, Divisional Legal Manager : Litigation - West Bengal, L&T Financial Services, P5 SRIJAN Tech Park, Contact : 8789493214 ; Email : ankitkumar13@lts.com. Asset Disposal Manager – ANKIT VIG, Contact no. 8668943242 At any stage of the E-auction, the Authorised Officer may accept/reject/modify/cancel the bid/offer or post-pone the E-auction without assigning any reason thereof and without any prior notice.
- The successful purchaser/bidder shall bear any statutory dues, taxes, fees payable, stamp duty, registration fees, etc. that is required to be paid in order to get the property conveyed/delivered in his/her/its favour as per the applicable law.
- The Borrower/Guarantors, who are liable for the said outstanding dues, shall treat this Sale Notice as a notice under Rule 8 (6) of the Security Interest (Enforcement) Rules, about the holding of above-mentioned public E-auction sale.
- The Borrower (s) /Co-Borrower(s)/Guarantor(s)/Mortgagor(s) are hereby called up on to pay the entire loan outstanding dues as mentioned above before the said E-auction date failing which the L & T Finance Ltd shall sale the property as per the provisions laid down in the SARFAESI Act, 2002.
- The Borrower (s) /Co-Borrower(s)/Guarantor(s)/Mortgagor(s) /public at large are hereby restrained from transferring by way of sale, lease or otherwise with the secured assets referred to in the notice without prior written consent of L&T Finance Limited.

Date: 20.09.2022
Place: Kolkata

Sd/-
Authorized Officer
For L&T FINANCE LIMITED