

IPO ANALYSIS	
Sector: Infrastructure	
Issue Price: INR 259 to INR 273	
Issue Size: INR 1,086 to INR 1,115 Cr	
Issue Opens/Closes: November 13 / November 18	
IPO Basics	
Promoters: Rajesh Kumar Naidu Yabaji, Chanakya Hridaya And Ramasubramanian Balasubramaniam	
Selling Shareholders: Rajesh Kumar Naidu Yabaji, Chanakya Hridaya, Ramasubramanian Balasubramaniam, Quickroutes International Private Limited, Accel India IV (Mauritius) Limited, International Finance Corporation, Internet Fund III Pte Ltd, Peak XV Partners Investments VI (formerly SCI Investments VI), VEF AB (publ), Sands Capital Private Growth II Limited	
Lead Managers: Axis Capital, Morgan Stanley, JM Financial, IIFL Capital	
Registered Office: Bengaluru, Karnataka	
Registrar: KFin Technologies Ltd	
Listing: BSE and NSE	

IPO Capital Structure	
Fresh Issue	2,01,46,520 equity shares upto INR 550 Cr
Offer for Sale	2,06,85,800 equity shares upto INR 565 Cr
Total Issue as % of total capital (Post-Issue)	23.14%
Post Issue No. of Shares	17,64,76,680
Post Issue Market Cap	INR 4,599 Cr - INR 4,818 Cr
Face Value	INR 1
Issue Route	Book Build Issue
<i>All values calculated at upper band</i>	

Financial Snapshot (INR in crs)			
Y/E Mar	FY23	FY24	Q1FY25
Share Capital	0.01	0.01	5.66
Reserves	352.65	311.28	339.32
Net Worth	352.66	311.29	344.98
Revenue from ops	175.68	296.92	92.17
Revenue Growth (%)	47.23%	69.01%	54.99%
Adj EBITDA	-154.47	13.34	18.26
Adj EBITDA (%)	-79.18%	4.21%	18.57%
Net Profit	-290.50	-193.95	28.67
Net Profit (%)	-1.65%	-0.65%	0.31%
Basic EPS	-12.93	-9.06	1.76^
Diluted EPS	-12.93	-9.06	1.74^
NAV (INR)	19.25	16.89	18.7
ROE (%)	-67.16%	-53.64%	9.39%^
ROCE (%)	-45.03%	-33.84%	1.50%
P/E (Based on Upper Band)			NA
Average Industry P/E			305.96
P/B (Based on Upper Band)			14.59
Shareholding Pattern			
Holders		Pre-Issue	Post Issue
Promoters		34.19%	27.77%
Promoter Group		0.14%	0.07%
Public – Investor Selling S/H		47.37%	32.81%
Public - Others		18.30%	39.35%
Total		100.00%	100.00%

Source: RHP, *Restated Consolidated, ^not annualized
Q1FY25 revenue growth compared with Q1FY24; PE/PB based on upper price band

Particulars	Retail Category	NII bid between INR 2 lakhs- INR 10 lakhs	NII bid above INR 10 lakhs
Minimum Bid Lot (Shares)	54	756	3,672
Minimum Bid Lot Amount	INR 14,742	INR 2,06,388	INR 10,02,456
No of Applications for 1x	75,572	2,699	5,398

Zinka Logistics Solutions Limited

Nov 12, 2024

Issue Highlights:

- Zinka Logistics Solutions, founded on April 20, 2015, has become India's largest digital platform for truck operators, representing 27.52% of the nation's operators. By Fiscal 2024, they had over 963,345 truck operators transacting on their platform. Their flagship BlackBuck mobile app enables operators to manage diverse needs from toll and fuel payments to load finding, making Zinka a one-stop solution in the logistics industry.
- Truck operators use the BlackBuck App to handle key business functions, including digital payments for tolling and fueling, driver and fleet tracking, load finding, and accessing financing for used vehicle purchases. This integrated solution simplifies daily operations and optimizes business management for users. The app supports efficient fleet monitoring and gives operators control over operational expenses through digital tools and telematics.
- Zinka recorded a gross transaction value (GTV) of INR5,356.20 crore for payments in Q1 FY2024 and INR17,396.19 crore in Fiscal 2024. Through the BlackBuck App, truck operators can reload payment instruments like FASTag, reducing pilferage and unauthorized spending. This payment model offers cost benefits and operational transparency, helping truck operators efficiently manage toll and fuel expenses across fleets.
- Zinka's telematics services provide tracking capabilities, averaging 390,088 active monthly devices in Q1 FY2024. Additionally, their loads marketplace product helps truck operators find better freight options, with 0.71 million load postings in Q1 FY2024, connecting thousands of truck operators to new opportunities. This marketplace aids operators in optimizing fleet capacity by reducing empty runs and securing better freight rates.
- With a strong physical and digital footprint, Zinka has built a network of 9,374 touchpoints across 628 districts, reaching 80% of India's districts and 76% of toll plazas. Their wide reach supports onboarding and service for truck operators nationwide, covering key transport hubs. Through comprehensive services, Zinka has become integral to operators' daily workflows, with active engagement reflected by high daily usage metrics on the BlackBuck App.

Key Risks:

- Zinka faces profitability challenges despite revenue growth, with recent fiscal losses impacting financial stability. Sustaining margins remains a critical concern amid ongoing expansion.
- The competitive landscape adds pressure, as potential new entrants intensify the race in logistics digitalization. Additionally, high operational costs tied to Zinka's vast platform weigh heavily on cash flow.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (INR. Cr.)	Issue Size Amount at Upper band (INR. Cr.)	% Of Issue
QIB	3.14	3.06	813.87	835.56	75%
NIB	0.63	0.61	162.77	167.11	15%
-NIB2 (Bid above INR 10 Lakhs)	0.42	0.41	108.52	111.41	-
-NIB1 (Bid between INR 2 to 10 Lakhs)	0.21	0.20	54.26	55.70	-
Retail	0.42	0.41	108.52	111.41	10%
Employee	0.00	0.00	0.61	0.64	-
Total	4.19	4.08	1,085.76	1,114.72	100.00%

An Indicative Timetable Post Issue Closing	
Particulars	Tentative Date
Finalization of Basis of Allotment	November 19, 2024
Refunds/un-blocking of ASBA Accounts	November 20, 2024
Credit of Equity Shares to DP Ac	November 20, 2024
Trading Commences	November 21, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND

Incorporated as 'Zinka Logistics Solutions Private Limited' on April 20, 2015, in Bengaluru, the company is promoted by Rajesh Kumar Naidu Yabaji, Chanakya Hridaya, and Ramasubramanian Balasubramaniam. They currently hold 53,446,188 shares, representing 32.78% of the company on a fully diluted basis.

Brief Biographies of Directors

Rajesh Kumar Naidu Yabaji is one of the Promoters, Chairman, Managing Director and Chief Executive Officer of the company. Prior to founding the company, he was a manager at ITC Ltd. He has approximately 14 years of work experience.

Chanakya Hridaya is one of the Promoters, Executive Director and Chief Operating Officer of the company. Prior to founding the company, he was part of the supply chain division at ITC Ltd. He has approximately 11 years of work experience.

Ramasubramanian Balasubramaniam is one of the Promoters, Executive Director and Head – New Initiatives of the company. He is also associated with Miebach Consulting India Pvt Ltd. He has approximately 27 years of work experience.

Anand Daniel is the Non-Executive Nominee Director of the Company. He is currently associated with Accel Partners India LLP as a Partner.

Kaushik Dutta is the Non-Executive Independent Director of the company. He has over 27 years of work experience. He was associated with Price Waterhouse & Co., Chartered Accountants LLP as its executive director and Lovelock & Lewes, Chartered Accountants as its partner. He has been retained as an expert on corporate governance by the Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs in matters relating to future of corporate governance in India.

Niraj Singh is the Non-Executive Independent Director of the company. He is the founder and director of Valuedrive Technologies Pvt Ltd (Spinny). He was previously associated with Locus Education and TechMonkey. He was also the founder of Outbox Ventures Pvt Ltd.

Hardika Shah is a Non-Executive Independent Director of the company. She is the founder and chief executive officer of Kinara Capital Pvt Ltd.

Rajamani Muthuchamy is a Non-Executive Independent Director of the company. He has approximately 40 years of work experience with 29 years of work experience serving in Indian Administrative Services. He was previously associated with Janalakshmi Financial Services and Jana Small Finance Bank as its consultant. He is currently associated with Jana Capital Ltd and its wholly owned subsidiary, Jana Holdings Ltd.

Satyakam GN is the Chief Financial Officer of the company. He joined the company on August 6, 2018. He has approximately 10 years of experience in the field of finance and accounting.

Barun Pandey is the Company Secretary and Compliance Officer of the company. He joined the company on June 26, 2024. He has over 8 years of work experience.

OBJECTS OF THE ISSUE

Objects	Amount (INR Cr)
▪ Funding towards sales and marketing costs	200.00
▪ Investment in Blackbuck Finserve Pvt Ltd, the NBFC subsidiary, for financing the augmentation of its capital base to meet its future capital requirements	140.00
▪ Funding of expenditure in relation to product development	75.00
▪ General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Particulars	No. of Shares	WACA per EquityShare (INR)
Fresh Issue (INR 550 Cr)	Upto 2,12,35,521~ - 2,01,46,520^ Equity Shares^	—
The Offer for Sale by:	Upto 2,06,85,800 Equity Shares	
The Promoter Selling Shareholders:		
Rajesh Kumar Naidu Yabaji	Upto 22,18,822 Equity Shares	0.00
Chanakya Hridaya	Upto 11,09,411 Equity Shares	0.00
Ramasubramanian Balasubramaniam	Upto 11,09,411 Equity Shares	0.00
The Promoter Group Selling Shareholders:		
Rajkumar Yabaji	Upto 85,405 Equity Shares	3.88
The Investor Selling Shareholders:		
Accel India IV (Mauritius) Ltd	Upto 43,09,350 Equity Shares	62.71
Quickroutes International Pvt Ltd	Upto 55,34,341 Equity Shares	52.04
International Finance Corporation	Upto 23,40,277 Equity Shares	195.31
Internet Fund III Pte Ltd	Upto 13,69,149 Equity Shares	69.07
Sands Capital Private Growth II Ltd	Upto 5,29,783 Equity Shares	132.09
Peak XV Partners Investments VI	Upto 11,26,236 Equity Shares	308.98
VEF AB (publ)	Upto 6,18,373 Equity Shares	481.84
Sands Capital Private Growth Ltd PCC, Cell D	Upto 2,05,898 Equity Shares	192.14
Sanjiv Rangrass	Upto 1,29,344 Equity Shares	18.57

(~Net Shares at lower price band and ^at upper price band); WACA=Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

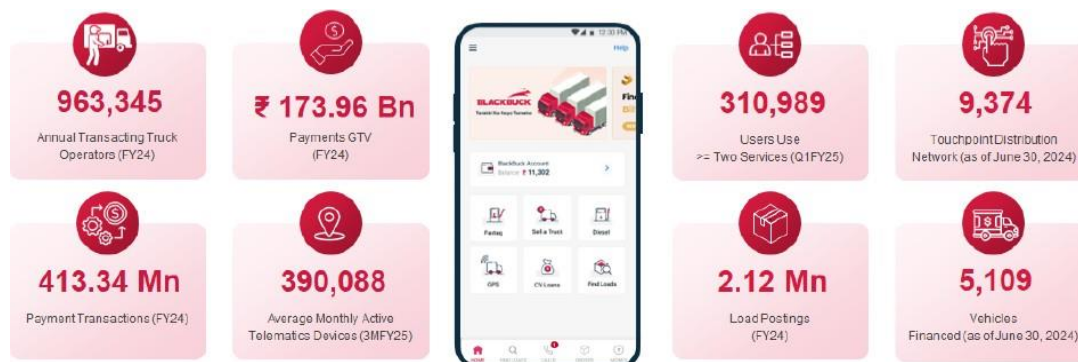
Shareholders	Pre-offer		Fresh Issue Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital*		Number of Equity Shares	% of Total Equity Share Capital
Promoter	5,34,46,188	34.19%	44,37,644	4,90,08,544	27.77%
Promoters Group	2,12,356	0.14%	85,405	1,26,951	0.07%
Total for Promoter and Promoter Group	5,36,58,544	34.32%	45,23,049	4,91,35,495	27.84%
Public – Investor Selling Shareholders	7,40,61,270	47.37%	1,61,62,751	5,78,98,519	32.81%
Public - Others	28,61,0346	18.30%	2,01,46,520	6,94,42,666	39.35%
Total for Public Shareholders	10,26,71,616	65.68%		12,73,41,185	72.16%
Total Equity Share Capital	15,63,30,160	100.00%		17,64,76,680	100.00%

* As per RHP page 102; (without considering number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes).

BUSINESS OVERVIEW

Zinka Logistics Solutions is India's largest digital platform for truck operators, with 963,345 users in Fiscal 2024, covering 27.52% of India's operators. Operating in a fragmented market, Zinka aims to empower truck operators by helping them manage payments, monitor fleets, find loads, and access financing via the BlackBuck App, supporting efficient and profitable operations.

The graphic representation of certain key metrics related to the business:



Key business highlights include:

Gross transaction value (GTV) for payments reached INR5,356.20 crore and INR17,396.19 crore for the three months ended June 30, 2024, and Fiscal 2024, respectively, primarily deposited to partners. GTV does not represent Zinka's revenue, with income generated as a commission percentage of GTV.

Truck operators use the BlackBuck App to manage tolling and fuel operations, gaining cost benefits through reduced pilferage. Zinka recorded 390,088 and 356,050 average monthly active telematics devices in the three months ended June 30, 2024, and Fiscal 2024, respectively.

The BlackBuck marketplace enabled 0.71 million and 2.12 million load postings in the same periods, helping 133,369 and 256,685 operators secure loads. Zinka also facilitated 5,109 used vehicle financing loans totaling INR252.76 crore as of June 30, 2024.

Zinka's customer-centric approach meets unique trucking industry needs, leading to strong engagement on the BlackBuck App. Operators averaged 16.26 active days monthly in Q1 FY2024, with daily app usage around 41 minutes.

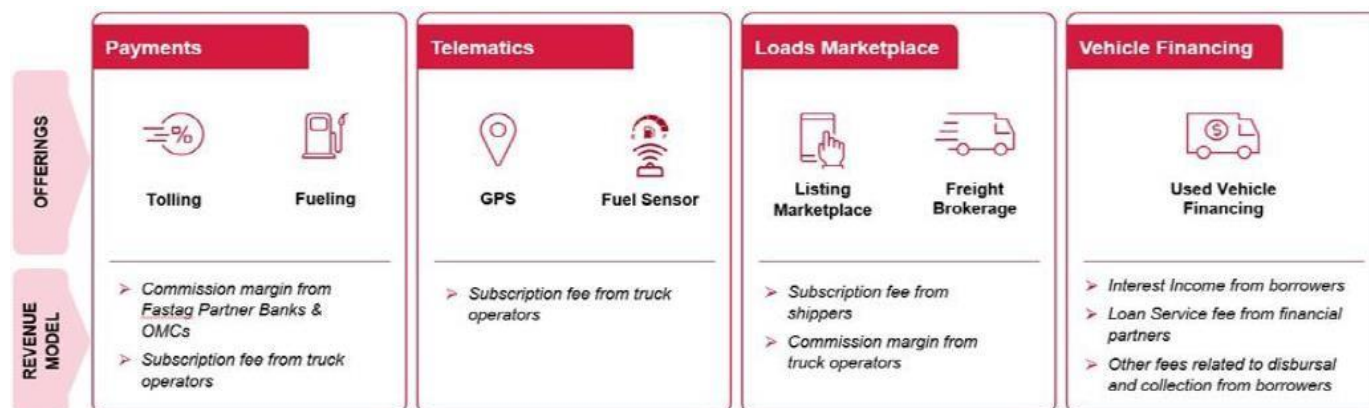
Zinka's omnichannel strategy, with a network of 9,374 touchpoints across 628 districts, supports comprehensive onboarding and servicing. This extensive network helps build trust and offers crucial support, covering 80% of India's districts and 76% of toll plazas.

Certain key financial and operational information

Particulars	3 months ended June 30,		Fiscal		
	2024	2023	2024	2023	2022
Key Operating Metrics					
Annual transacting truck operator (Units)	Na	Na	963,345	761,871	482,446
Year-on-year growth	-	-	26.44%	57.92%	-
Average monthly transacting truck operator (Units)	687,994	556,437	597,638	458,025	261,304
Year-on-year growth	23.64%	-	30.48%	75.28%	-
Monthly to annual truck operator ratio	Na	Na	62.04%	60.12%	54.16%
Monthly transacting users using at least 2 services (Units)	310,989	225,209	259,011	152,151	54,417
Year-on-year growth	37.44%	-	42.66%	52.37%	-
Gross transaction value of payments for the period (INR in Cr)	12.83	9.49	41.33	29.86	19.07
Year-on-year growth	37.44%	-	42.66%	52.37%	-
Total number of payments transactions for Fiscal Year (Units in Cr)	12.83	9.49	41.33	29.86	19.07
Year-on-year growth	35.17%	-	38.42%	56.57%	-
Key Financial Metrics					
Revenue from continuing operations (INR in Cr)	92.17	59.47	296.92	175.68	119.33
Year-on-year growth	54.99%	-	69.01%	47.23%	-
Contribution margin (INR in Cr)	91.71	58.62	288.35	176.92	132.23
Year-on-year growth	56.46%	-	62.98%	33.79%	-
Contribution margin (%)	93.27%	91.07%	91.10%	90.68%	92.16%
Adjusted EBITDA (INR in Cr)	18.26	(5.81)	13.34	(154.47)	(120.53)

Source: RHP

REVENUE MODEL



Source: RHP

Zinka generates revenue mainly through:

- Commissions from FASTag partners based on toll transaction value, and from OMCs for fuel transactions based on volume or value.
- Activation and convenience fees for FASTag, subscription fees for tolling services, and service fees for fueling, including fuel card distribution, customer support, and transaction alerts.

Telematics: For telematics, Zinka earns monthly or annual subscription fees, offering real-time fleet tracking and route optimization. With 356,050 average monthly active devices in Fiscal 2024, they are a major provider in India's trucking segment.

Loads marketplace: The loads marketplace connects truck operators with shippers, posting 2.12 million digital loads in Fiscal 2024. Revenue comes from shipper subscriptions for posting loads and operator subscriptions for matching services. In 2024, Zinka added freight brokerage, handling end-to-end logistics for shippers.

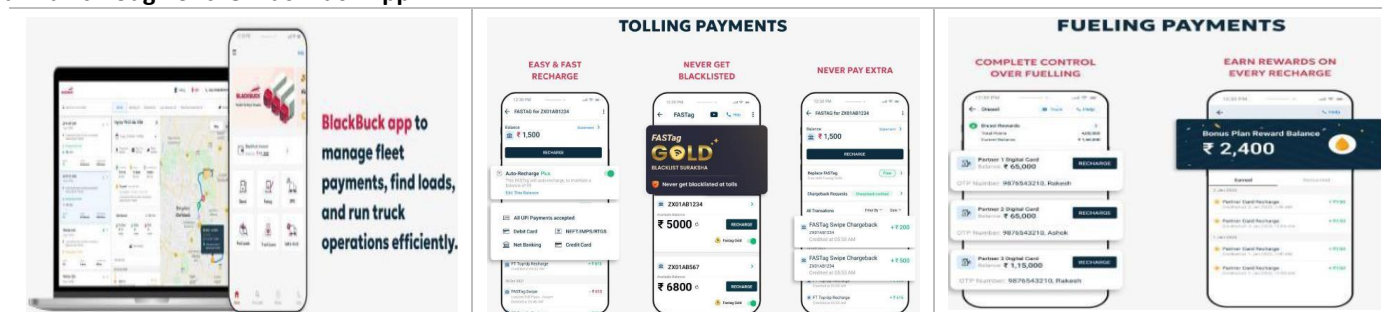
Vehicle Financing: In vehicle financing, Zinka helps operators finance or refinance commercial vehicles through partnerships with financial institutions, earning fees on loan services, disbursal, and collections.

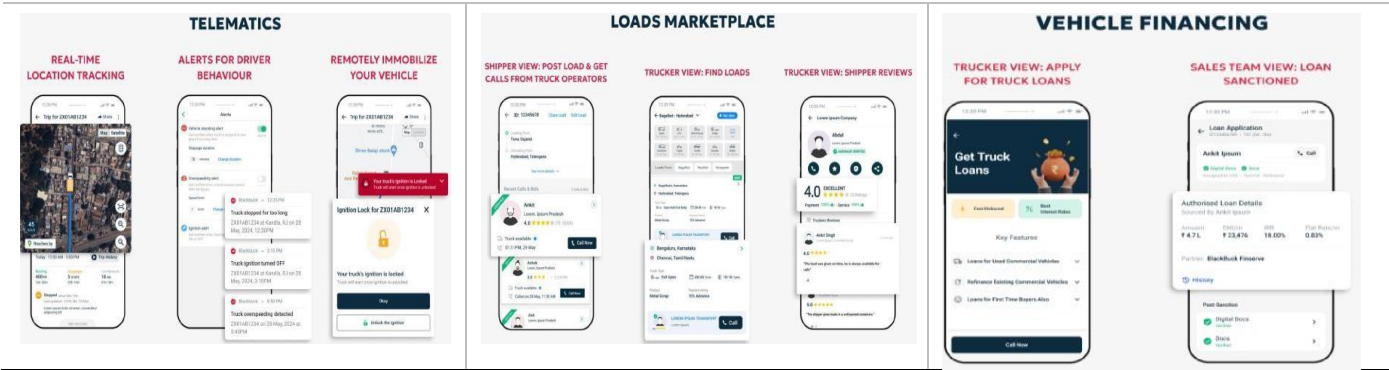
Zinka's revenues stem from commission income in payments, subscription fees for telematics and loads marketplace, and service fees in vehicle financing.

THE BLACKBUCK APP

The BlackBuck App integrates all of Zinka's services, allowing customers to manage their trucking business in one place. In Q1 and Fiscal 2024, monthly transacting operators used the app for over 16 days each month, spending an average of 41.54 and 39.56 minutes daily, respectively.

A pictorial walkthrough of the BlackBuck App



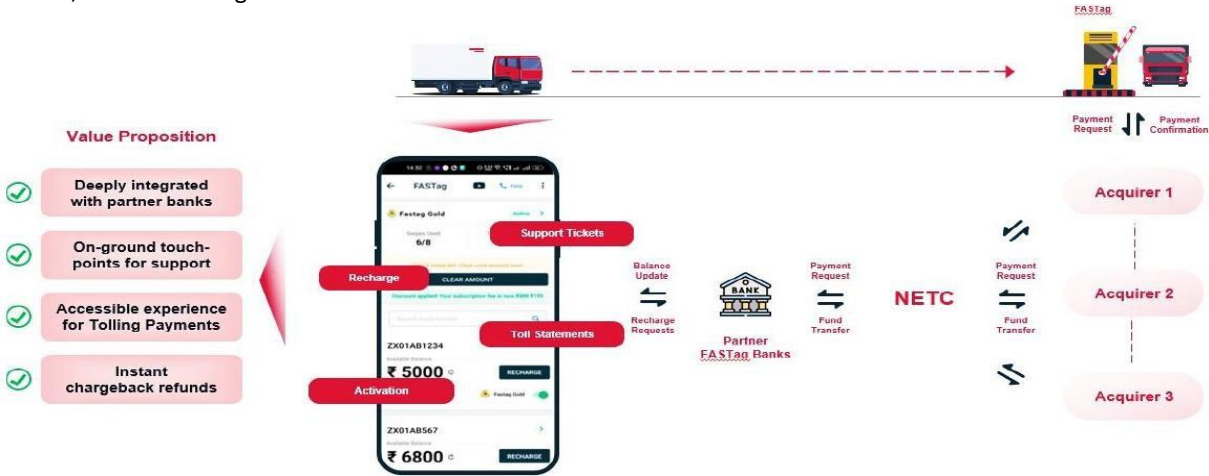


Source: RHP

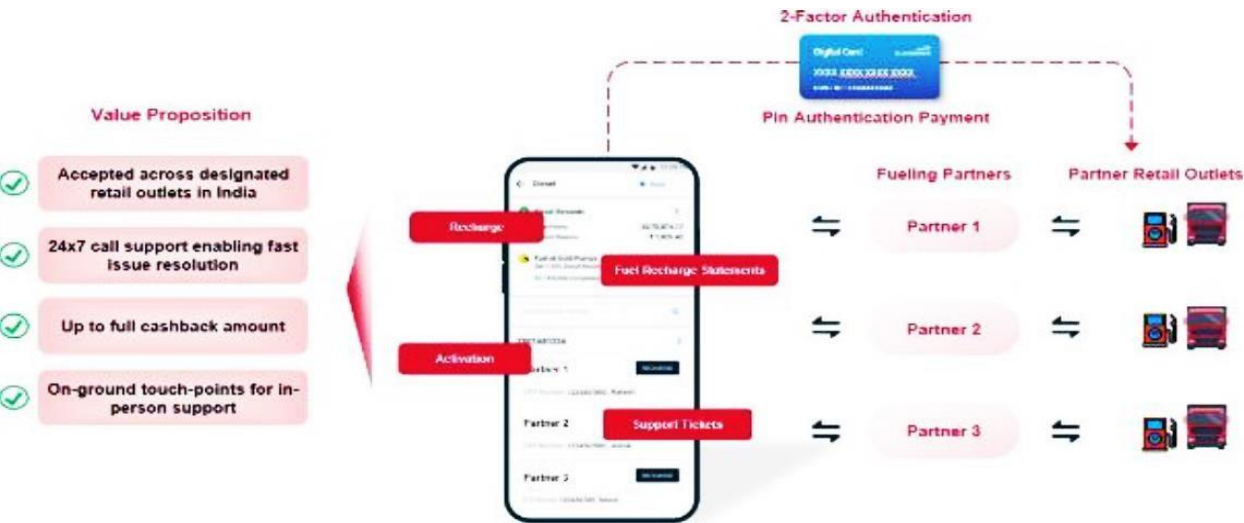
The BlackBuck App offers payments, telematics, a loads marketplace, and vehicle financing to support truck operators in managing their business.

Payments: The platform enables secure and efficient toll and fuel payments.

Tolling: Zinka is the largest FASTag distributor for truck operators, with a 32.92% market share in Fiscal 2024, generating INR14,793.68 crore in GTV, a 47.82% YoY growth.



Fueling: Zinka offers a cashless fueling payment solution in partnership with oil marketing companies (OMCs). It is the largest fuel loyalty platform for truck operators in India, covering 72% of fuel stations in Fiscal 2024.



Source: RHP

Loads Marketplace

The Indian road freight industry, valued at \$170–175 billion in Fiscal 2024, is growing at 9% CAGR. It remains largely offline with intermediaries charging high commissions. Zinka's digital loads marketplace matches truck operators with shippers, streamlining the freight process across various commodities, distances, and truck types.

Vehicle Financing

Zinka offers vehicle financing to truck operators through a technology-driven platform, enabling them to buy used commercial vehicles or refinance existing ones. Launched in June 2022, it provides secured loans across 52 districts. The company operates through a "phygital" approach, leveraging both digital and physical networks for loan distribution and collection.

Zinka offers loans through two models:

Partnership Model: Over 92.69% of vehicle loans (4,774 loans worth INR234.28 crore as of June 30, 2024) are sourced and executed in collaboration with financial partners.

Own Book Model : Through their NBFC subsidiary, BFPL, Zinka disbursed 7.31% of loans (335 loans worth INR18.48 crore).

The company faces risks like KYC fraud, high-risk borrowers, and regulatory compliance challenges, with limited experience in vehicle financing.

Key metrics in relation to company's offerings:

Key Metrics	3 months ended June 30,		Fiscal		
	2024	2023	2024	2023	2022
Tolling Offering					
GTV payments (tolling) (INR in Cr)	4,613.37	3,336.90	14,793.68	10,008.21	6,009.67
Year-on-year growth	38.25%	-	47.82%	66.54%	-
Number of transactions (in Cr)	12.79	9.46	41.18	29.72	18.93
Year-on-year growth	35.18%	-	38.55%	56.99%	-
Tolling Market Share	-	-	32.92%	26.42%	22.55%
Fuel Offering					
GTV payments (fuelling) (INR in Cr)	742.83	560.17	2,602.51	2,186.38	1,993.52
Year-on-year growth	32.61%	-	19.03%	9.67%	-
Number of transactions (in Cr)	0.04	0.03	0.15	0.14	0.14
Year-on-year growth	33.11%	-	10.08%	(1.76)%	-
Loads Marketplace					
Number of loads posted (in Cr)	0.07	0.05	0.21	0.06	-
Year-on-year growth	44.17%	-	235.30%	-	-
Monthly transacting shippers	7,792	6,094	6,598	3,587	-
Year-on-year growth	27.86%	-	83.94%	-	-
Monthly active truck operators of loads marketplace	76,546	62,650	71,518	25,539	-
Year-on-year growth	22.18%	-	180.03%	-	-

Source: RHP

REVENUE FROM OPERATIONS

Revenue from continuing operations for the periods/years indicated

(INR Cr)

Particulars	3 months ended June 30,		Fiscal		
	2024	2023	2024	2023	2022
Income from truck operator services	91.41	59.47	296.14	175.68	119.33
- Commission income	37.88	26.79	127.25	88.06	75.10
- Subscription fees	35.37	22.80	117.89	74.26	39.11
- Service fees	17.84	9.88	50.95	13.28	4.45
- Others	0.32	-	0.06	0.06	0.67
Interest income on loans given	0.76	-	0.78	-	-
Revenue from continuing operations	92.17	59.47	296.92	175.68	119.33

Source: RHP

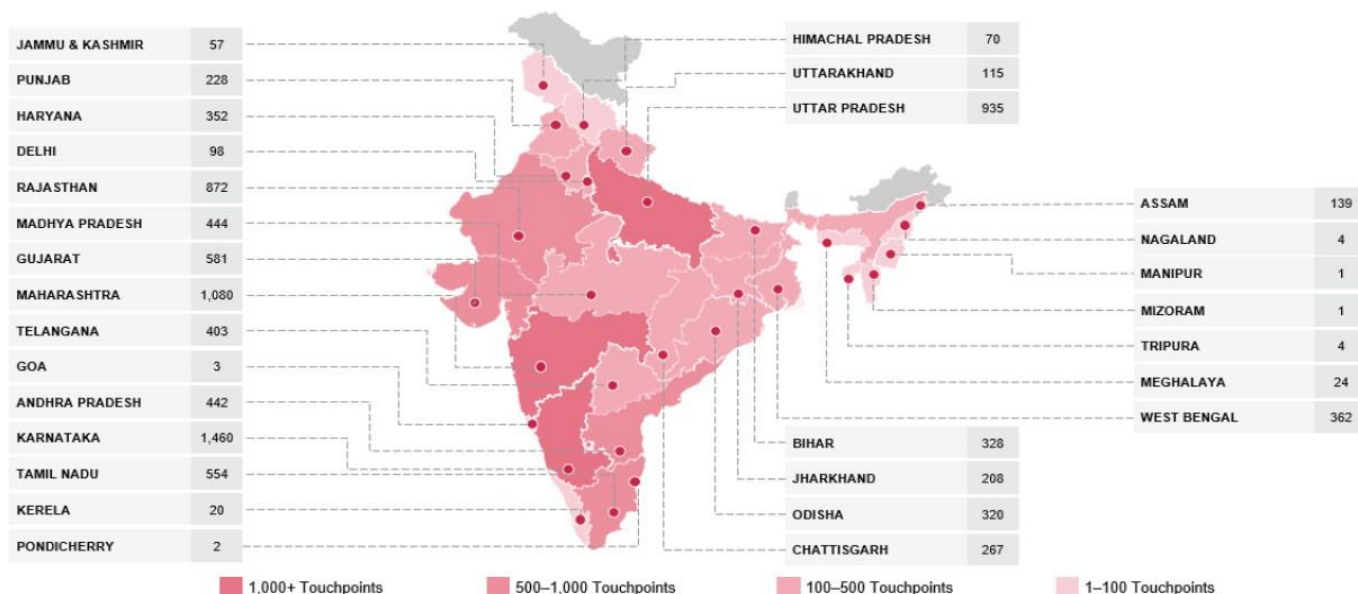
*Others includes revenues from other ancillary activities, which do not fall under any of the previous categories of revenue

MARKET OPPORTUNITY

The Indian trucking industry, crucial to the logistics sector, consists of approximately 12.5 million trucks and 3.5 million truck operators in Fiscal 2024. It has grown at a steady 8-9% CAGR from Fiscal 2020 to 2024. The industry is highly fragmented, with 75% of operators owning fewer than 5 trucks. Challenges such as cash-handling, lack of visibility, and remote management of operations lead to inefficiencies. However, there is significant revenue potential for companies offering digital solutions that address these challenges. The Indian trucking sector, valued at US\$18-25 billion in Fiscal 2024, is projected to reach US\$35 billion by Fiscal 2028.

DISTRIBUTION NETWORK

Truck operators in India are spread across metro, urban, and rural areas, and building trust on digital platforms requires substantial handholding due to their limited familiarity with smartphone apps. The company's distribution strategy combines both digital and physical touchpoints to meet the specific needs of these users.



Source: RHP

Zinka uses digital marketing, targeted notifications via the BlackBuck App, and its 9,374 touchpoints to acquire new customers and cross-sell products. As of June 30, 2024, their network includes 843 telesales staff, 587 channel partners, and coverage in 80% of India's districts, including major transportation hubs and 76% of toll plazas. Their robust customer servicing strategy offers self-service options via the app, on-field support, a dedicated hotline, and channel partners. This approach helped grow their annual transacting truck operators to 963,345 in Fiscal 2024, up from 761,871 in Fiscal 2023.

COMPETITIVE STRENGTHS

India's largest digital platform for truck operators

Zinka is India's largest digital platform for truck operators, facilitating over 41.33 crore transactions for 963,345 annual transacting truck operators in Fiscal 2024. They serve 27.52% of truck operators and handle 32.92% of commercial vehicle tolling payments, available across 80% of India's districts.

Strong network effects resulting in robust retention and monetization

Zinka benefits from strong network effects, resulting in high customer retention and increased monetization. Their nationwide customer base is driven by targeted campaigns and effective on-ground teams, continually innovating solutions for truck operators.

Repeatable playbook for new offerings

Zinka consistently launches new offerings to address truck operators' challenges. They use an agile product development approach, leveraging customer feedback to create solutions that meet market needs.

Omnichannel distribution driving adoption

Zinka employs an omnichannel distribution strategy, using digital marketing, targeted notifications via the BlackBuck App, and 9,395 Touchpoints to acquire and retain customers, as well as cross-sell products.

Scalable, in-house technology

Zinka's in-house technology integrates with various stakeholders, providing real-time solutions for truck operators. Their dedicated teams focus on continuous innovation and product development based on customer feedback.

High growth with strong unit economics

Zinka's asset-light model generates revenue through platform fees, subscription fees, and commissions, with no inventory or truck ownership risk, relying on Financial Partners for loan distribution.

Promoter-led management team

Zinka is led by experienced Promoters Rajesh Kumar Naidu Yabaji, Chanakya Hridaya, and Ramasubramanian Balasubramaniam, supported by a skilled management team with over 15 years of expertise.

KEY BUSINESS STRATEGIES

Deepen distribution and strengthen truck operator base

Zinka plans to grow its customer base by expanding distribution and increasing coverage in strategic areas across India. They will also focus on increasing engagement with existing truck operators through enhanced sales and marketing efforts.

Invest in payments and telematics

Zinka will continue to strengthen its customer value proposition by enhancing its telematics offerings, like the fuel sensor, to improve customer experience and drive greater acceptance.

Expand loads marketplace and vehicle finance

Leveraging insights from their 963,345 truck operators, Zinka aims to grow its loads marketplace and vehicle financing offerings, with plans to invest in technology and expand its freight brokerage services to other cities.

Innovate and launch new offerings

Zinka focuses on understanding and addressing the evolving needs of truck operators, using customer feedback and operational data to develop tailored solutions that improve efficiency and profitability.

Scale and invest in technology and data science

To manage its growing operations, Zinka will invest in technology infrastructure, including loan origination, fraud prevention, and telematics systems, as well as data capabilities to optimize operations and scale its services.

COMPETITIVE LANDSCAPE

BlackBuck is the largest digital trucking platform in India.

India has seen new-age businesses targeting the trucking industry, shifting from traditional players offering isolated solutions. These include:

- Large dealerships for new truck sales and unorganized networks for used trucks.
- Banks like Shriram Finance and ICICI Bank providing toll and vehicle financing.
- Unorganized brokers handling load matchmaking.
- Operators managing fleet operations manually.

Vehicle financing remains competitive, but tech-led players like BlackBuck are disrupting the market by offering integrated, end-to-end solutions using technology and data. Among them, BlackBuck is the largest, with INR2.9 billion in revenue for Fiscal 2024, serving 27.52% of India's truck operators with 0.96 million users.

BlackBuck leads in several areas, including being the largest FASTag distributor with a 32.92% market share in Fiscal 2024. Its tolling segment grew 47.82% year-on-year, reaching INR14,793.68 crore in gross transaction value (GTV).

BlackBuck also dominates India's fuel loyalty management platform, covering 72% of fuel stations in Fiscal 2024. This, along with its strong distribution, makes it the largest payments platform for truck operators. It also ranks among the top vehicle tracking companies, with 9,300 touchpoints across 628 districts by June 2024, covering 76% of toll plazas.

BlackBuck's integrated approach fosters user engagement, setting off network effects that allow for new services to be introduced to its expanding user base. Its physical and digital presence drives continuous user growth.

Listed companies in the trucking sector include:

- **C.E. Info Systems (MapMyIndia)**, offering geospatial data and telematics solutions.
- **Fleetcor Technologies**, a payment solutions provider for vehicle-related expenses.
- **Full Truck Alliance**, a digital freight platform for shippers and truckers, offering freight matching, credit solutions, and tolling services.

Challenges

Adoption of digital technology: Convincing truck operators to adopt digital solutions like fuel cards, telematics, and sensors remains a significant challenge.

Integrated service offerings: Expanding into services such as insurance, repairs, and spare parts requires substantial coordination and effort.

Scale-up of loads marketplace: Overcoming the strong reliance on brokers in India's freight industry and increasing marketplace liquidity demands ongoing effort.

Threats

Competitive intensity in payments: The fleet payments sector in India is highly competitive, with established banks vying for market share.

Strong traditional players in vehicle financing: Gaining market share is tough due to the strong physical presence and established systems of traditional NBFCs.

Development of railways as an alternative: The Indian government's investment in dedicated rail freight corridors may reduce dependence on trucking in the long term.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Company Name	Consolidated/ Standalone	Face Value	EPS		P/E	RoNW (%)	NAV
			Basic	Diluted			
Zinka Logistics Solutions Ltd	Consolidated	1	(10.52)	(10.52)	[•]	(53.64)	16.89
C.E. Info Systems Ltd	Consolidated	2	24.78	24.58	92.90	0.20	12.09
International Listed Peers							
FLEETCOR Technologies, Inc	Consolidated	0.08337	1118.83	1,100.48	20.20	0.30	3,678,737.81
Full Truck Alliance Co. Ltd	Consolidated	0.0008337	0.83	0.83	804.77	0.06	19.76

Source: RHP; All the financial information for listed industry peer is as of and for year ended March 31, 2024 except for Corpay, Inc. (formerly FLEETCOR Technologies, Inc) and Full Truck Alliance Co. Ltd as of and for year ended December 31, 2023.

P/E Ratio for the listed industry peer has been computed based on the closing market price of equity shares, on BSE for Indian peers and NYSE for International peers, as of June 28, 2024.

C.E. Info Systems is a geo-spatial and geo-location data and technology products and platforms company, and the only listed technology player in the Telematics space in India, which is related to offerings of company's Telematics solutions offerings

Comparison of the Key Performance Indicators with Listing Industry Peers:

Key Metrics	March 31, 2024		December 31, 2023	
	Zinka Logistics Solutions	C.E. Info Systems	Corpay, Inc. (formerly FLEETCOR Technologies, Inc)	Full Truck Alliance Co.
Revenue from continuing operations (INR Cr)	296.92	379.42	31,328.10	9,906.11
Year-on-year growth (%)	69.01%	34.80%	20.60%	33.86%
Contribution margin (INR Cr)	288.35	Na	Na	Na
Year-on-year growth (%)	62.98%	Na	Na	Na
Contribution margin (%)	91.10%	Na	Na	Na

Source: RHP

Restated Statement of Cash Flows

(INR Cr)

	For the 3 months period ended Jun'30,		For the year ended March 31,		
	2024	2023	2024	2023	2022
Profit before tax	28.73	(35.92)	(193.87)	(290.33)	(284.33)
Adjustments Related to Non-Cash & Non-Operating Items	(15.59)	27.28	197.72	125.54	133.71
Operating Profits before Working Capital Changes	13.14	(8.64)	3.85	(164.79)	(150.62)
Adjustments for Changes in Working Capital	9.40	(0.56)	34.28	42.99	66.88
Net cash generated from operations before tax	22.54	(9.20)	38.13	(121.80)	(83.74)
Income tax paid (net)	11.23	14.33	6.43	2.62	5.58
Net cash generated from operating activities (a)	33.77	5.13	44.56	(119.18)	(78.16)
Net cash used in investing activities (b)	(18.04)	21.41	19.19	168.60	(218.60)
Net cash used in financing activities (c)	(28.01)	(19.57)	(13.82)	(36.92)	282.08
Net (decrease)/ increase in cash and cash equivalents during the period	(12.28)	6.97	49.93	12.50	(14.68)
Add: Cash and cash equivalents as at the beginning of the period	129.00	79.09	79.09	66.59	81.27
Cash and cash equivalents as at the end of the period	116.72	86.06	129.01	79.09	66.59

Source: RHP

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