



IPO Note

Blue Water Logistics Limited

Recommendation: **APPLY!**

Company Background –

- **Incorporation:** Blue Water Logistics Limited was originally incorporated as Partnership firm on Apr 16, 2010. The registered office is located at Hyderabad, Telangana.
- **Business Activity:** The company is engaged in the business of providing logistics and supply chain solutions to customers.
- **Revenue Stream:** The company generates majority of its revenue from Ocean Freight Services.
- **Human Resource:** The company had 83 permanent employees as of Mar 31, 2025.

Objects of the Issue –

- Funding of capital expenditure requirements by purchase of Vehicles and its body building
- Funding working capital requirements
- General corporate purposes

Promoters Name –

Mr. Laxmi Narayan Mishra, Mr. Lalit Panda, Ms. Madhusmita Mohanty and Ms. Supriya Mishra

Rationale for recommendation –

The company has shown **improving margins** over the years, signifying **financial stability**. Despite, the top line saw a sudden decrease in FY24 due to a dip in market rates and freight charges, the underlying trend of profitability remains robust. While certain concentration risks and industry competitiveness exist, the company's **operational improvements** and the **clear objectives** for the IPO proceeds make it an attractive proposition for well-informed investors looking for long-term growth, we recommend to **APPLY** this IPO.

IPO Details

Opening Date	May 27, 2025
Closing Date	May 29, 2025
Allotment Date	May 30, 2025
Listing Date	Jun 03, 2025
Stock Exchange	NSE SME
Lot Size	1000 Shares
Issue Price Per Share	₹132 to ₹135
Issue Size	40.50 Cr.
Fresh Issue	40.50 Cr.
Offer for Sale	-
Application Amt	₹ 1,35,000 (1000 shares)

INDUSTRY – Logistics

Avg. PE ratio as per RHP – 113.20

KPIs			(In Lakhs)
KPI's	FY 23	FY 24	FY 25
Revenue	18,265.14	13,867.37	19,618.04
EBITDA	617.73	1,049.95	1,874.57
Net Profit	258.37	594.03	1,067.08
RoCE	54.93%	61.18%	49.59%
ROE	72.97%	62.65%	52.95%
P/E	40.79	18.17	10.12

Promoter Share Holding Pattern

Pre-Issue	Post Issue
95.62%	69.55%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	13.34	9.70
BVPS	25.19	18.32
P/E	10.12	13.92
P/BV	5.36	7.37
Mkt Cap (In Lakh)	108.00	148.50

Lead Managers –

Smart Horizon Capital Advisors Private Limited

Registrar –

Maashitla Securities Private Limited

Business Overview –

Blue Water Logistics Limited is engaged in the business of providing **logistics and supply chain solutions** to customers, headquartered in Hyderabad and was established in the year 2010. The key services of the company include freight forwarding, custom clearance and transportation handling services. The company has branch offices in Chennai, Delhi, Jaipur, Visakhapatnam and Thane.

Blue Water Logistics is ISO 9001:2015 certified for quality management and also holds an IATA certificate, indicating their commitment to quality and international standards.

Key Services -

The following are the key services of the company -



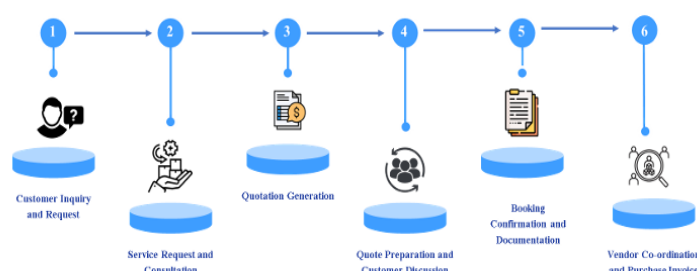
The following table gives the **service-wise revenue bifurcation** of the company –

Particulars	FY2023		FY2024		FY2025	
	Amt	%	Amt	%	Amt	%
Ocean Freight	15,400.42	84.32%	10,574.78	76.26%	16,289.00	83.03%
Surface Freight	660.05	3.61%	1,110.29	8.01%	964.78	4.92%
Railway Freight	522.55	2.86%	555.39	4.01%	425.78	2.17%
Air Freight	772.38	4.23%	153.34	1.11%	215.41	1.10%
Customer House Clearance	909.75	4.98%	1,473.57	10.63%	1,723.07	8.78%
Total	18,265.15	100%	13,867.37	100%	19,618.04	100%

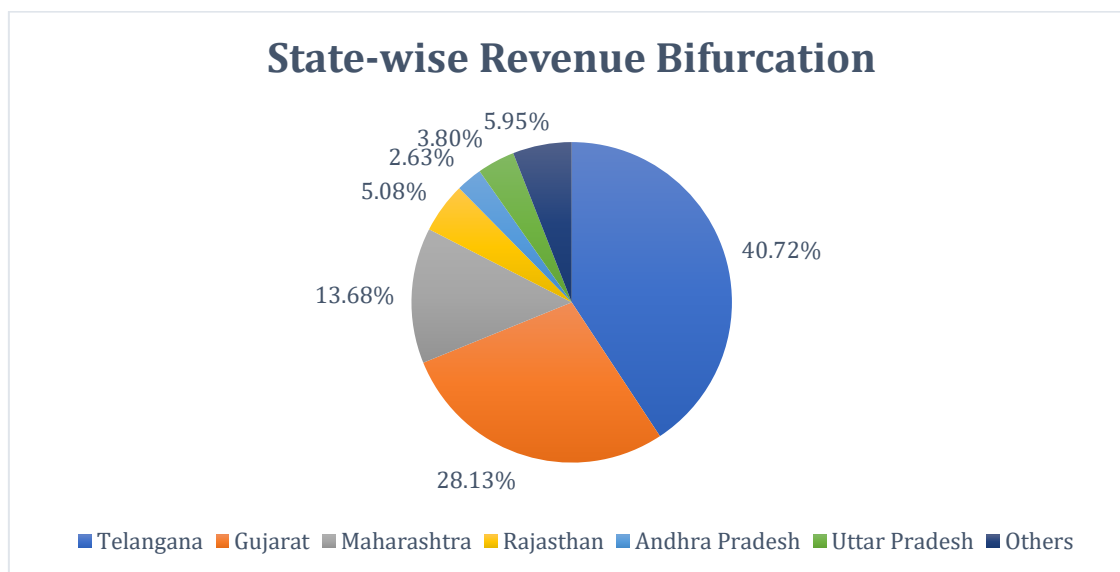
Industry-wise Revenue Bifurcation:

Particulars	FY2023		FY2024		FY2025	
	Amt	%	Amt	%	Amt	%
Freight Forwarding	4,275.99	23.41%	4,760.79	34.33%	7,016.55	35.77%
Confectionery	3,169.25	17.35%	2,589.59	18.67%	4,913.43	25.05%
Crockery	1,690.03	9.25%	1,044.73	7.53%	1,954.78	9.96%
Manufacturing	1,595.49	8.74%	2,212.99	15.958%	1,229.70	6.268%
Chemicals	2,109.17	11.55%	763.46	5.51%	869.58	4.43%
Pharma	1,276.01	6.99%	527.16	3.801%	1,206.35	6.15%
Others	4,149.20	22.7165%	1,968.65	14.20%	2,427.65	12.37%
Total	18,265.14	100%	13,867.37	100%	19,618.04	100%

Process Description For Work Orders:



State-wise Revenue Bifurcation:



Competition -

- Market Competition:** The industry is highly competitive and the key factors of competition are quality of service, price and reliability.
- Geographic Competition:** The company faces competition from domestic and global freight forwarders and logistics providers in India and outside India.
- Barriers to entry:** Low barriers to entry.
- Threat of Substitutes:** High threat of substitutes.
- Bargaining Power of Buyers:** The bargaining power is high with the customers.
- Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

- The company aims to enhance operational controls and cost efficiencies through optimal freight mix and cost management by purchasing **20 commercial vehicles** and its body building which adds to their fleet of vehicles.
- The company is focusing on increasing sales volume through business expansion by expanding into new markets which will present valuable opportunities to grow their client base.

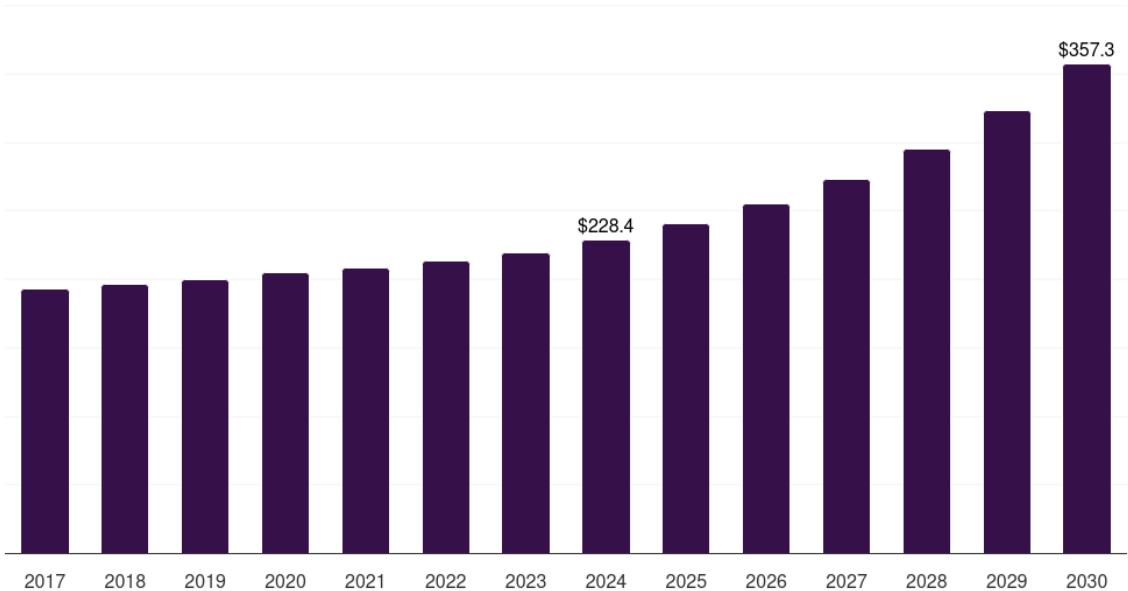
Risk Factors -

- The company's majority of the revenue is generated from ocean freight services constituting 84.32%, 76.26% and 83.03% in FY23, FY24 and FY25 respectively.
- The company has moderate concentration for top 10 suppliers constituting to 83%, 79.28% and 75% in FY23, FY24 and FY25 respectively.
- The company has geographic concentration, significant revenue are generated from Telangana, Gujarat and Maharashtra constituting 41.22%, 28.48% and 13.85% in FY25 respectively.
- The company has unsecured loans amounting to Rs. 887.82 Lakhs.
- The company has outstanding litigation in taxation matters amounting to 189.10 Lakhs.
- The company has negative operating cashflow in FY25.

INDUSTRY OVERVIEW -

Logistics Industry in India

The Indian logistics market is substantial, valued at around **US\$ 228.4 billion in 2024**, and is projected to reach **US\$ 357.3 billion by 2030**, growing at a healthy **CAGR of 7.7% from 2025 to 2030**. Some estimates even project the organized logistics market to reach **US\$ 60.74 billion by FY2032** at a **CAGR of 12.18%** from FY2025-FY2032. India's logistics costs are still relatively high, accounting for **13-14% (or even 14-18%) of GDP**, compared to a global average of 8-9%. Reducing this is a key government priority.



India Logistics Market (2017 - 2030)

The Indian government is heavily invested in boosting the logistics sector through a range of policies, schemes, and significant financial outlays.

- i. **National Logistics Policy (NLP)** (Launched September 2022) aims to reduce logistics costs to **8% of GDP by 2030** (from a reported 13-14% or even 14-18% previously). Some reports indicate costs have already dropped by 0.8-0.9% of GDP between FY14 and FY22, now estimated around 8.35%.
- ii. **PM Gati Shakti National Master Plan** (Launched October 2021) has ambitious plan costing **₹100 lakh crore (approximately US\$ 1.2 trillion)**. **44 Central Ministries and 36 States/UTs** have been onboarded for this plan. **208 big-ticket infrastructure projects** worth **₹15.39 lakh crore** have been assessed adhering to PM Gati Shakti principles.
- iii. **Sagarmala Programme** - **839 projects** worth an investment of **₹5.79 Lakh crores** are under implementation. **272 projects** worth approximately **₹1.41 lakh crores** have been completed. **103 completed port modernization projects** have added over **528 million tonnes per annum (MTPA)** capacity. **Sagarmala 2.0** is envisioned with a focus on shipbuilding, repair, breaking, and recycling, backed by **₹40,000 crore in budgetary support** to catalyze investments worth **₹12 lakh crore** over the next decade.
- iv. **Bharatmala Pariyojana**- The Bharatmala Pariyojana was initiated with the primary objective of improving the efficiency of both goods and passenger transportation across the country. Phase 1 of the project was approved in October 2017 with the objective of fixing important road problems by building about **34,800 kilometres** of national highways. This initiative focuses on improving highways to make sure they're all good quality and give people the same experience wherever they travel. Targeted roads under phase 1 are spread across 31 states and union territories. Among these, **27,384 km** have been awarded for construction, with **15,045 km** already completed. Phase I is expected to be completed by 2027-28.

Key Management -

Key Management Persons Name -	Mr. Laxmi Narayan Mishra
Age	52
Designation and No. of experience	Promoter, Whole Time Director and Chairman, 13 years of experience in logistics industry
Qualification	Bachelor of Commerce degree
Other Directorships	BWL Express Cargo Limited

Key Management Persons Name -	Mr. Lalit Panda
Age	41
Designation and No. of experience	Promoter and Managing Director, 7+ years of experience in logistics industry
Qualification	
Other Directorships	BWL Express Cargo Limited

Key Management Persons Name -	Ms. Madhusmita Mohanty
Age	41
Designation and No. of experience	Promoter and Whole Time Director, 7+ years of experience in logistics industry
Qualification	Diploma in Master of Science (Zoology)
Other Directorships	BWL Express Cargo Limited

Key Management Persons Name -	Mr. Mohammed Jaffar
Age	38
Designation and No. of experience	Chief Financial Officer, 11+ years of experience in accounts
Qualification	Master of Business Administration (MBA) degree
Other Directorships	

- The overall management of the company is **satisfactory**.
- The management and promoters have **good experience**.
- **Ms. Priya Bharat Dholu** is the Company Secretary and Compliance Officer. She holds a bachelor's degree in Commerce. She has 3 years of experience in secretarial and compliance field.
- **Ms. Supriya Mishra** is one of the Promoters and Non-Executive Non- Independent Director. She holds a Bachelor of Arts. She has over 7 years of cumulative work experience in the logistics industry.
- Mr. Sugoto Ghosh, Ms. Falguni Khodabhai Prajapati and Mr. Nikhar Ami Agarwal are Independent Directors of the Company. They also have vast experience and education in their respective fields.
- The appointment of some independent directors over the last year is a matter of concern.
- Some promoters/directors have academic backgrounds not directly related to logistics, but there overall practical experience in the industry is satisfactory.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs

Particulars	FY 23	FY 24	FY 25
Revenue from Operations	18,265.14	13,867.37	19,618.04
Other Income	14.03	6.96	10.55
Total Income	18,279.17	13,874.33	19,628.59
Expenses			
Change in Inventories of finished goods and WIP	52.40	-	-
Operating Expenses	17,000.66	12,287.23	16,937.38
Employee Benefit Expenses	410.21	387.54	410.45
Finance Cost	221.35	167.53	287.61
Depreciation and Amortization Expense	65.15	95.55	168.01
Other expenses	184.14	142.65	395.64
Total Expenses	17,933.91	13,080.50	18,199.09
EBITDA	617.73	1,049.95	1,874.57
EBITDA Margin	3.38%	7.57%	9.56%
Profit/(Loss) before tax	345.26	793.83	1,429.50
Tax Expense			
Current tax	93.02	197.05	349.27
Deferred Tax	-6.13	2.75	13.15
Total Tax	86.89	199.80	362.42
Profit/(Loss) for the year	258.37	594.03	1,067.08
Net Profit Margin	1.41%	4.28%	5.44%

Statement of Assets and Liabilities

Amt in Lakhs

Particulars	FY 23	FY 24	FY 25
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Equity Share Capital	200.00	200.00	800.00
Reserves and Surplus	154.06	748.11	1,215.19
Total Shareholder's Fund	354.06	948.11	2,015.19
Total Equity	354.06	948.11	2,015.19
NON-CURRENT LIABILITIES			
Long-term Borrowings	642.65	601.22	1,398.01
Deferred tax liabilities	-	-	9.77
Long Term Provisions	9.29	10.58	18.46
Total Non-current liabilities	651.94	611.80	1,426.24
3. Current liabilities			
Short-term borrowings	1,238.05	1,121.15	2,275.07
(a) Total outstanding dues of MSME	-	24.38	69.11
(b) Total outstanding dues of creditors other than MSME	549.26	1,246.20	1,383.28
Other Current Liabilities	76.60	63.15	116.64
Short-term Provisions	57.97	197.37	348.94
Total Current liabilities	1,921.88	2,652.25	4,193.04
Total Liabilities	2,573.82	3,264.05	5,619.28
Total Equity and Liabilities	2,927.88	4,212.16	7,634.47
ASSETS			
1. Non-current assets			
Property, Plant and Equipment	248.86	330.29	623.47
Capital Work in Progress	-	-	74.47
Long-Term Loans and Advances	8.22	32.21	75.37
Deferred tax assets (net)	6.13	3.38	-
Other Non-current Assets	3.31	2.48	54.47
Total Non-Current assets	266.52	368.36	827.78
2. Current assets			
Trade Receivables			
Cash & Bank Balances	1,991.40	2,646.78	4,514.73

Particulars	FY 23	FY 24	FY 25
Short Terms Loans and Advances	239.72	161.30	152.36
Other Current Assets	356.76	763.73	829.83
Total Current assets	73.47	272.00	1,309.75
Total Assets	2,661.35	3,843.81	6,806.67

Cash Flow Statement			Amt in Lakhs
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	1,219.56	423.27	-1,146.69
Net Cash Flow from Investing Activities	-185.55	-175.83	-525.33
Net Cash Flow from Financing Activities	-873.21	-325.85	1,663.08

Key Ratios

Per Share Data	FY 23	FY 24	FY 25	Valuation Ratios (x)	FY 23	FY 24	FY 25
Diluted EPS	3.31	7.43	13.34	EV/EBITDA	3.23	2.39	2.95
BV per share	17.70	47.41	25.19	Market Cap / Sales	0.15	0.19	0.55
Operating Ratios				P/E	40.79	18.17	10.12
EBITDA Margins	3.38%	7.57%	9.56%	Price to Book Value	7.63	2.85	5.36
PAT Margins	1.41%	4.28%	5.44%	Solvency Ratios			
Debtor days	39.90	69.86	84.23	Debt / Equity	5.31	1.82	1.82
Creditor days	23.43	39.32	33.52	Current Ratio	1.38	1.45	1.62
Return Ratios				Quick Ratio	1.38	1.45	1.62
RoCE	54.93%	61.18%	49.59%	Asset Turnover	6.24	3.29	2.57
RoE	72.97%	62.65%	52.95%	Interest Coverage Ratio	2.50	5.70	5.93

INTERPRETATION –

1. The top line has reduced by 24.08% in FY24 which is due to a dip in market rates and freight charges and it has improved in FY25 by 41.47%. The top line is heavily influenced by the overall economic cycle, especially the fluctuations in global trade and economic growth.
2. The net profit has been improving with 129.91% increase in FY24 and 79.63% in FY25 which is due to reduction in operating expenses as a result of reduction in freight charges.
3. The EBITDA and PAT margins have improved over the years which is due to **rise in the number of trips completed**.
4. The company had **negative** cash flow from operations in FY25 due to significant increase in **trade receivables** and **unbilled revenue**.

PEER ANALYSIS

Particulars	Blue Water Logistics Limited			Shreeji Translogistics Limited			Shree Vasu Logistics Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	1.41%	4.28%	5.44%	5.44%	6.20%	-	1.99%	2.52%	1.49%
EBITDA Margin	3.38%	7.57%	9.56%	10.99%	11.70%	-	26.68%	27.38%	26.64%
RoCE	54.93%	61.18%	49.59%	33.29%	32.33%	-	10.81%	13.66%	11.73%
ROE	72.97%	62.65%	52.95%	25.82%	28.53%	-	7.18%	9.82%	6.41%
EPS (INR)	3.31	7.43	13.34	1.57	2.36	-	1.77	2.74	1.90
P/E	40.79	18.17	10.12	31.75	13.91	-	72.82	80.29	223.68

LEAD MANAGER TRACK RECORD -

The lead manager to the issue is **Smart Horizon Capital Advisors Private Limited**. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times–

Smart Horizon Capital Advisors Private Limited –

Sl. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Virtual Galaxy Infotech Limited	93.29	142.00	May 19, 2025	170.60
2.	Descro Infratech Limited	30.75	150.00	Apr 01, 2025	239.85
3.	Beezaasan Explotech Limited	59.93	175.00	Mar 03, 2025	234.50
4.	Maxvolt Energy Industries Limited	54.00	180.00	Feb 19, 2025	236.40
5.	Rikhav Securities Limited	88.82	86.00	Jan 22, 2025	58.82

The company has handled **5** mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 21st May 2025.
As per the offer document, on their respective listing days, Beezaasan Explotech Limited opened at a discount, Maxvolt Energy Industries Limited opened at par, and all other mandates opened at a premium to their issue prices.

Recommendation -

Investment Recommendation: Apply

Blue Water Logistics Limited has been in the industry since 2010 and has significant experience in the industry.

The management overview of the company is **satisfactory**.

The P/E on a post-IPO annualized basis is 13.92 times which makes it **fairly priced**.

The company exhibits **financial stability**, as evidenced by its higher RoCE and ROE when compared to its industry peers.

Despite the top line saw a sudden decrease in FY24 which is due to a dip in market rates and freight charges, the margins have been improving over the years which signify the **financial stability** in the company. The strategic expansion and a diversified service portfolio, positions it well within the growing Indian logistics sector.

There is a notable concentration in terms of customer and supplier base, as well as revenue largely from Telangana. While this poses a business risk, the company's efforts to **diversify its client portfolio** and geographical reach (as evidenced by its expansion) may mitigate this over time.

Disclaimer

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.

The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

WEBSITE:

www.tiareconsilium.com

OUR APP AVAILABLE ON:



CONNECT WITH US ON :

