

IPO Details

Opening Date	Jan 20, 2023
Closing Date	Jan 24, 2023
Stock Exchange	BSE SME
Lot Size	1600 Shares
Issue Price	₹ 71 per share
Issue Size	720,000 Equity Shares
Application Amount	₹ 113,600

IPO Objective

To Meet Working Capital Requirements
Investment in Subsidiary for Purchase of Containers
General Corporate Purpose
To meet Public Issue Expenses

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	19,03,000	97.94%
Public	40,040	2.06%

Promoter of the Company

1	Mr. Ravindrakumar Kumarchandra Joshi
2	Mrs. Naitik Ravindrakumar Joshi
3	Mrs. Dipti Ravindrabhai Joshi

Competitive Strengths

1	Experienced Promoters and Management Team
2	Well-defined organizational structure
3	Existing Supplier Relationship
4	Asset Light Business Model
5	Scalable Business Model
6	Comprehensive solution for logistics requirement

Company Background

- Company was incorporated in the year 2015 in Gujarat.
- Company is engaged in the business of integrated logistics solutions. Key expertise include NVOCC, Freight Forwarding, Custom Clearance, Transportation handlings locally as well as globally and Advisory on MEIS License Trading.
- As on the date of the Prospectus, they primarily provide services to their clients in countries namely India, China, Middle East, Sri Lanka, Singapore and Malaysia.
- As on the date of the Prospectus, they have total 4 Employees.

Financial Summary

For the Period Ended	(In Lacs)		
	Mar-21	Mar-22	Nov-22
Total Assets	12.47	109.89	749.13
Net Assets	1.25	57.91	229.49
Total Borrowings	-	0.97	141.30
Total Revenue	62.21	503.02	1,048.00
Profit After Tax	1.18	56.69	34.48

Tentative Timeline

Opening Date	Jan 20, 2023
Closing Date	Jan 24, 2023
Basis of Allotment	Jan 30, 2023
Initiation of Refunds	Jan 31, 2023
Credit of Shares to Demat	Feb 1, 2023
Listing Date	Feb 2, 2023



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Company Overview

Incorporated in the year 2015, the company is engaged in the business of integrated logistics solutions. Their key expertise include NVOCC, Freight Forwarding, Custom Clearance, Transportation handlings locally as well as globally and Advisory on MEIS License Trading. As on the date of this Prospectus, they primarily provide services to clients in countries namely India, China, Middle East, Sri Lanka, Singapore and Malaysia.

Analysis

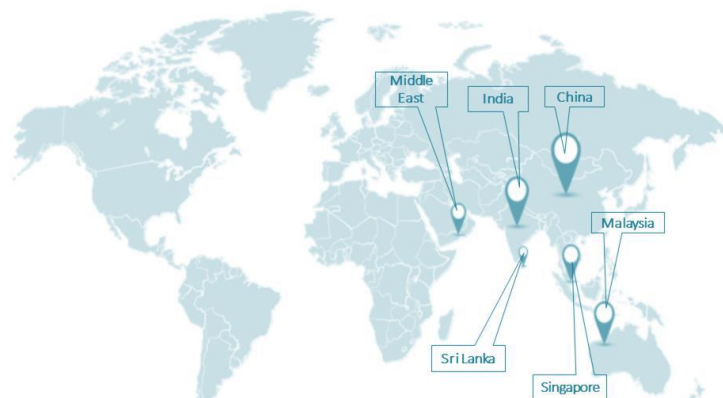
Being incorporated in the year 2015, the company is fairly new in this business. The company's core business can be divided in the following categories: -

- a. Freight Forwarding
- b. Customs Clearance
- c. Allied Logistics and Transportation Services

They have recently formed a company in Singapore namely Transvoy Logistics PTE. Ltd. (Transvoy – Singapore) where the company holds 55% stake, making it their subsidiary. It is engaged in the business of providing services of non-vessel owning common carrier (NVOCC).

Their Wholly-owned subsidiary, Aashirvad Shipping and Allied Private Limited, is a registered Custom House Broker with Custom Office – Kandala and authorised to transact business as Custom Broker all over India by the Custom Authority.

The company has international presence which includes countries like China, Middle East, Sri Lanka, Singapore and Malaysia.



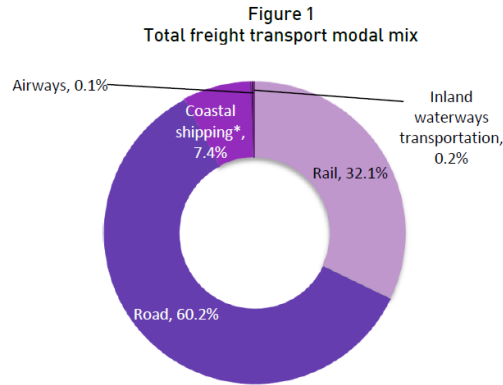


The company has not given a proper bifurcation of revenue from each of its activities nor for its geographical presence.

To conclude, the company is fairly new to the market and has a lot of work to do. There are a lot of big and small players making it a very highly competitive market. However, there has been significant growth in the revenue and profit of the company.

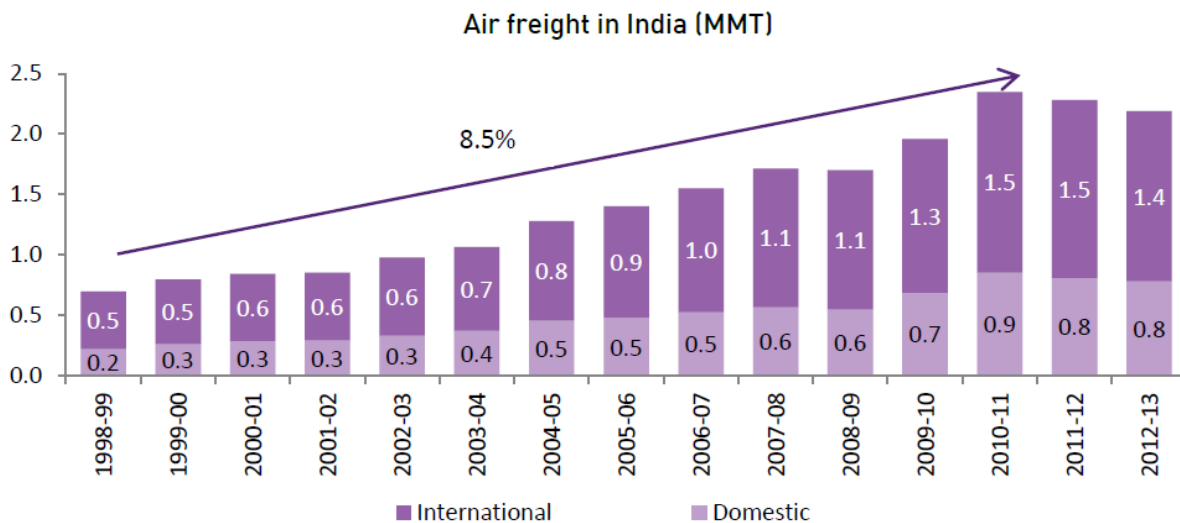
Industry Charts

Exhibit 1: Total Freight Transport Modal Mix



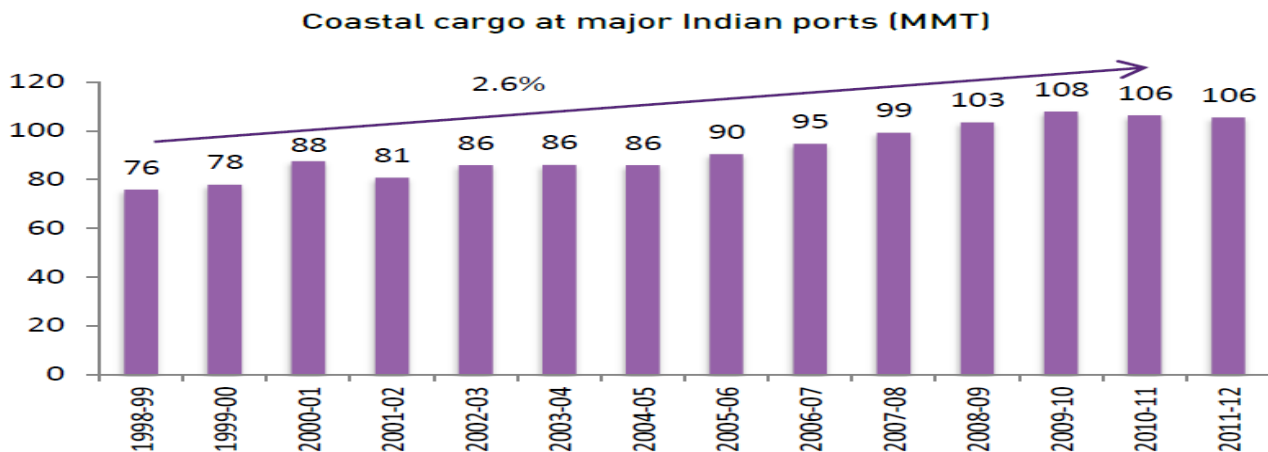
Source: IMaCS Analysis,
*Major ports

Exhibit 2: Air Freight in India (MMT)



Source: CMIE; IMaCS Analysis

Exhibit 3: Coastal Cargo at Major Indian Ports (MMT)



(Source: ibef.org)

Investment Overview

INDIAN LOGISTICS INDUSTRY

The Indian logistics industry was valued at an estimated US\$ 130 billion in 2012-13. It has grown at a CAGR of over 16 per cent over the last five years. The industry comprises the following main segments:

- Freight and passenger transportation via road, rail, air and water
- Warehousing and cold-storage

The contribution from the movement of goods including freight transportation and storage is about 90 per cent. Aggregate freight traffic is estimated at about 2-2.3 trillion tonne kilometres. Road dominates the mode of freight transport mix and constitutes about 60 per cent of the total freight traffic. Rail and coastal shipping account for about 32 per cent and 7 per cent, respectively, while the share of inland waterways transportation and air is less than 1 per cent each.

Freight Movements

1. Air transport

Air cargo volume grew at a compound annual growth rate (CAGR) of about 8.5 per cent from 0.7 MMT in 1998-99 to 2.2 MMT in 2012-13. International traffic accounts for about 64 per cent of the total air cargo traffic and domestic cargo accounts for the remaining 36 per cent. Between 1998-99 and 2012-13, domestic and international cargos have grown at a CAGR of 10.4 per cent and 7.6 per cent, respectively. Expanding cargo-handling infrastructure at airports, demand for speedy delivery, greater trade and commerce and increase in the number of flights operating – are some of the key reasons for this growth.

2. Water transport

Shipping routes through coasts and inland waterways are primarily used for transportation of bulk freight. India possesses about 14,400 km of inland waterways. Over 3,600 km are navigable by large vessels, of which about 55 per cent is being used. To exploit the potential of this mode of transport, six national waterways have been declared three of which are operational while three are being developed. In 2012-13, the estimated cargo movement via inland waterways

was at around 89 million tonnes. The coastal-cargo traffic at major Indian ports has grown at a CAGR of about 2.6 per cent from 76 MMT in 1998-99 to 106 MMT in 2011-12. The freight via water is expected to grow further in the light of the Maritime Agenda 2010-2020, increasing contribution from non-major ports and growing focus on ports on the east coast. Overall cargo traffic has increased at non-major ports at a CAGR of about 19 per cent in the 14 years since 1998, indicating strong growth potential for these ports in the coming years especially as the infrastructure improves.

3. Rail transport

Rail freight segment contributes over 60 per cent to the total rail revenue. Freight movement via railways has grown at a CAGR of around 5.1 per cent from 794 million tonnes in 2007-08 to 969 million tonnes in 2011-12. As per the Railway Budget 2013-14, the government targeted freight volume of 1,047 million tonnes in 2013-14. As per the Rail Budget 2013, US\$ 20 billion of the overall US\$ 104 billion proposed investment in the 12th Five Year Plan would be mobilised through the PPP route. Private sector participation is likely to result in additional transport capacity of railways, and reduced traffic congestion at ports and roads.

4. Roads transport

Unlike other modes of transport, roads address the demand for goods to cities as well as remote areas of the country. Since 1999-2000, road freight has increased from 467 billion tonne kilometres (BTKM) to 1,250 BTKM in 2011-12, at a CAGR of 8.6 per cent. It is estimated to have grown to 1,315 BTKM for 2012- 13. According to the Ministry of Road Transport and Highways, road freight is expected to reach 1,835 BTKMs by 2016-17.

Development of national highways: - National highways account for more than 40 per cent of the total road traffic. In the 12th Five-Year Plan period, the Government of India has set a target to construct 36,632 km of national highways in the period 2012-17, i.e., 2.65 times the target set in the previous plan period. Launched in 1998, the National Highways Development Programme (NHDP) aims to develop 50,000 km of National Highways by 2015 in seven phases and with an investment of US\$ 600 billion. Once completed, this is expected to further fuel th demand for road transport.

Addressable Market for Transvoy Logistics India Limited

The company sells its products primarily in India along with expanding to different parts of the world including Sri Lanka, China, Malaysia, Middle East, and Singapore. They have established a subsidiary in Singapore where they are going to utilise part of the proceed for buying second hand containers.

Competition

Company operates in a highly competitive environment. There are many small and unorganised players in the market along with some players having better penetration in some geographical areas in which the company operates. The threat of new entrant is low.

Peer Analysis

As provided in the prospectus, the following is the peer related data for the subject company.

Company	TRANSVOY LOGISTICS INDIA LIMITED	TIMESCAN LOGISTICS (INDIA) LIMITED	MAHESHWARI LOGISTICS LIMITED
Net Profit (INR Cr)	0.57	2.91	17.15
EBITDA (INR Cr)	0.80	4.74	54.51
Return on Capital Employed	137.32%	31.22%	16.63%
Return on Equity	97.89%	22.19%	11.19%
#EPS (INR)	3.58	8.33	5.85
P/E* (Times)	19.81	16.57	11.56

EPS for Transvoy Logistics India Limited is calculated on post IPO basis.

Promoters' Profile and Management Analysis

MR. RAVINDRAKUMAR KUMARCHANDRA JOSHI



- Mr. Ravindrakumar Kumarchandra Joshi is Promoter- Chairman cum Managing Director of the Company.
- He holds the Degree of Bachelor of Commerce from the Gujarat University.
- He is having Experience of more than 30 years in the field of Logistics Industry.

MRS. DIPTI RAVINDRABHAI JOSHI



- Mrs. Dipti Ravindrabhai Joshi is Promoter- Non-Executive Director of the Company.
- She is under graduate.
- She is having more than 10 years of Experience in Logistics Industry.

MR. NAITIK RAVINDRAKUMAR JOSHI



- Mr. Naitik Ravindrakumar Joshi is Promoter- Whole Time Director & CFO of the Company.
- He holds the Degree of Family Managed Business from the SPJIMR Bhartiya Vidya Bhavan Mumbai.
- He is having experience of more than 2 years of experience in Logistics Industry.



Analysis on the Company's Promoter and Board of Directors

Mr. Ravindrakumar Kumarchandra Joshi aged 53 years is Promoter- Chairman cum Managing Director of the Company. He holds the Degree of Bachelor of Commerce from the Gujarat University. He is having Experience of more than 30 years in the field of Logistics Industry.

Mrs. Dipti Ravindrabhai Joshi aged 50 years is Promoter- Non-Executive Director of the Company. She is an under graduate. She is having more than 10 years of Experience in Logistics Industry.

Mr. Naitik Ravindrakumar Joshi aged 27 years is Promoter-Whole Time Director & CFO of the Company. Holds the Degree of Family Managed Business from the SPJIMR Bhartiya Vidya Bhavan Mumbai. He is having experience of more than 2 years of experience in Logistics Industry.

Mrs. Pooja Naitik Joshi aged 26 years is an Executive Director of the Company. She holds the Degree of Bachelor of Business Administration from the Monad University. She is having about 2 months of Experience in logistics industry.

To conclude, the company's individual promoters have decent experience in the industry in which the company belongs to. The independent directors of the company are also well experienced and could be a good driving force for the company.

Financial Snapshot

(Amount in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2022	As at 25th Nov, 2022
Profit and Loss			
Revenue from operations	62.21	502.99	1,047.95
Other income	-	0.03	0.05
Total Revenue	62.21	503.02	1,048.00
Expenses	60.23	422.94	996.14
Depreciation and Amortisation Cost	0.53	0.53	1.96
Finance Cost	-	0.78	3.46
Total Expenses	60.76	424.25	1,001.56
PBT	1.45	78.77	46.44
PBT Margin	2.33%	15.66%	4.43%
EBITDA	1.98	80.05	51.81
EBITDA Margin	3.18%	15.91%	4.94%
Net Profit	1.18	56.69	34.48
Net Profit Margin	1.90%	11.27%	3.29%
Balance Sheet			
Total Borrowings	-	0.97	141.30
Net Worth	1.25	57.91	229.49
Fixed Assets	2.30	1.58	28.25
Net Working Capital	-1.09	51.24	181.47
Financial Measures (Annualised)			
Inventory Turnover Ratio	-	-	-
Receivables Turnover Ratio	25.92	5.24	3.22
Payables Turnover Ratio	64.26	19.63	4.36
Fixed Assets Turnover Ratio	27.05	318.35	62.11
Return on Capital Employed	116.94%	137.32%	9.66%
Return on Equity	94.40%	97.89%	6.82%
Debt-Equity Ratio	-	0.02	0.18

(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 increased from Rs. 1.98 lacs in 2021 to Rs. 80.05 lacs in 2022 and on 25th Nov 2022 it was Rs. 51.81 lacs and if we annualise the same it would be around Rs. 77.72 lacs. The EBITDA on annualised basis has grown at a CAGR of 526.05 %. The EBITDA margin in 2021 was 1.90%, 11.27% in 2022 and 4.94% up to 25th Nov 2022.

Net Profit

The net profit of the company has grown from Rs 1.18 lacs in 2021 to Rs. 56.69 lacs in 2022 and as on 25th Nov 2022 it was Rs. 34.48 lacs and if we annualise the same it would be around Rs. 51.72 lacs growing at a CAGR of 562.05 %. The net profit margin in 2021 was 1.90%, 11.27% in 2022 and 3.29% up to 25th Nov 2022. The net profit margin of the company has decreased the reason for the same can be attributed to increased cost of purchase and increased finance cost.

Finance Cost.

The company's finance cost mainly due to short terms borrowings and long-term borrowings availed by the company.

Financial Measures/Ratios

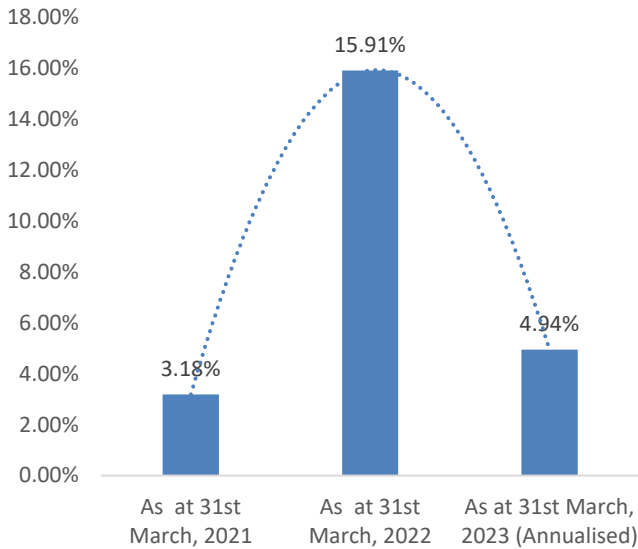
RoCE of the company up to 25th Nov 2022 is 20.16% vs 137.32 % in 2022 and 116.94 % in 2021. If we annualise the ROCE of FY 2022-2023, the ROCE is expected to be around 9.66%.

ROE of the company in 2021 was 94.40%, 97.89% in 2022 and 15.02% up to Nov 2022, if annualised, ROE would be around 6.82%. The ROE likewise RoCE has seen a decrease. With increase of equity base, the ROE is expected to come further down on annualised basis resulting in an estimated CAGR of -73.11%.

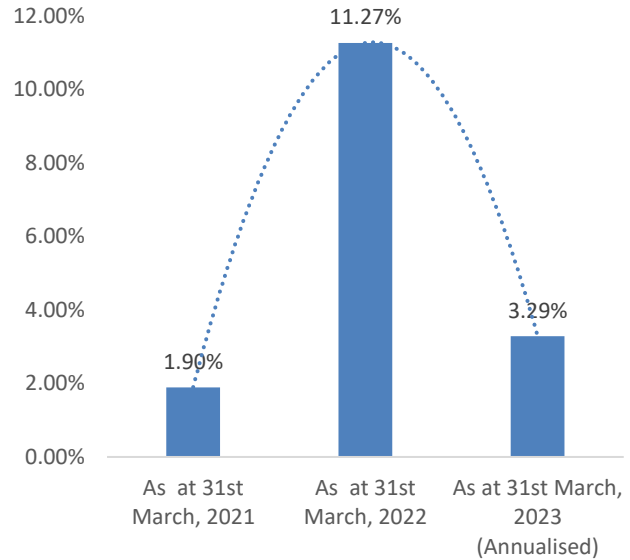
The company has a debt-equity ratio of 0.62 which shows the company is not leveraged properly and should better utilise debts in their favour. The debt-equity ratio is going to go further down to around 0.18 times post IPO.

Financial Charts

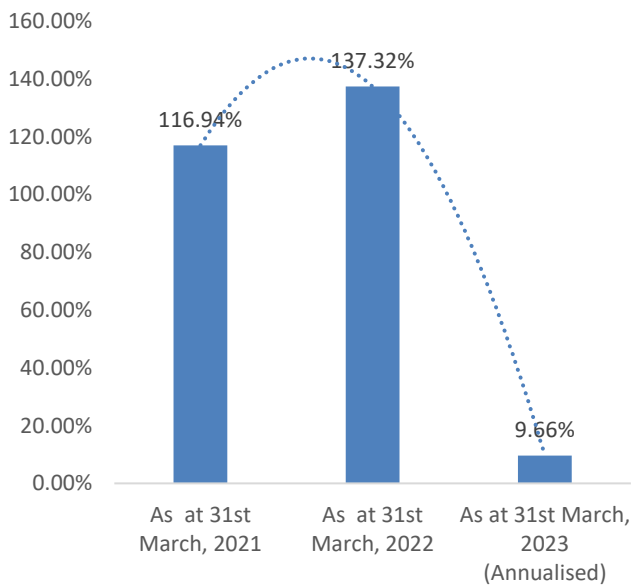
EBITDA Margin



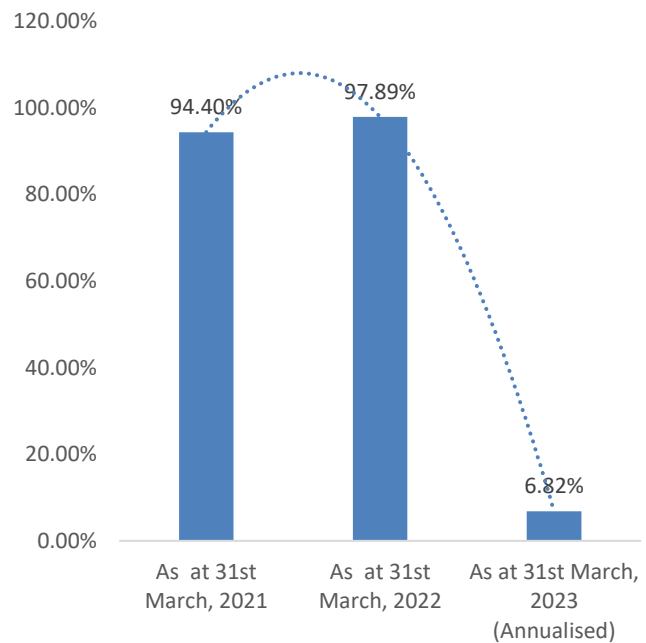
Net Profit Margin



Return on Capital Employed



Return on Equity





Key Risk Factors

1. Company, Promoters, Directors and group Companies are involved in certain litigations including tax related litigations amounting to Rs. 97.53 lacs which if determined against the company, can affect financial conditions of the company.
2. Company's top ten customer account for 95.69% of its total revenue and its suppliers account for 92.01% of its purchases. It shows high dependence on both customers and suppliers.
3. Company is planning to buy second hand containers for its foreign subsidiary but arrangements for the same are still pending and there is a possibility of them not being able to buy the same.
4. Company had negative cash flow from operating activities in FY 22 and FY 21.

Track Record of Lead Manager

The lead manager to the issue is Beeline Capital Advisors Pvt Ltd. 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 (In INR)	Listing date	CMP# (INR)
1.	Trident Lifeline Limited	35.34	101.00	October 10, 2022	147.00
2.	Kandarp Digi Smart BPO limited	8.10	30.00	September 28, 2022	22.50
3.	Viviana Power Tech Limited	8.80	55.00	September 16, 2022	105.50
4.	Jay Jalaram Technologies Limited Viviana Power Tech Limited	10.80	36.00	September 08, 2022	232.20
5.	Vital Chemtech Limited	64.64	95- 101	November 14, 2022	125.10
6.	RBM Infracon Limited	8.37	36.00	January 04, 2023	62.20
7.	Aristo Bio-Tech and Lifescience Limited	13.05	72.00	Jan 30, 2023	Yet to be listed

CMP is taken as on 18th January 2023

This is the 8th mandate from Beeline Capital in the current fiscal. Out of the last 6 listings, 1 opened at par and the rest with premiums ranging from 3.96% to 63.64% on the date of listing.

Recommendation

The company has been into this industry from 2015 and is fairly new to the market. However, it has presence in many countries and has shown growth in revenue from its operations in the last 3 years.

Revenue from operations for this company has shown good number however net profit margins have decreased substantially despite.

The management outlook of the company is decent since their qualification related to the educational front is not so strong.

The company is getting listed at a PE of around 19.81 times on post IPO basis but looking at their peers, it is slightly over-priced.

In conclusion, the company has shown increasing revenues and is entering new markets by establishing subsidiaries in the foreign land thereby trying to increase its base and overall presence. Since the company has only 4 employees, it has to outsource most of the work making them highly dependent on them. Also, because the company is involved in international trade, it runs at a high risk due to uncertain conditions. It would be too soon to make a comment on the company at this point of time and so Risk Averse Investors should wait and Risk Seekers should apply.



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.