



IPO Details	
Opening Date	Dec 18, 2023
Closing Date	Dec 20, 2023
Stock Exchange	BSE SME
Lot Size	1,600 Shares
Issue Price	₹ 81 per share
Issue Size	Aggregating up to 6.88 Cr.
Fresh Issue	Aggregating up to 6.88 Cr.
Offer For Sale	-
Application Amount	₹ 1,29,600

IPO Objective	
1.	Funding of capital expenditure requirements of the Company towards purchase of: (i) commercial vehicles; and (ii) Office Equipment's.
2.	Working Capital requirements.
3.	General Corporate Expenses.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	22,21,050	100%
Public	-	-

Promoter of the Company	
1.	Sohrab Rustom Sayed
2.	Nadeem Aboobakar Hira

Competitive Strengths	
1.	Diversified revenue sources and customer base.
2.	Team of professionals.
3.	Smooth flow of operations.
4.	Comprehensive solution for logistics requirement.
5.	Customer oriented approach.
6.	An "asset-light" business model which allows flexibility and scalability in operations and high capital efficiency.

Company Background	
○	Sahara Maritime Limited was originally incorporated in the year 2009 and has its registered office Mumbai, Maharashtra.
○	Company is an ISO 9001:2015 certified Freight Forwarders in the business of shipment, consignment tracking, consolidation, custom clearance, freight forwarding services, and providing ancillary logistics services offering to customers and other related value-added services.
○	Company provides services mainly in the domestic market specifically in the state of Maharashtra.
○	As of 30 th September 2023, the Company had 52 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹18	₹25

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
Total Assets	535.73	733.56	964.52	880.96
Net Assets	313.34	365.69	530.54	531.58
Total Borrowings	38.72	11.97	173.26	163.81
Total Revenue	1,021.64	2,104.52	2,611.12	531.99
Profit After Tax	64.79	52.35	120.75	1.05

Tentative Timeline	
Opening Date	Dec 18, 2023
Closing Date	Dec 20, 2023
Basis of Allotment	Dec 21, 2023
Initiation of Refunds	Dec 22, 2023
Credit of Shares to Demat	Dec 22, 2023
Listing Date	Dec 26, 2023



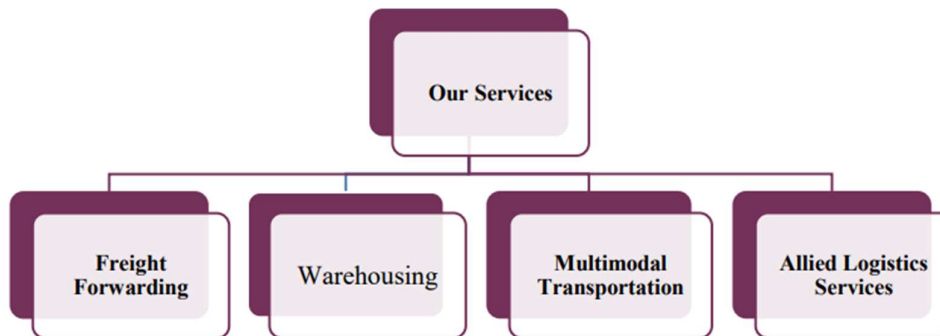
Company Background and Analysis

Sahara Maritime Limited was originally incorporated on March 06, 2009. Company is an ISO 9001:2015 certified Freight Forwarders in the business of shipment, consignment tracking, consolidation, custom clearance, freight forwarding services, and providing ancillary logistics services offering to customers and other related value-added services. Company specializes in sea freight forwarding.

Company offers its customers a comprehensive range of freight-related services, along with ancillary transport management. Additionally, company has established informal partnerships with various intermediaries to provide ancillary services such as Transportation, Multimodal Transportation, Project cargo handling, Third Party Logistics, Packaging, loading/unloading, and unpacking of items. These additional services enable it to provide end-to-end solutions and other value-added services that cater to its customers' diverse needs.

Company understands that each customer has unique shipment requirements, and they prioritize building personal relationships with them to better understand their individual needs. To meet these needs, Company has proactively outsourced vendors and established partnerships, allowing it to offer a wide range of services at competitive prices. This asset-light business model grants it the flexibility to develop tailored logistic solutions across diverse industries while ensuring scalability of services.

The chart below shows the services provided by the company -



To conclude, services provided by the company are not unique and the company faces huge competition in the industry. Company provides services and generates most of its revenue mainly in the domestic market specifically in the state of Maharashtra.



Business Strategies

1. Integrated, end-to-end logistics services and solutions –

Integrated, end-to-end logistics services focus on creating solutions that address the requirements of the client. This shall help company cater to expand its customer base and increase revenue from operations.

2. Increase Brand awareness –

The company intends to enhance the brand recognition of its services through increasing its presence in major cities. Company also intends to focus on use of targeted marketing initiatives such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising.

3. Quality Policy / Service Policy –

The company is committed to achieving a level of quality, which will set the velocity in the logistics companies in terms of value and service. Company is progressing on a quality journey, which will be profitable for its customers, and the Company. Company seeks continuous improvement in all its processes.

4. Reduction of operational costs and achieving efficiency –

Apart from expanding business and revenues the company must look for areas to reduce costs and achieve efficiency in order to remain a cost competitive company. Therefore, the company's focus has been to reduce the operational costs to gain a competitive edge.

5. Continue to attract and retain talent –

As part of its business strategy, the company is focused on attracting and retaining quality talent as it continues to expand its service offering. The company has recruited and retained talented employees. The company expects to continue to attract talented employees through its retention initiatives.



Competitive Scenario and Peer Mapping

Competition

The logistics industry in India is very unorganized and highly fragmented and the main challenges lies in quality, reliability, pricing and goodwill to mention the least in India. There are no entry barriers in the industry which puts company to the threat of competition from new entrants as there are numerous players operating in the industry. Company faces tough competition in the business from many unorganized as well as from organized players operating in the similar space.

Peer Analysis

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

Particulars	Sahara Maritime Limited	Cargotrans Maritime Limited	AVG Logistics Limited	Cargosol Logistics Limited	Amiable Logistics India Limited	Timescan Logistics (India) Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	6.4%	2.3%	-0.6%	1.9%	2.0%	1.0%
EBITDA Margin	10.3%	5.0%	4.5%	3.9%	1.9%	2.0%
Return on Capital Employed	26.2%	34.5%	4.3%	21.1%	8.6%	33.3%
Return on Equity	20.7%	38.9%	-2.5%	22.2%	23.1%	16.7%
EPS (INR)	3.22	19.17	-1.46	7.88	13.90	5.30

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

Particulars	Sahara Maritime Limited	Cargotrans Maritime Limited	AVG Logistics Limited	Cargosol Logistics Limited	Amiable Logistics India Limited	Timescan Logistics (India) Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	2%	3%	0%	3%	3%	2%
EBITDA Margin	4%	4%	9%	5%	3%	3%
Return on Capital Employed	19%	47%	7%	36%	23%	36%
Return on Equity	14%	42%	1%	38%	28%	23%
EPS (INR)	2.60	38.83	0.82	8.28	3.97	8.33

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

Particulars	Sahara Maritime Limited	Cargotrans Maritime Limited	AVG Logistics Limited	Cargosol Logistics Limited	Amiable Logistics India Limited	Timescan Logistics (India) Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	5%	3%	2%	2%	4%	2%
EBITDA Margin	8%	5%	18%	6%	4%	3%
Return on Capital Employed	26%	23%	17%	15%	14%	29%
Return on Equity	23%	18%	9%	15%	16%	25%
EPS (INR)	5.44	5.74	7.08	4.13	6.18	10.65



Industry Overview

Exhibit 1: Cargo capacity at major ports (million tonnes).

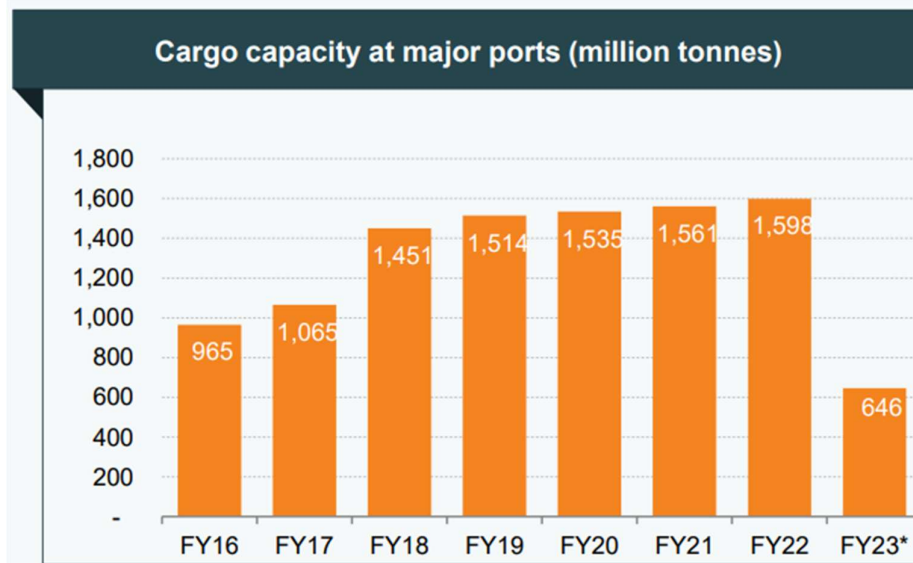
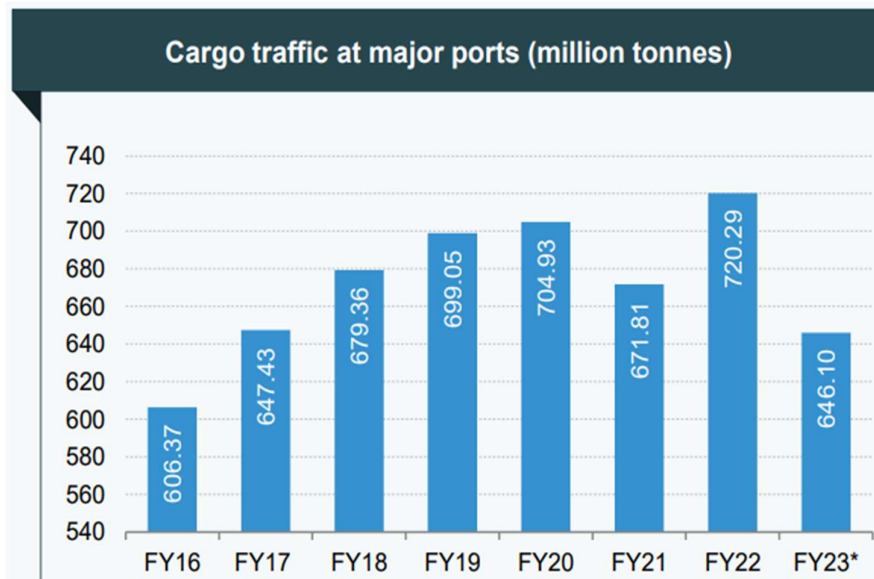


Exhibit 2: Cargo traffic at major ports (million tonnes).



* April-January 2023

(Source: ibef.org)



Indian Maritime Industry

The Maritime Sector in India comprises of Ports, Shipping, Shipbuilding and Ship repair and Inland Water Transport Systems. In India, there are total 12 government owned major ports and approximately 200 minor and intermediate port. These all are administered by the central and the States government. Indian Shipping Industry has over the years played a crucial role in the transport sector of India's economy. Approximately 95% of the country's trade by volume and 68% by value is moved through Maritime Transport. Therefore, shipping and shelves of the mainland and also along the Islands. It is an important natural resource for the country's trade.

Gross Budgetary Support (GBS) and Internal and Extra Budget

The Budget Estimate of Gross Budgetary Support (GBS) for FY 2021-22 was Rs.1702.35 crore for the Ministry. However, at the stage of Revised Estimate (RE), this has been reduced to Rs. 1585.37 crore. Against the RE allocation of Rs. 1585.37 crore, actual expenditure as on 31.12.2021 was Rs.1095.64 crore.

Indian Shipbuilding capability

Currently, the maximum size of the vessels, which can be built in India in the public sector is 1,10,000 DWT which is increasing to build vessels up to 3,00,000 DWT by Cochin Shipyard Ltd. Private sector shipyards can build vessels upto cape size vessels comparable to some of the leading shipyards in the world. Reliance Naval Engg. Ltd. has the capacity to build vessels upto 400,000 DWT and L&T Shipbuilding -Kattupalli 300,000 DWT which includes large LNG Carriers. Smaller size LNG Carriers, Dredgers and other specialized vessels can be built by other shipyards in the Private sector such as Shoft Shipyard, Chowgule & Co., Vijai Marine Shipyard, Mandovi Dry Docks, A.C. Roy & Co., Dempo Shipbuilding etc.

Maritime Development

Maritime Sector: The shipping industry is one of the most globalized industries operating in a highly competitive business environment that is far more liberalized than most of the other industries and is, thus, intricately linked to the world economy and trade. Shipping plays an important role in the transport sector of India's economy, especially in EXIM trade. Approximately 95% of the country's trade in terms of volume and 68% in terms of value is moved by sea.

India's shipping tonnage was only 1.92 lakh Gross Tonnage (GT) on the eve of independence. Now India has one of the largest merchant shipping fleets among the developing countries and ranks 17th amongst the countries with the largest cargo-carrying fleet of 1411 vessels of 12.79 million G.T. as on April 30, 2019, and an average age of the fleet is 18.03 years. Indian maritime sector facilitates not only the transportation of national and international cargoes but also provides a variety of other services such as cargo handling services, shipbuilding, ship repairing, freight forwarding, lighthouse facilities, and training of marine personnel, etc.

The salient features of India's shipping policy are the promotion of national shipping to increase self-reliance in the carriage of the country's overseas trade and the protection of stakeholders' interest in EXIM trade. India's national flagship Page 110 of 275 provides an essential means of transport for crude oil and petroleum product imports. National shipping makes a significant contribution to the foreign exchange earnings of the country.

(Source: Prospectus)



Key Managerial Personnel

Sohrab Rustom Sayed, aged 54, is one of the Promoters, Chairman, and Managing Director of the company. He has been on the Board of Directors of the company since incorporation. He has been appointed as the Chairman and Managing Director of the Company for a period of Five years with effect from May 05, 2023. He has completed his Bachelor of Commerce in Financial Accounting and Auditing from University of Bombay in 1991. He is having around 22 years of experience in this Industry. He gives directions to the Company and is responsible for handling all logistics business, responsible for planning and executing the expansions and diversification of the company.

Nadeem Aboobakar Hira, aged 55, is one of the Promoters, and Executive Director of the company. He has been on the Board of Directors of the Company since incorporation. He is Undergraduate. He is having around 22 years of experience in the fields of logistics industry and is responsible developing business relations of the Company, handling field operation, Customs, Liasoning with various government department etc. He is also involved in the key decisions related to business strategy, His key skills include teamwork and building public relations.

Khalid Sohrab Sayed, aged 25, is the Non - Executive Director of the company. He has completed his Higher Secondary Education from Maharashtra State Board of Secondary and Higher Secondary Education, Pune. He has experience of around a year in this Industry. He has been the operation manager in the Company since 2021 where he played a crucial role in handling and managing the operations department, providing guidance and implementing strategies to optimize sales performance.

Mansi Harsh Dave, aged 34, is the Independent Director of the company. She holds bachelor's degree in law from Mumbai University and is a member of Bar Council of Maharashtra and Goa (High Court, Bombay), also holds degree in Bachelor of Commerce from University of Mumbai in the year 2010.

Yash Bharat Mandlesha, aged 26, is the Independent Director of the company. He holds bachelor's degree in Engineering with a specialization in Information Technology from Gujarat Technological University.

To conclude, the company has 2 promoters, and both has vast knowledge and experience in the field in which the company operates. The remaining directors of the company has decent knowledge and experience in the field directly linked to the operation and in the fields which help in the growth of the company.



Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
Revenue from Operations	1,018.30	2,104.23	2,609.95	525.49
Other Income	3.34	0.29	1.17	6.5
Total Income	1,021.64	2,104.52	2,611.12	531.99
Expenses				
Direct Expenses	742.09	1,815.51	2,204.88	415.53
Employee benefits expense	57.31	93.12	118.79	63.68
Finance costs	3.48	1.74	6.08	7.16
Depreciation and Amortization expense	13.60	10.69	25.83	28.19
Other expenses	113.59	112.52	88.12	16.03
Total Expenses	930.07	2,033.58	2,443.70	530.59
Earnings Before Interest, Taxes, Depreciation & Amortization	105.31	83.08	198.16	30.25
EBITDA Margin	10%	4%	8%	6%
Profit/(Loss) before exceptional items and tax	91.57	70.94	167.42	1.40
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	91.57	70.94	167.42	1.40
Tax Expense				
Current tax	26.96	20.35	43.61	3.11
Deferred Tax	-0.18	-1.76	3.06	-2.76
Total Tax Expense	26.78	18.59	46.67	0.35
Profit/(Loss) for the year	64.79	52.35	120.75	1.05
Net Profit Margin	6.34%	2.49%	4.62%	0.20%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	1.00	222.11	222.11
Reserve and Surplus	312.34	364.69	308.43	309.47
Total Equity	313.34	365.69	530.54	531.58
2. Non-current liabilities				
Long Term Borrowings	26.20	-	114.03	115.74
Long Term Provisions	10.07	14.70	16.76	16.76
Total Non-current liabilities	36.27	14.70	130.79	132.50
3. Current liabilities				
Short-term borrowings	12.52	11.97	59.23	48.07
Trade payables				
-Due to MSME	-	-	-	-
-Due to Others	81.26	67.66	53.48	24.16
Other Current Liabilities	64.61	251.19	143.97	133.78
Short-term Provisions	27.75	22.36	46.50	10.84
Total Current liabilities	186.14	353.18	303.18	216.85
Total Liabilities	222.41	367.88	433.97	349.35
Total Equity and Liabilities	535.75	733.57	964.51	880.93
ASSETS				
1. Non-current assets				
Property, Plant and Equipment				
-Tangible Assets	38.93	32.69	195.48	192.15
Deferred Tax Assets	7.44	9.21	6.15	8.91



Balance Sheet					(In Lacs)
Other Non Current Assets	1.50	3.06	4.56	4.56	
Total Non-Current assets	47.87	44.96	206.19	205.62	
2. Current assets					
Inventories	-	-	-	-	
Trade receivables	450.64	368.48	348.49	253.98	
Cash and Bank Balances	1.38	11.66	57.11	96.42	
Short-term loans and advances	25.77	276.93	290.57	291.43	
Other Current Assets	10.07	31.53	62.16	33.51	
Total Current assets	487.86	688.60	758.33	675.34	
Total Assets	535.73	733.56	964.52	880.96	

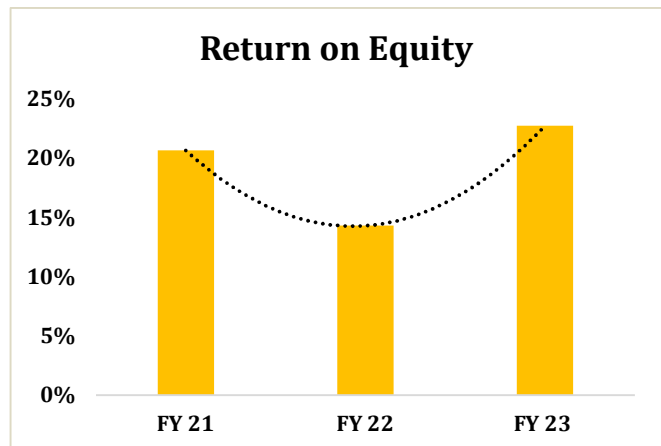
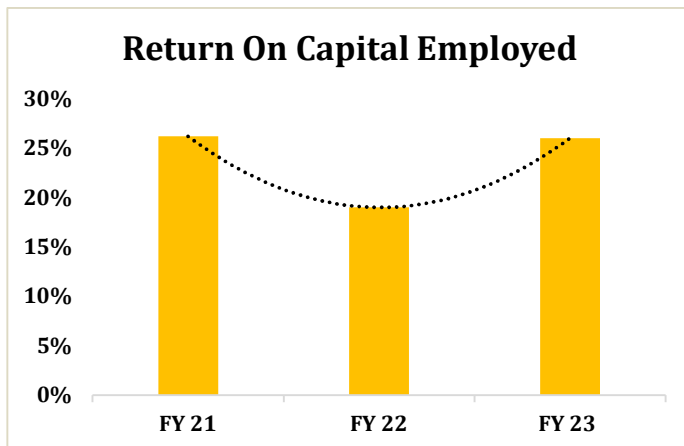
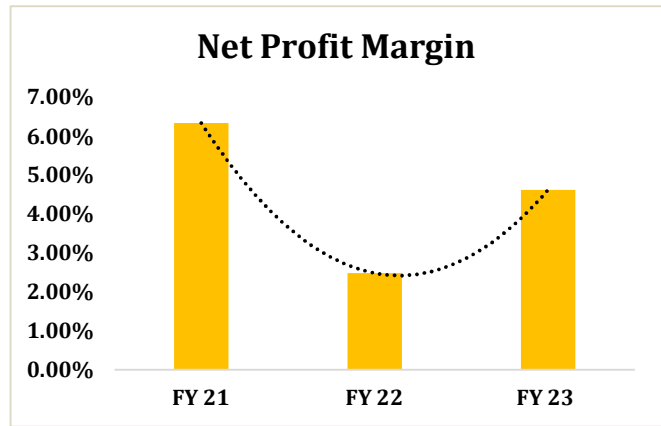
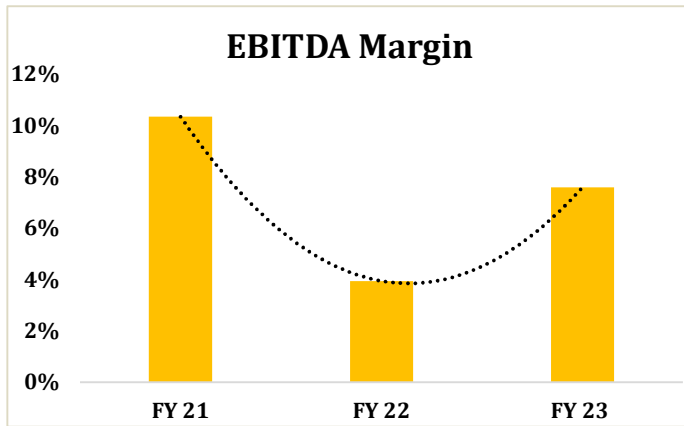
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	26.43	44.79	35.52	80.70	
Net Cash Flow from Investing Activities	-	-6.01	-189.39	-24.84	
Net Cash Flow from Financing Activities	1.38	11.66	57.11	96.42	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
<u>Per Share Data</u>				
Diluted EPS	3.22	2.6	5.44	0.07
BV per share	10.20	11.91	17.28	39.76
<u>Operating Ratios</u>				
EBITDA Margins	10.34%	3.95%	7.59%	5.76%
PAT Margins	6.34%	2.49%	4.62%	0.20%
Debtor days	161.53	63.92	48.74	88.45
Creditor days	29.13	11.74	7.48	8.41
<u>Return Ratios</u>				
RoCE	26.23%	19.03%	26.06%	0.33%
RoE	20.68%	14.32%	22.76%	0.17%
<u>Valuation Ratios (x)</u>				
EV/EBITDA	3.33	4.41	3.26	19.19
Market Cap / Sales	2.44	1.18	0.95	2.37
P/E	25.16	31.15	14.89	1,187.08
Price to Book Value	7.94	6.80	4.69	2.04
<u>Solvency Ratios</u>				
Debt / Equity	0.12	0.03	0.33	0.31
Current Ratio	2.62	1.95	2.50	3.11
Quick Ratio	2.62	1.95	2.50	3.11
Asset Turnover	1.90	2.87	2.71	0.60
Interest Coverage Ratio	26.35	41.60	28.34	0.29

*Annualized Figures



Financial Charts



Key Risk Factors

1. There are certain outstanding legal proceedings amounting to Rs. 14.04 Lakhs involving the Promoter and Promoter Entities which may adversely affect the business, financial condition and results of operations.
2. The company generates its entire portion of sales from operations in the geographical regions within Maharashtra and any adverse developments affecting company's operations in this region could have an adverse impact on revenue and results of operations.



Track Record of Lead Manager

The lead manager to the issue is Swaraj Shares and Securities Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

Swaraj Shares and Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Marine Trans India Limited	10.92	26.00	December 08, 2023	41.40
2.	ROX Hi-Tech Limited	54.49	83.00	November 16, 2023	162.10
3.	Micropro Software Solutions Limited	30.70	81.00	September 10, 2023	56.70
4.	Shoora Designs Limited	2.03	48.00	August 29, 2023	48.17

The company has had 4 mandates in the past three years including the current Year.

*CMP for the above-mentioned companies is taken as of 18th December 2023.

As per the offer document, from the above-mentioned mandates 1 has opened at a discount and the remaining three have opened at premiums on the listing date.



Recommendation

The company has been in the industry since 2009 and has good experience in the industry. The company does not have a proper trend in the increase of its bottom line of its financials. The company's management overview is decent. The company also faces significant competition in the industry.

The P/E on Post IPO basis is around 1,187.08 times which seems to be aggressively priced looking at the performance and size of the company. Sector P/E of the company is 39.4 times.

The Company has shown exponential growth in its revenue, which will be difficult to sustain going forward, along with no proper growing trend in its net profit, and its margin. The business segment in which the company operates is not unique and it is highly fragmented and faces competition from both organized and unorganised players. Therefore, at the given P/E one can **Avoid** applying for this IPO.



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