



PDP Shipping & Projects Ltd. ®



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IPO Note

PDP Shipping & Projects Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** PDP Shipping & Projects Limited was originally incorporated on June 1, 2009. The registered office is located at Navi Mumbai, Maharashtra.
- **Business Activity:** The company provides end-to-end solutions in the logistics & transport industry as a Multi Modal Transport Operator (MTO), sea and air freight transportation, custom clearance services and value added services in Logistics industry.
- **Revenue Stream:** The company generates majority of the revenue from ocean freight services and integrated logistics solutions.
- **Human Resource:** The company has 18 permanent employees as on Jan 27, 2025.

Objects of the Issue -

- Part funding long-term working capital requirements
- General Corporate Purposes

Promoters Name -

Animesh Kumar

Rationale for recommendation -

- ✓ The company's top line has decreased over the years and this decrease might remain sustainable.
- ✓ The bottom line had seen a slight dip in FY23.
- ✓ The company has no unique business strategies.
- ✓ The issue size of IPO is very low.
- ✓ There is high concentration for suppliers and customers.
- ✓ The industry is highly fragmented and competitive.

IPO Details

Opening Date	Mar 10, 2025
Closing Date	Mar 12, 2025
Allotment Date	Mar 13, 2025
Listing Date	Mar 18, 2025
Stock Exchange	BSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹135
Issue Size	12.65 Cr.
Fresh Issue	12.65 Cr.
Offer for Sale	-
Application Amt	₹ 1,35,000 (1,000 shares)

INDUSTRY - Logistics

Avg. P/E ratio as per RHP - 51.55

KPI's	KPIs			(In Lakhs)
	FY 22	FY 23	FY 24	Nov-24
Revenue	2,871.88	2,248.19	2,051.60	1,375.60
EBITDA	264.85	218.77	320.08	247.03
Net Profit	191.00	168.20	231.39	157.05
RoCE	142.54%	61.45%	53.30%	14.45%*
ROE	103.32%	47.64%	39.59%	11.30%*
P/E	14.41	16.34	11.88	17.05*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
99.99%	68.50%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	11.36	7.92
BVPS	28.69	70.10
P/E	11.88	17.05
P/BV	4.71	1.93
Mkt Cap (In Cr)	27.51	40.15

*Annualized

Lead Managers -

Sun Capital Advisory Services Private Limited

Registrar -

KFin Technologies Limited

Business Overview -

PDP Shipping & Projects Limited is providing end-to-end solutions in the logistics & transport industry as a Multi Modal Transport Operator (MTO), sea and air freight transportation, custom clearance services and value added services in Logistics industry.

The company is an accredited Authorized Economic Operator (AEO) and licensed by the Directorate General of Shipping, Government of India to work as a MTO and a Customs Broker, Licensed by Mumbai Customs, Department of Revenue of Government of India.

Service Portfolio -

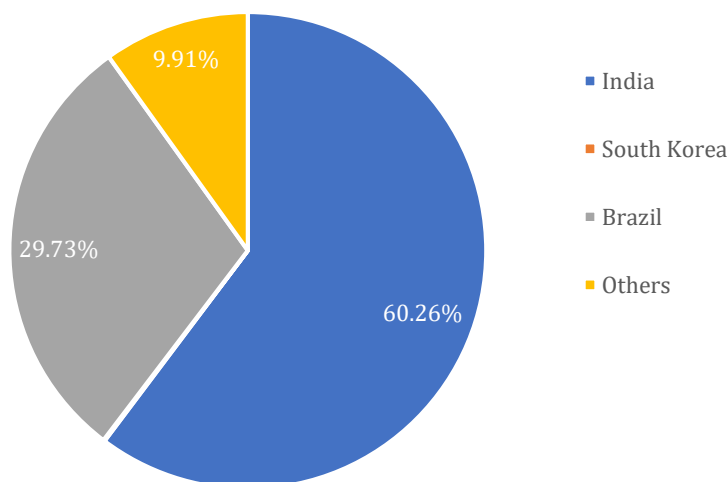
The company is providing services of international freight forwarding, air freight, sea freight [including documentation, customs clearance, packaging, warehousing, and distribution, pre-carriage, onwards carriage, cargo tracking, port or Container Freight Station (CFS) operations & ocean freight services], custom broker, project cargo, sea towage, breakbulk, heavy lifts including RoRo loadouts, spreading weight techniques, making suitable temporary jetties & RoRo ramps, route survey & reinforcements of transit roads - bridges-vessels, structural calculations - stowage – sea fastening designing, multi modal transportation.

Business Model -

The company operates on an asset light business model whereby the cargo operations are supported by a network of third party transport operators and logistics infrastructure service providers and global agency networks. The primary focus remains on handling logistic for imports and exports of specialized goods in heavy engineering machinery, defence equipment, automobile & Infrastructure products from mainly Brazil and other countries such as USA, South Korea, Thailand, etc. through third-party networks.

Geographic Presence -

Revenue Bifurcation Geography-Wise (Nov-24)



Revenue Bifurcation product-wise:

(Amt in Lakhs)

Particulars	FY 2022		FY 2023		FY 2024		Nov -2024	
	Amt	%	Amt	%	Amt	%	Amt	%
Air Freight	23.46	0.82%	1.66	0.07%	24.49	1.19%	34.80	2.53%
Ocean Freight	2,057.44	71.64%	1,377.89	61.29%	1,278.56	62.32%	675.29	49.09%
Custom Clearance	34.21	1.19%	29.53	1.31%	25.18	1.23%	115.94	8.43%
Packaging, Warehousing, Transportation & Distribution	36.11	1.26%	67.11	2.99%	45.75	2.23%	26.22	1.91%
Integrated Logistics Solutions	409.50	14.26%	476.59	21.20%	422.99	20.62%	323.74	23.53%
Other Revenue	311.16	10.83%	295.41	13.14%	254.63	12.41%	199.61	14.51%
Total	2,871.88	100%	2,248.19	1.00	2,051.60	100%	1,375.60	100%

Competition -

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of service quality, price, reliability, effective management and client relationships.
- 2. Geographic Competition:** The company faces competition from small and large players in both organized and unorganized sector.
- 3. Barriers to entry:** Low barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

1. The company intends to expand their market presence in both domestic and international level.
2. The company intends to acquire large revenue clients and handle few such large clients and products that will allow them to manage and allocate resources efficiently and enhance the ability to provide customized solutions.
3. The company intends to focus on tapping potentials in the sector of Infrastructure, Defence, Automobile, Power & Energy and heavy engineering.

Risk Factors -

The company is highly dependent on top 10 customers for their revenue generation which constituted 95.89%, 96.73%, 97.80% and 93.86% in FY22, FY23, FY24 and Nov-24 respectively.

The company is highly dependent on top 10 suppliers for their raw materials which constituted 75.58%, 65.51%, 64.16% and 60.32% in FY22, FY23, FY24 and Nov-24 respectively.

The company experiences seasonal changes i.e. in 4th quarter they see heightened activity due to holiday preparations, whereas the first quarter tends to slow down.

INDUSTRY OVERVIEW -

Indian Logistics Industry –

Logistics and transportation Industry is crucial to both enterprises and the economy. In today's interconnected world, shipping and logistics are at the heart of the economy, acting as vital gateways for international trade and business.

Market Size:

Significant factors that will increase the demand for India's logistics sector include the country's anticipated GDP growth of US\$ 26 trillion by fiscal year 2048 (US\$ 6 trillion by 2030) and its objective to accelerate merchandise exports to US\$ 1 trillion by 2030. This would open a huge opportunity for India's transport and logistics sector, which is expected to increase at a CAGR of 4.5% from 2022 to 2050, reaching 15.6 trillion tonnes kilometres. The Indian transport and logistics business is expected to be around Rs. 13-16 lakh crore (US\$ 156.18-192.23 billion) in 2022. By 2030, India wants to lower its logistics expenditures from 13-14% of GDP to 8-10% of the GDP. It is projected that a 10% reduction in indirect logistics costs is expected to result in a 5% to 8% increase in exports.

Indian Port Industry –

According to the Ministry of Shipping, around 95% of India's trading by volume and 70% by value is done through maritime transport. In November 2020, the Prime Minister, Mr. Narendra Modi renamed the Ministry of Shipping as the Ministry of Ports, Shipping and Waterways. India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the country.

India ports infrastructure market size was estimated at USD 5.91 billion in 2022. During the forecast period between 2023 and 2029, the size of India ports infrastructure market is projected to grow at a CAGR of 6.08% reaching a value of USD 8.9 billion by 2029.

**India Ports Infrastructure Market
By Value (USD Billion), 2019–2029**




Government Initiatives:

- In Union Budget 2023-24, the total allocation for the Ministry of Shipping was US\$ 1,813.16 million (Rs. 2,218.74 crore). In October 2022, Cabinet Committee on Economic Affairs approved the development of a container terminal at Tuna-Tekra, Deendayal Port, the terminal will be built on a Build, Operate & Transfer (BOT) basis under Public-Private-Partnership (PPP) mode.
- In August 2022, Minister of Road Transport and Highways Mr. Nitin Gadkari, Minister of Ports, Shipping & Waterways and Ayush, Mr. Sarbananda Sonowal, and Minister of State for Road Transport & Highways, Gen (Retd) VK Singh signed a tripartite agreement for swift development of modern Multi Modal Logistics Parks (MMLP) under Bharatmala Pariyojna across the country

Key Management -

Key Management Persons Name -	Animesh Kumar
Age	52
Designation and No. of years of experience	Promoter, Chairman and Managing Director, 20+ years of experience in Shipping and Logistics industry
Qualification	Bachelor of Science in Physics
Responsibility	Responsible for strategic planning, sales management and business development of the Company
Other Directorships	-

Key Management Persons Name -	Shalini Verma
Age	43
Designation and No. of years of experience	Whole-Time Director, 9+ years of experience
Qualification	Bachelor of Arts degree in Communicative English, postgraduate diploma in communication studies and executive MBA degree in Human Resources
Responsibility	Heads human resource and administration departments
Other Directorships	Corpus Allianz LLP

- The overall management of the company is decent.
- There is an evidence of dual chairmanship, which is not favourable.
- The promoter and management have good experience in the industry.
- Yogesh Gupta, Sunil Mishra and Debabrata Samaddar are Non-Executive Independent Directors of the Company. They have an average experience of 25+ years in their respective fields.
- Sheela Anand (CFO) holds B. Com degree and has 9+ years of experience.
- Vijay Kumar Jha (CS) has 11+ months of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Nov-24
Revenue from Operations	2,871.88	2,248.19	2,051.60	1,375.60
Other Income	0.86	12.30	5.92	2.03
Total Income	2,872.74	2,260.49	2,057.52	1,377.63
Expenses				
Operating Expenses	2,430.43	1,705.86	1,423.12	921.81
Employee Benefit Expenses	83.95	104.22	142.65	116.82
Finance Cost	0.49	2.10	6.94	18.35
Depreciation and Amortization Expense	1.33	1.81	8.59	21.69
Other expenses	92.65	219.34	165.75	89.94
Total Expenses	2,608.85	2,033.33	1,747.05	1,168.61
EBITDA	264.85	218.77	320.08	247.03
EBITDA Margin	9.22%	9.73%	15.60%	17.96%
Profit/(Loss) before tax	263.89	227.16	310.47	209.02
Tax Expense				
Current tax	72.11	58.49	81.16	45.10
Deferred Tax	0.78	0.47	-2.08	6.87
Total Tax	72.89	58.96	79.08	51.97
Profit/(Loss) for the year	191.00	168.20	231.39	157.05
Net Profit Margin	6.65%	7.48%	11.28%	11.42%

Statement of Assets and Liabilities				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Nov-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	7.03	7.03	203.74	203.74
Other Equity	177.84	346.03	380.70	537.74
Total Equity	184.87	353.06	584.44	741.48
NON-CURRENT LIABILITIES				
Long Term Borrowings	-	-	-	254.25
Deferred Tax liability	-	-	-	2.62
Total Non-current liabilities	-	-	-	256.87
CURRENT LIABILITIES				
Short Term Borrowings	3.90	30.02	50.29	102.32
Trade Payables				
(i) Total outstanding dues of MSME	10.16	2.70	14.16	30.58
(ii) Total outstanding dues of creditors other than MSME	178.47	174.21	70.54	22.69
Other Current Liabilities	12.95	15.25	24.87	27.38
Current Tax Liabilities (Net)	31.88	46.96	82.16	50.67
Total Current liabilities	237.36	269.14	242.02	233.64
Total Liabilities	237.36	269.14	242.02	490.51
Total Equity and Liabilities	422.23	622.20	826.46	1,231.99

ASSETS**NON-CURRENT ASSETS**

Property, Plant and Equipment	3.25	25.34	19.62	737.95
Capital Work in Progress	32.41	193.38	366.86	-
Long-Term Loans and Advances	5.00	64.39	77.60	5.00
Deferred tax assets (net)	2.66	2.18	4.25	-
Other Non- current Assets	15.94	16.12	16.13	2.63

Particulars	FY 22	FY 23	FY 24	Nov-24
Total Non-Current assets	59.26	301.41	484.46	745.58
CURRENT ASSETS				
Trade Receivables	168.99	188.45	167.99	321.82
Cash & Cash equivalents	174.06	76.85	105.56	121.59
Short Term Loans and Advances	7.09	13.51	13.90	4.48
Other Current Assets	12.84	41.96	54.54	38.53
Total Current assets	362.98	320.77	341.99	486.42
Total Assets	422.24	622.18	826.45	1,232.00

Cash Flow Statement				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Nov-24
Net Cash Flow from Operating Activities	240.30	149.32	225.23	67.18
Net Cash Flow from Investing Activities	-32.55	-184.87	-176.35	-373.16
Net Cash Flow from Financing Activities	-38.23	-61.67	-20.16	322.00

Key Ratios

<u>Per Share Data</u>	FY 22	FY 23	FY 24	FY 25*	<u>Valuation Ratios (x)</u>	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	9.37	8.26	11.36	7.92	EV/EBITDA	0.06	1.40	1.65	0.78
BV per share	263.14	502.53	28.69	70.10	Market Cap / Sales	0.03	0.04	1.34	1.95
Operating Ratios					P/E	14.41	16.34	11.88	17.05
EBITDA Margins	9.22%	9.73%	15.60%	17.96%	Price to Book Value	0.51	0.27	4.71	1.93
PAT Margins	6.65%	7.48%	11.28%	11.42%	Solvency Ratios				
Inventory days	-	-	-	-	Debt / Equity	0.02	0.09	0.09	0.17
Debtor days	21.54	30.68	29.97	34.82	Current Ratio	1.53	1.19	1.41	1.41
Creditor days	-	-	-	-	Quick Ratio	1.53	1.19	1.41	1.41
Return Ratios					Asset Turnover	6.80	3.61	2.48	2.50
RoCE	142.54%	61.45%	53.30%	14.47%	Interest Coverage Ratio	537.80	103.31	44.88	12.28
RoE	103.32%	47.64%	39.59%	11.30%					

*Annualized

INTERPRETATION –

1. The top line has decreased over the years. It decreased by 21.72% in FY23 and it decreased by 8.74% in FY24 which was due to sharp fall in global ocean freight rates with respect to previous years.
2. The net profit remained slightly inconsistent over the years. It saw a decrease by 11.94% in FY23 which resulted due to decrease in top line and it saw an increase by 37.57% in FY24.
3. The EBITDA and PAT margin have increased over the years. Even though there was a decrease of net profit in FY23, the margins improved as the operating expenses decreased over the years in relation to revenue.
4. The RoCE and RoE have also decreased over the years.

PEER ANALYSIS –

Particulars	PDP Shipping & Projects Limited			Marinetrans India Limited			S J Logistics (India) Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.65%	7.48%	11.28%	0.92%	1.01%	0.31%	-	5.52%	8.28%
EBITDA Margin	9.22%	9.73%	15.60%	1.44%	1.72%	1.46%	-	8.95%	11.68%
RoCE	142.54%	61.45%	53.30%	19.63%	15.50%	5.30%	-	22.08%	26.19%
ROE	103.32%	47.64%	39.59%	12.88%	9.48%	1.30%	-	26.30%	20.19%
EPS (INR)	9.37	8.26	11.36	2.19	1.78	0.31	-	9.33	19.38
P/E	14.41	16.34	11.88	-	-	106.45	-	-	14.41

Particulars	PDP Shipping & Projects Limited			Cargosol Logistic Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	6.65%	7.48%	11.28%	3.1%	2.5%	-3.7%
EBITDA Margin	9.22%	9.73%	15.60%	5.2%	5.7%	1.6%
RoCE	142.54%	61.45%	53.30%	37.3%	15.7%	-8.2%
ROE	103.32%	47.64%	39.59%	38.8%	15.7%	-19.0%
EPS (INR)	9.37	8.26	11.36	8.27	4.76	-4.19
P/E	14.41	16.34	11.88	-	8.61	-

- The market cap of the company is less compared to S J Logistics.
- The PE ratio of the company is better compared to peers.
- The NP margin and EBITDA margin of the company is better compared to its peers.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Sun Capital Advisory Services Private Limited**. This is their third mandate. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Sun Capital Advisory Services Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Brisk Technovision Limited	12.48	156.00	Jan 31, 2024	110.10
2.	Maks Energy Solutions India Ltd	4.00	20.00	Sep 28, 2022	27.75

The company has handled 2 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 8th Mar 2025.

As per the offer document, the above-mentioned mandates have opened at a premium on the listing day.

Recommendation -

PDP Shipping & Projects Limited has been in the industry since 2009 and has good experience in the industry.

The P/E on a post-IPO annualized basis is around 17.05 times which makes it fairly priced.

The company's management overview is decent.

The company's top line has decreased consistently over the years due to reduction in ocean freight rates and this decrease might be sustainable in the future which raises concern. The bottom line had seen a slight dip in FY23. The profitability margins have increased over the years and a jump in FY24.

The company has high concentration for suppliers and customers and loss of any may have an adverse impact.

The company operates in a very highly fragmented and competitive industry which has slow growth and has they have no unique business strategies for growth.

Thus, investors can **AVOID** this IPO for now and check for further company updates.

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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.

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