



IPO Note

Paradeep Parivahan Limited

Recommendation: **APPLY!**

Company Background -

- **Incorporation:** Paradeep Parivahan Limited was originally incorporated on Nov 17, 2000. The registered office is located at Odisha, India.
- **Business Activity:** The company specializes in various aspects such as cargo handling, port operations, intra-port transportation, as well as the handling and transportation of port import cargo.
- **Revenue Stream:** The company generates majority of the revenue from Intra Port Transportation and Loading, Unloading & Rake Handling services.
- **Human Resource:** The company has 1,124 permanent employees as on Mar 06, 2025.

Objects of the Issue -

- To meet working capital requirements
- General Corporate Purposes

Promoters Name -

Khalid Khan, Fouzia Khan, Pravat Kumar Nandi and Parbati Priya Nandi

Rationale for recommendation -

- ✓ The PE ratio of the company is 20.57 which makes it fairly priced.
- ✓ The company's top line has decreased consistently over the years and looks sustainable.
- ✓ The bottom line and profitability margins have also increased over the years and seen a slight jump in FY24 which should not be a major concern.
- ✓ The company owns good number of machines and equipment.
- ✓ The company has good cliental base.
- ✓ The company has vast experience in the industry.
- ✓ The management over view is satisfactory.

IPO Details

Opening Date	Mar 17, 2025
Closing Date	Mar 19, 2025
Allotment Date	Mar 20, 2025
Listing Date	Mar 24, 2025
Stock Exchange	BSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹93 to ₹98
Issue Size	44.86 Cr.
Fresh Issue	44.86 Cr.
Offer for Sale	-
Application Amt	₹ 1,17,600 (1,200 shares)

INDUSTRY - Logistics

Avg. P/E ratio as per RHP - 24.78

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Sep-24
Revenue	18,797.18	20,247.70	21,126.95	13,750.77
EBITDA	2,132.12	2,543.44	3,546.24	1,267.77
Net Profit	284.30	655.53	1,502.15	517.61
RoCE	14.12%	26.83%	31.27%	13.93%*
ROE	10.12%	18.92%	27.45%	7.08%*
P/E	1.81	15.71	6.93	20.57*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
92.59%	65.96%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	14.15	4.76
BVPS	48.25	67.32
P/E	6.93	20.57
P/BV	2.03	1.46
Mkt Cap (In Cr)	111.13	156.00

*Annualized

Lead Managers -

Share India Capital Services Private Limited

Registrar -

Bigshare Services Private Limited

Business Overview -

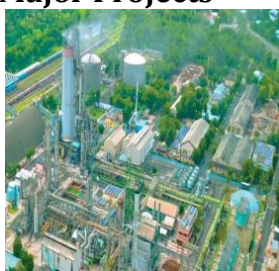
Paradeep Parivahan Limited specializes in various aspects such as cargo handling, port operations, intra-port transportation, as well as the handling and transportation of port import cargo. Additionally, they handle in-plant shifting of bulk raw materials and hazardous cargo, railway siding operations, crusher operations, special attention cargo handling, earthwork, and more. It is located within Paradip Port.

Service Portfolio -

- Stevedoring
- Intra-port Transportation
- Rack Handling
- High Stacking
- Equipment Supply
- Cargo Transportation
- Fertiliser Bagging
- Railway siding maintenance
- Fertiliser Rake Loading
- Heavy Earth Moving Equipment Supply
- Vessel Handling
- Manpower Supply
- Truck and Rack Loading and Unloading
- Earth Moving and Reclamation Work
- Stone Pitching Work
- Intra mines transportation

Major Client Base – JM Baxi, Paradip International Cargo Terminal Private Limited, Shiva Cement and Bothra Group.

Major Projects -



Indian Farmers Fertilizer Cooperative Limited, Paradip



Paradip International Container (JM Baxi & Co)



JSW Odisha



IOCL Project, Paradip

Machinery and Equipment:

Sr No.	Machinery	Nos.
1.	Hydraulic Excavators	23
2.	Pay Loader	37
3.	Dozer	3
4.	Dumper/ Tipper/ Hywa/ Trailer	115
5.	Vibrator Roller	1
6.	JCB 3D	4

Revenue Bifurcation product-wise:

(Amt in Lakhs)

Particulars	FY 2022		FY 2023		FY 2024		Sep -2024	
	Amt	%	Amt	%	Amt	%	Amt	%
Intra Port Transportation	11,606.65	61.51%	11,074.24	54.60%	11,195.62	52.90%	7,446.21	53.98%
Hiring of Earth Moving Equipment	4,134.87	21.91%	3,302.29	16.28%	4,046.21	19.12%	1,865.02	13.52%
Loading, Unloading & Rake Handling	1,862.50	9.87%	976.74	4.82%	4,250.83	20.09%	4,039.16	29.28%
Other Service Contract including other income	1,265.08	6.70%	4,927.57	24.30%	1,669.37	7.89%	443.80	3.22%
Total	18,869.10	100%	20,280.84	1.00	21,162.03	100%	13,794.19	100%

Competition -

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of technical competence, quality of services, customer base, pricing and timely delivery.
- 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 maintains routine timelines and commitments with clients and they work to enhance efficiency which ultimately leads to reduction of costs that they pass on to their clients.
2. The company has commenced diversification to areas like railway siding operations, infrastructure, industrial fabrications etc.

Risk Factors -

The company is highly dependent on top 10 customers for their revenue generation which constituted 87.44%, 87.53%, 97.09% and 98.58% in FY22, FY23, FY24 and Sep-24 respectively.

The company had 9 cases against it for tax matters amounting to Rs. 321.07 lakhs.

The promoters have 13 cases against them for tax matters amounting to Rs. 6,568.52 lakhs.

The directors have 10 cases against them for tax matters amounting to Rs. 6,563.37 lakhs.

The company had negative cash flow from operations for Sep-24.

INDUSTRY OVERVIEW -

Indian Transportation and 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.

Transportation:

1. Surface Transportation – The surface transport sector is anticipated to experience the fastest growth in India's infrastructure sector, with a CAGR of more than 8% in 2020. The road network in India has risen from 62.15 lakh km in FY21 to 63.73 lakh km by January 2023.
 - i. Full Truck Load - The FTL market was anticipated to be around US\$ 120 billion in 2021. It is expected to increase at a rate of 7-8% in the upcoming years (2022 onwards).
 - ii. Part Truck Load - In 2021, it was expected to be worth approximately US\$ 12 billion, with an annual growth rate of 8-10%. Part truckload services are becoming increasingly popular around the country
 - iii. Express - The Indian Express market is fragmented, and there are reportedly 1,000 active players. The domestic express market is dominated by approximately 15 large competitors. The sector was expected to grow at a CAGR of around 15% by 2020, reaching US\$ 5.5 billion.
2. Railways – India has the world's fourth-largest rail network and the second-highest goods transport volume. From April to September 2023, freight loading rose to 758.20 MT from 736.68 MT. In September, Indian Railways transported 59.70 MT of coal, 14.29 MT of iron ore, 5.78 MT of steel, 6.25 MT of cement, and other goods. Freight train speed on the Dedicated Freight Corridor (DFC) will more than double. In 2021, India pledged ₹3 lakh crore (US\$36.04 billion) for DFC development.
3. Waterways – India's 7,500 km coastline has 12 major and 200 minor ports, handling 95% of trade volume. Cargo movement is expected to exceed 250 MTPA by 2025. In 2021, India pledged ₹3-3.5 lakh crore (US\$38-44 billion) under the Maritime India Vision to boost port revenue. The government aims to electrify 50% of port vehicles by 2030 and 90% by 2047. LNG bunkering stations and EV charging will be set up by 2030 and 2025, respectively. Major ports handled a record 795 MT of cargo in 2022-23, up 10.4%.

Warehousing Industry – A warehouse is an essential component of corporate infrastructure and one of the primary enablers in the global supply chain. The Indian warehousing market is predicted to reach ₹2,872.10 billion (US\$ 34.50 billion), expanding at a CAGR of 15.64% from 2022 to 2027.

Value Added/ Other Services - Value-added/other services include a variety of operations such as customs clearing, Logistics packaging, Inventory management, Material handling equipment, etc.

Road Ahead –

India's uneven transport distribution lowers efficiency, prompting initiatives like GatiShakti and the National Logistics Policy to enhance sustainability, transparency, and integration. Logistics firms can adopt AI, Big Data, and IoT for real-time tracking and global competitiveness. Collaboration among stakeholders—service providers, customers, and the government—is key. The sector is expanding with digitalization and sustainability efforts. Start-ups and initiatives like "Make in India" and ULIP improve transparency. Digitized processes enable paperless operations, faster shipments, and lower logistics costs.

Key Management -

Key Management Persons Name -	Khalid Khan
Age	62
Designation and No. of years of experience	Promoter and Managing Director, 23+ years of experience
Qualification	Bachelor of Arts, Honorary Doctor of Business Administration
Other Directorships	Ask Logistiek Solutio Private Limited, Maa Tarini Logitec Private Limited, M.R.T.C.(India) Private Limited etc.

Key Management Persons Name -	Pravat Kumar Nandi
Age	61
Designation and No. of years of experience	Promoter and Executive Director, 20+ years of experience
Qualification	Senior Secondary Certificate
Responsibility	Responsibility in company involves handling overall financial affairs of the company including the managing the company's finances, planning strategies, and ensuring financial stability and growth.
Other Directorships	Maa Tarini Logitec Private Limited and M.R.T.C.(India) Private Limited

Key Management Persons Name -	Parbati Priya Nandi
Age	51
Designation and No. of years of experience	Promoter and Executive Director, 20+ years of experience
Qualification	Senior Secondary Certificate
Other Directorships	S Sagarika Infrastructure Private Limited

- The overall management of the company is satisfactory.
- The promoter and management have good experience in the industry.
- Afaque Khan, Chandra Kanta Prusty, Prithvi Ranjan Parhi and Ardhendu Shekhar Raut are Non-Executive Independent Directors of the Company. They have an average experience of 20+ years in their respective fields.
- Faisal Khan (CEO), hold Personnel Management Course and Post Graduate Diploma in Management. He has 14+ years of experience in operations and management.
- Nasir Uddin Khan (CFO) holds Post Graduate Diploma in Management and has experience in finance, accounting and business administration.
- Alka Bothra (CS) has 7+ years of experience.

FINANCIAL SNAPSHOT**Statement of Profit and Loss** Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from Operations	18,797.18	20,247.70	21,126.95	13,750.77
Other Income	71.92	33.14	35.08	43.43
Total Income	18,869.10	20,280.84	21,162.03	13,794.20
Expenses				
Purchases of stock-in-trade	-	-	-	247.06
Change in Inventories of Stock In Trade	-	-	-	-247.06
Employee Benefit Expenses	4,163.45	4,589.00	4,930.81	4,499.97
Finance Cost	561.94	627.28	645.95	275.04
Depreciation and Amortization Expense	1,266.23	989.85	848.63	344.27
Other expenses	12,501.61	13,115.26	12,649.90	7,983.03
Total Expenses	18,493.23	19,321.39	19,075.29	13,102.31
EBITDA	2,132.12	2,543.44	3,546.24	1,267.77
EBITDA Margin	11.34%	12.56%	16.79%	9.22%
Profit/(Loss) before tax	375.87	959.45	2,086.74	691.89
Tax Expense				
Current tax	306.79	417.01	697.81	243.50
Deferred Tax	215.22	113.09	113.22	69.22
Total Tax	91.57	303.92	584.59	174.28
Profit/(Loss) for the year	284.30	655.53	1,502.15	517.61
Net Profit Margin	1.51%	3.24%	7.11%	3.76%

Statement of Assets and Liabilities Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	525.00	525.00	1,134.00	1,134.00
Reserves and Surplus	2,284.80	2,940.32	4,337.48	4,855.10
Total Equity	2,809.80	3,465.32	5,471.48	5,989.10
NON-CURRENT LIABILITIES				
Long Term Borrowings	2,944.41	1,889.62	2,597.67	3,315.78
Other Long Term Liabilities	55.41	14.88	1.50	1.50
Long Term Provisions	321.67	421.33	556.31	753.33
Total Non-current liabilities	3,321.49	2,325.83	3,155.48	4,070.61
CURRENT LIABILITIES				
Short Term Borrowings	1,772.37	1,720.97	910.98	1,304.94
Trade Payables				
(i) Total outstanding dues of MSME	-	122.37	126.50	59.73
(ii) Total outstanding dues of creditors other than MSME	883.25	1,119.18	2,082.87	1,375.34
Other Current Liabilities	2,164.12	2,463.53	1,297.13	2,971.02
Current Tax Liabilities (Net)	872.40	460.49	764.47	664.13
Total Current liabilities	5,692.14	5,886.54	5,181.95	6,375.16
Total Liabilities	9,013.63	8,212.37	8,337.43	10,445.77
Total Equity and Liabilities	11,823.43	11,677.69	13,808.91	16,434.87
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3,617.00	2,905.42	2,633.90	2,328.65
Capital Work in Progress	-	-	153.63	182.69
Long-Term Loans and Advances	791.74	765.78	1,273.30	826.53

Particulars	FY 22	FY 23	FY 24	Sep-24
Deferred tax assets (net)	431.61	544.70	657.93	727.15
Total Non-Current assets	4,840.35	4,215.90	4,718.76	4,065.02
CURRENT ASSETS				
Inventories	164.84	207.02	212.39	456.93
Trade Receivables	4,507.86	4,575.09	4,453.64	4,795.39
Cash & Cash equivalents	598.47	336.33	356.89	1,324.48
Short Term Loans and Advances	591.91	1,699.92	3,487.28	5,231.26
Other Current Assets	1,120.00	643.43	579.95	561.78
Total Current assets	6,983.08	7,461.79	9,090.15	12,369.84
Total Assets	11,823.43	11,677.69	13,808.91	16,434.86

Cash Flow Statement

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	3,636.26	1,764.18	1,516.09	-248.12
Net Cash Flow from Investing Activities	-840.62	-252.31	-1,238.26	378.69
Net Cash Flow from Financing Activities	-2,819.24	-1,733.99	-257.27	837.03

Key Ratios

Per Share Data					Valuation Ratios (x)				
	FY 22	FY 23	FY 24	FY 25*		FY 22	FY 23	FY 24	FY 25*
Diluted EPS	54.15	6.24	14.15	4.76	EV/EBITDA	3.25	2.65	2.43	1.44
BV per share	535.20	660.06	48.25	67.32	Market Cap / Sales	0.03	0.03	0.53	0.57
Operating Ratios					P/E	1.81	15.71	6.93	20.57
EBITDA Margins	11.34%	12.56%	16.79%	9.22%	Price to Book Value	0.18	0.15	2.03	1.46
PAT Margins	1.51%	3.24%	7.11%	2.76%	Solvency Ratios				
Inventory days	3.21	3.74	3.68	4.18	Debt / Equity	1.68	1.04	0.64	0.36
Debtor days	87.77	82.70	77.15	77.86	Current Ratio	1.23	1.27	1.75	1.75
Creditor days	-	-	-	265.74	Quick Ratio	1.20	1.23	1.71	1.71
Return Ratios					Asset Turnover	1.59	1.73	1.53	1.99
RoCE	14.12%	26.83%	31.27%	13.93%	Interest Coverage Ratio	1.54	2.48	4.18	3.36
RoE	10.12%	18.92%	27.45%	7.08%					

*Annualized

INTERPRETATION -

- The top line has increased consistently over the years. It increased by 7.72% in FY23 and it increased by 4.34% in FY24 which was due to increase in domestic sales from servicing activities.
- The net profit has increased over the years. It increased by 130.58% in FY23 and it increased by 129.15% in FY24.
- The EBITDA and PAT margin have increased over the years. The sudden increase in FY24 was due to decrease in other expenses (which decreased due to decrease in Fuel, Oil, Lubricant, Stores & Spares Etc., Bagging & Handling and Rake Operation Charges and Road Tax, Insurance & Registration Exp. etc.).
- The RoCE and RoE have also increased over the years.
- The company had negative cash flow from operations for Sep-24.

PEER ANALYSIS –

Particulars	Paradeep Parivahan Limited			All Cargo Logistics Limited			Navkar Corporation Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	1.51%	3.24%	7.11%	4.78%	3.46%	1.12%	13.85%	18.95%	-0.39%
EBITDA Margin	11.34%	12.56%	16.79%	8.03%	6.93%	5.25%	25.12%	27.34%	13.71%
RoCE	14.12%	26.83%	31.27%	26.60%	25.23%	8.26%	3.88%	5.26%	0.88%
ROE	10.12%	18.92%	27.45%	29.28%	22.37%	5.94%	3.54%	4.63%	-0.09%
EPS (INR)	54.15	6.24	14.15	7.09	4.82	1.31	4.47	6.15	-0.11
P/E	1.81	15.71	6.93	9.41	13.88	54.66	7.67	8.60	-

Particulars	Paradeep Parivahan Limited			Container Corporation of India Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	1.51%	3.24%	7.11%	13.1%	13.6%	13.7%
EBITDA Margin	11.34%	12.56%	16.79%	25.1%	25.5%	25.6%
RoCE	14.12%	26.83%	31.27%	12.6%	13.4%	13.6%
ROE	10.12%	18.92%	27.45%	9.8%	10.5%	10.6%
EPS (INR)	54.15	6.24	14.15	17.34	19.27	20.69
P/E	1.81	15.71	6.93	39.37	30.11	42.63

- The market cap of the company is less compared to its peers.
- The PE ratio of the company is better compared to peers.
- The NP margin and EBITDA margin of the company has grown over the years whereas All Cargo Logistics and Navkar Corporation have seen a downtrend their profitability margins.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Share India Capital Services 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 –

Share India Capital Services Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Apex Ecotech Limited	25.54	73.00	Dec 04, 2024	94.40
2.	Envirotech Systems Limited	30.24	56.00	Sep 24, 2024	96.10
3.	VVIP Infratech Limited	61.21	93.00	Jul 30, 2024	135.70
4.	GEM Enviro Management Limited	44.93	75.00	Jun 26, 2024	74.66
5.	AVP Infracon Limited	52.34	75.00	Mar 20, 2024	184.00
6.	Pune E-Stock Broking Limited	38.23	83.00	Mar 15, 2024	136.80
7.	Wise Travel India Limited	94.68	147.00	Feb 19, 2024	133.70
8.	New Swan Multitech Limited	33.11	66.00	Jan 18, 2024	57.95
9.	Krishca Strapping Solutions Limited	17.93	54.00	May 26, 2023	210.10
10.	De Neers Tools Limited	22.99	101.00	May 11, 2023	277.10

The company has handled 14 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 12th Mar 2025.

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

Recommendation -

Paradeep Parivahan Limited has been in the industry since 2000 and has vast experience in the industry.

The P/E on a post-IPO annualized basis is around 20.57 times which makes it fairly priced.

The company's management overview is satisfactory.

The company's top line has increased consistently over the years with increase in domestic sale of services. The bottom line and profitability margins have also increased over the years with a slight jump in FY24 which is due to decrease in other expenses. Overall, the financials of the company looks sustainable in the future.

Although the company has high concentration for customers and operates in a very highly fragmented and competitive industry, they have worked with client's like J M Baxi, Paradip International Cargo Terminal, Bothra Group etc. It has also partnered with Indian Farmers Fertiliser Co-Operative Limited (IFFCO). The company also owns machines and equipment totalling to 83 avoiding rental costs which includes hydraulic excavator, pay loader, dozer, dumper, vibrator roller, JCB etc.

Thus, investors can **APPLY** to this IPO.

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