

Rating: Subscribe for long Term

Issue Offer

Fresh Issue of 30,00,000 Equity shares aggregating up to INR 405 Mn

Issue Summary

Price Band INR	132-135
Face Value INR	10
Implied Market Cap INR Mn.	1,485
Market Lot	1000
Issue Opens on	May 27, 2025
Issue Close on	May 29, 2025
No. of share pre-issue	80,00,000
No. of share post issue	1,10,00,000
Listing	NSE SME

Issue Break-up %

QIB Portion	≥ 50%
Retail Portion	≤ 35%
NII Portion	≤ 15%

Registrar

Maashitla Securities Pvt.Ltd.

Book Running Lead Managers

Smart Horizon Capital Advisors Pvt. Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	95.62%	69.54%
Public & Others	4.38%	30.46%

Objects of the issue

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

Blue Water Logistics Limited is a Hyderabad-based integrated logistics and supply chain solution provider engaged in freight forwarding, custom clearance, and multimodal transport services. Incorporated in 2010 as a partnership firm and converted into a public limited company in 2024, the company has built a pan-India presence through branches in Chennai, Delhi, Jaipur, Visakhapatnam, and Thane. Company caters to a diverse customer base across industries such as chemicals, electronics, textiles, and natural stones. As of March 31, 2025, it owns a fleet of 25 commercial vehicles and intends to expand its fleet proceeds to support the scaling of its asset-backed multimodal logistics model.

Investment Rationale

Asset-light Expansion with Focused Fleet Augmentation: While Blue Water owns and operates a modest fleet of 25 commercial vehicles, it follows a calibrated asset-light expansion strategy by leasing additional vehicles as per demand and routes. The upcoming infusion of 20 trailers via IPO funds will selectively enhance asset ownership in high-margin lanes, allowing it to maintain operational flexibility while improving service consistency and cost control. This hybrid model strikes a balance between scalability and capital efficiency.

Asset-backed Multimodal Capabilities Enhancing Service Reliability: The company is a registered Multimodal Transport Operator under the Multimodal Transportation of Goods Act, 1993, enabling seamless movement across road, air, and rail. Ownership of a growing fleet allows company to maintain higher reliability, control, and consistency — key differentiators in a sector largely dependent on third-party logistics players.

Long-standing Industry Presence with Diversified Clientele: With over a decade of experience, company has established itself as a reliable logistics partner across industry verticals. Its clientele includes exporters and importers of chemicals, confectionery, natural stones, and electronics. The company's broad sectoral exposure and customer stickiness provide revenue stability and lower business cyclicity risks.

Favorable Industry Tailwinds and Government-led Infrastructure Push: India's logistics sector is poised for structural growth, backed by strong policy initiatives such as PM GatiShakti, National Logistics Policy, and increased investments in multimodal transport corridors. Company, with its multimodal registration and operational track record, is well-positioned to benefit from rising demand for integrated logistics services, especially from MSMEs and export-oriented clusters.

Valuation and View: Company follows an asset-light expansion strategy, combining owned and leased vehicles to ensure flexibility and cost efficiency, while selectively adding 20 new trailers to boost high-margin operations. As a registered Multimodal Transport Operator, it leverages road, rail, and air logistics with enhanced reliability and control. With over a decade of experience and a diversified client base across sectors like chemicals, electronics, and natural stones, the company enjoys stable revenues and reduced cyclicity. Positioned to capitalize on favorable policy tailwinds such as PM GatiShakti and the National Logistics Policy, Blue Water is well-placed to serve the growing demand for integrated logistics, especially from MSMEs and export-focused industries. At the upper band of INR 135, the issue is valued at a P/E ratio of 13.92x, based on PAT of FY25 EPS of INR 9.70. We are recommending a "Subscribe for long Term" for this issue currently.

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Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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