Saturday, 27 September 2025

CM RATING **43 /100**

Om Freight Forwarders

Integrated 3PL service provider

Specializes in transportation of bulk, project cargo and 0ver dimensional cargo

Om Freight Forwarders provides a wide range of third-party logistics (3PL) integrated services including international freight forwarding, customs clearance, vessel agency services, multimodal transportation, warehousing, and distribution. As a multimodal transport operator, it provides seamless end-to-end freight solutions for exporting and importing cargo via sea, road, rail, and air.

Of the FY25 revenue from operations, freight forwarding service contributed 52.12% (27.95% in FY24), customs clearance activity 17.34% (58.36% in FY24), vessel agency service 14.43% (11.3% in FY24), transportation services 10.01% (0.01% in FY24), warehousing 0% (0.11% in FY24) and other value-added services 6.10% (2.27% in FY24).

In FY25, the company handled a total cargo volume of 66.86 million tonnes (MT) [bulk cargo 65.81 MT; break bulk cargo 0.81 MT; liquid bulk cargo 0.24 MT]. In FY25, it handled 1,16,457 TEUs comprising 1,09,914 TEUs of FCL (full container load) cargo and 6543 TEUs of LCL (less than container load) cargo.

The company employs a hybrid asset strategy combining owned and rental assets to enable responding effectively to changing market conditions and customer demands. Currently, its fleet includes 135 owned commercial vehicles and equipment. In addition, it has 22 logistics partners to provide vehicles and other essential assets and services. The asset-light business model enables maintaining a cost-effective, efficient fleet while ensuring consistent service delivery. This hybrid approach not only optimizes resource utilization but also positions it to scale operations and seize larger business opportunities.

The company has a diverse set of customers spanning across multiple industries, including minerals, mining &steel, coal, oil & gas, energy &power, fast moving consumer goods (FMCG), and EPC & infrastructure, among others.

Of the FY25 operational revenue 26.49% was from minerals, mining & steel; 9.29% from EPC &infrastructure; 6.02% from coal & energy and power; 3.61% electronics & IT; 5.76% tyres & rubbers; 2.93% chemicals; 2.48% FMCG; 4.36% automobiles; 2.13% plastics and packaging; 1.54% transportation & logistics; 1.83% O&G, and 33.56% others.

The issue and object of the offer

The issue comprises both fresh issue of equity shares upto Rs 24.436 crore and an offer for sale of 72,50,000 equity shares by the promoter selling shareholders. The OFS comprises sale of 39,87,500 equity shares by Rahul J Joshi, 25,37,500 equity shares by Harmesh R Joshi, and 7,25,000 equity shares by Kamesh R Joshi.

Of the net proceeds from fresh issue, Rs 17.145 crore will be used for funding of capital expenditure requirements towards purchase of commercial vehicles and heavy equipmentand the balance for general corporate purposes.

Through the proceeds from the fresh issue, it plans to purchase 10 trailers, 5 trippers, 10 trolly, 2 forklifts, 1 reach stacker, 1 loaded reach stacker and 1 coil-lifter with frame.

Strengths

Offers end-to-end logistics services and solutions, with a track record of high quality and efficient service delivery

Established operational capabilities with a wide range of own specialized equipment along with hired fleet.

Strong client base, with long-term client relationships. Five of the top 10 customers have relationshipsof over 5 years. In FY 25, it served 1,715 customers, of which 802 were existing customers. It derived 75.34%of operational revenue from existing customers.

Presence across diverse industry verticals

Weaknesses

The logistics industry in India is highly competitive, dominated by many unorganized players.

Top 1/5/10 customers accounted for 11.60%/26.71%/40.39% of revenue from operation in FY25, respectively.

In FY25, about 85% of revenue came in from customers in Maharashtra.

The logistics business is exposed to risks such as port and canal congestion impacting demand and supply of shipping lines and shipping freight rates, geopolitical tensions, intrusion by pirates, sinking of ship along with cargo,and robbery of cargo, and damage of cargo due to natural disaster.

Any development including changes in tariffs may adversely impact import and export volumes.

Exposed to risks relating to inability to obtain or renew or maintain its statutory and regulatory permits/licenses and approvals, required to operate its businesses.

One of the members of promoter group has an estranged relationship with one of promoters and hence the company could not obtain any details of this member as required to be disclosed by SEBI guidelines for RHP.

Trademark not owned by the company and assigned to it through a deed of assignment for 10 years, subject to specific terms and conditions.

Rahul Jagannath Joshi and Harmesh Rahul Joshi, the directors of the company, were disqualified under section 164 (2) of the Companies Act, 2013,from January 2016 till December 2019, for being director of a company, Zephyr Studios Pvt. Ltd., that failed to file its financial statements and annual returns.

Valuation

Consolidated re-stated revenue for FY25 stood higher by 17% to Rs 494.05 crore. In FY24 freight forwarding revenue dropped to Rs 114.118 crore down from Rs 166.43 crore in FY23 hit by combination of Russia-Ukrain conflict, which distrupted global maritime trade routes, caused port congestions as well as general slowdown in logistics industry. In a challenging market condition the realization dropped and impacted the freight forwarding revenue even though the company handled higher volume in FY24. However in FY25, the freight forwarding revenue jumped up with volume growth as well as improvement in realization. Additionally FY25 also had the benefit of incremental revenue from transportation business of Rs 48.8 crore. With OPM expanding by 300 bps to 8.4%, the growth of OP was 83% to Rs 41.63 crore. Finally, net profit after MI was up by 113% to Rs 21.99 crore.

On expanded equity, the EPS for FY2025was Rs 6.5. The issue price (on the upper price band) discounts the FY25 EPS by 20.8 times. P/BV stood at 2.3 times and EV/Sales stood at 0.9 times.

In comparison, logistics companies of similar size such as Tiger Logistics, Total Transport Solutions, AVG Logistics and Patel Integrated quote at PE of 19.6 times, 13.2 times, 14.7 times and 17.6 times, respectively, and P/BV of 3.8 times, 1.4 times, 1.7 times and 0.8 times.

However, more established and large logistics players such as Allcargo Logistics and Transport Corporation of India quote at PE of 46.3 times and 22.3 times and P/BV of 1.4 times and 4.3 times. Though not comparable given its major focus on container cargo movement by rail, Container Corporation of India quotes at PE of 24.7 times and P/BV of 2.6 times.

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Om Freight Forwarders : Issue Highlights	
Fresh Issue (Rs crore)	24
Offer for sale (in equity share nos.)	7250000
Price band (Rs.)	
Upper	135
Lower	128
Post-issue equity (Rs crore)	
in Upper price band	33.68
in Lower Price Band	33.77
Post-issue promoter (including promoter group) stake (%)	72.18
Minimum Bid (in nos.)	111
Issue Open Date	29-09-2025
Issue Close Date	03-10-2025
Listing	BSE, NSE
Rating	43/100

Om Freight Forwarders : Re-stated Consolidated Financials			
	2303 (12)	2403 (12)	2503 (12)
Sales	493.35	421.33	494.05
OPM (%)	11.3	5.4	8.4
OP	55.54	22.78	41.63
Other income	0.00	0.00	0.00
PBIDT	55.54	22.78	41.63
Interest	15.99	3.44	2.57
PBDT	39.56	19.34	39.06
Depreciation	3.71	5.86	9.92
PBT	35.85	13.48	29.14
EO Exp	0.00	0.00	0.00
PBT after EO	35.85	13.48	29.14
Tax	9.27	3.48	7.52
PAT from Continuing Biz	26.57	10.00	21.62
Share of Profit from Associates	0.58	0.34	0.37
Minority Interest	0.00	0.00	0.00
Net profit	27.16	10.35	21.99
EPS (Rs)*	8.1	3.1	6.5
* on post IPO fully dilluted equity (on upper price band) of Rs 33.68 crore. Face Value: Rs 10			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			