



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 27 AUGUST 2026

Skyways Air Services Limited

Mainboard IPO — Research Note

ISSUE DATES	24 August 2026 – 27 August 2026 (closes today)
PRICE BAND	₹131 – ₹138 per share · Face Value ₹10
LOT SIZE	100 shares · ₹13,800 at the upper band
ISSUE SIZE	₹582.80 Cr · Fresh ₹399 Cr + OFS ₹184 Cr
LISTING	BSE & NSE · 1 September 2026 (tentative)
LEAD MANAGERS	Holani Consultants · Shannon Advisors · Dolat Finserv

SECTOR Logistics — Air Freight Forwarding & Multimodal	FINANCIALS Rev ₹2,840 Cr (FY26) · PAT ₹63.5 Cr · EBITDA 4.47% · 2Y Rev CAGR 46.9%
VALUATIONS P/E 31.6x · P/B 4.8x · RoCE 18.1% · RoNW 12.33% — best in peer set	DEMAND Anchor 29.95% of issue · NII 18.10x · QIB ex-anchor 0.52x (live D4)
GMP +₹27 · +19.6% over ₹138 · 27 Aug 2026 — trend rising	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

BHNI Advisory · Listing & Short-Term Momentum Mandate

2. Executive Summary

Skyways arranges freight. It owns no aircraft, no ships and very few trucks — it buys cargo capacity wholesale from 56 airline and shipping partners, sells it retail to 9,504 active customers, and keeps the spread plus volume incentives. It has been India's number-one air freight forwarder by airway bills generated for four straight years. FY26 revenue was ₹2,839.67 Cr, PAT ₹63.52 Cr, and the two-year revenue CAGR is 46.9% with PAT compounding at 35.7%.

The margins are what they are in this business: 4.47% at EBITDA and 2.26% at PAT. But the asset-light model turns that thin margin into real returns — RoCE of 18.11% and RoNW of 12.33%, both comfortably the best in the listed logistics comparison set, on a fixed-asset turnover of 14.14x. At ₹138 the issue prices at 31.6x FY26 consolidated earnings against a peer group where Delhivery trades near 260x and Mahindra Logistics is barely earning. Only 31.6% of this issue is OFS; the ₹399 Cr fresh component repays ₹216.79 Cr of debt and funds ₹130 Cr of working capital, which is the structural opposite of a pure exit.

The book is the weak part. The anchor tranche is ₹174.54 Cr across 17 investors, but only two domestic mutual funds participated — Bank of India and Taurus, both small houses — and nothing at all came from insurance or pension money. QIB ex-anchor sits at 0.52x. Against that, NII has run to 18.10x on the closing day and retail to 10.39x, with GMP at ₹27 and rising rather than fading. This is a second-priority apply: the valuation and issue structure are better than the book that bought it.

Recommendation	Listing-Day View	Momentum View (T+2 - T+5)
APPLY (listing gains) — second priority	Expected listing band of 15–22% over ₹138, i.e. ₹159 – ₹168	Exit into strength; thin-margin logistics does not hold a re-rating

This desk carries a listing and short-term momentum mandate only. No long-term view is expressed on this name.

3. Company Overview & Business Model

Incorporated in 1984 and run out of Mahipalpur in New Delhi, Skyways is a freight forwarder — an intermediary, not a carrier. The company books cargo space from airlines and shipping lines in bulk, consolidates shipments from many customers into that space, handles the customs paperwork, arranges the trucking at both ends, and delivers. It does not own the aircraft. That is the entire model, and understanding it explains every number in the financials.

Revenue is heavily air. In FY26 air freight was ₹2,166.40 Cr, or 77.02% of operating revenue. Ocean freight contributed 15.02%, express cargo and parcel 5.79%, and everything else — warehousing, trucking, value-added services — the residual 2.17%. Volumes were 83,923.81 tonnes of air cargo and 28,275 TEU of ocean containers, moved for customers across textiles, electronics, FMCG, automotive, healthcare and retail. Parle, Britannia and Tata Motors are on the client list.

Money is made two ways: the spread between the wholesale rate Skyways pays a carrier and the retail rate it charges the shipper, and the volume incentives airlines pay for delivering tonnage. Both are thin and both are contested. That is why EBITDA margin is 4.47% and why it will never be 20%. The offsetting virtue is that almost no capital is tied up in assets — fixed-asset turnover is 14.14x, net working capital cycle is 23 days, and the business converts a 2.26% net margin into a 14.15% return on equity.

Yashpal Sharma is Chairman and Managing Director with 46.49% pre-offer, more than 30 years in air cargo, and a term as President of Air Cargo Forum India between 2022 and 2024. His co-promoter Tarun Sharma holds 32.65%, runs the ocean side, and trained at Kuehne & Nagel. Combined promoter holding falls from 79.14% to 56.82% after the issue. Both are selling into the OFS.

What breaks this model is not a competitor undercutting the spread. It is capacity. Skyways is 100% dependent on carriers it does not control, and its top five suppliers account for 36.01% of service cost. When belly capacity tightens or freight rates gap, the forwarder absorbs the shock first and passes it on second.

4. Market Position & Client Base

Number one in India by airway bills generated, four years running — 2022 through 2025. In a fragmented forwarding market populated by hundreds of regional agents, that ranking is worth something. Scale buys better wholesale rates from carriers, and better rates buy volume, which buys better rates. Skyways holds relationships with 56 airlines including Emirates, Lufthansa, Turkish and Air India Cargo, and operates across 12 countries, six continents and 12 Indian states from a base of 1,193 employees.

Customer concentration is genuinely low, and this is the most underrated line in the RHP. The top five customers accounted for just 14.04% of FY26 revenue from operations, up from 7.96% in FY24 but still nowhere near a dependency. With 9,504 active customers generating an average ₹29.60 lakh each, no single account can hold the company hostage. Most logistics IPOs come with a top-five number north of 40%; this one does not.

The concentration that does matter sits on the other side of the ledger. The top five suppliers — carriers — represented 36.01% of service cost in FY26, and the top ten about 49%. A forwarder with diversified customers and concentrated suppliers is structurally short capacity and long obligations. In a tight freight market that is the wrong way round, and it is the reason average revenue per tonne fell in FY26 even as volumes grew 43.20%.

The moat, such as it is, comes from scale in carrier negotiation and from customs and compliance capability that a small agent cannot replicate. It is a real advantage and a narrow one. Nothing here stops a larger global forwarder from buying share with a better balance sheet.

5. Service Mix & Revenue Model

Service Line — FY2026	Revenue (₹ Cr)	Share
Air freight forwarding	2,166.40	77.02%
Ocean freight forwarding	422.60	15.02%
Express cargo & parcel	162.78	5.79%
Warehousing, trucking & value-added	61.12	2.17%
Total Revenue from Operations	2,812.90	100.00%

Three-quarters of the business is air. That is both the franchise and the exposure. Air freight is the highest-value, fastest-turning, most rate-volatile mode in logistics — it is where Skyways is number one, and it is also the segment that swings hardest when global trade slows or when belly capacity returns to the market after a disruption.

The ocean book at 15.02% is the diversification story and it is early. Tarun Sharma's background is ocean freight and the RHP frames this as the growth vector, but on a ₹422.60 Cr base against ₹2,166.40 Cr of air, it will not move the mix for several years. Express and parcel at 5.79% is a genuinely different business — closer to last-mile than to forwarding — and it competes with players who have far deeper capital.

Geographically the company operates in 12 countries and serves six continents, with a domestic branch network across 12 Indian states. Cross-border freight is dollar-denominated at the carrier end and increasingly rupee-billed at the customer end, so currency movement lands in the spread rather than in a separate line. The RHP does not disclose hedging policy in enough detail to size it.

6. Operating Metrics & Capital Efficiency

Operating Metric — FY2026	Value
Air cargo handled	83,923.81 tonnes
Ocean containers handled	28,275 TEU
Active customers	9,504
Average revenue per customer	₹29.60 lakh
Airline / carrier relationships	56
Employees	1,193
Fixed asset turnover	14.14x
Net working capital cycle	23 days
Return on capital employed	18.11%

This section exists because capital efficiency, not margin, is the investment case. A 2.26% net margin looks unattractive until you see that it is earned on almost no fixed capital. Fixed-asset turnover of 14.14x means every rupee of plant and equipment supports fourteen rupees of revenue — the company rents capacity rather than owning it, so growth does not require a capex cycle.

Volume growth of 43.20% year on year in cargo tonnage is the operational headline, and it outpaced the 25.0% revenue growth. Read that carefully: tonnage grew faster than revenue, which means realisation per tonne fell. Some of that is mix, some is freight rates normalising off elevated levels. Either way the company is buying share with price, and in a spread business that shows up in margin sooner or later.

The 23-day working capital cycle is tight for the sector and is what allows a leveraged balance sheet to function. It is also the number to watch: the RHP discloses that between 82.62% and 100% of the working capital gap has historically been funded through borrowings, which is why total debt climbed from ₹357.34 Cr to ₹624.06 Cr across three years while the business was profitable throughout.

7. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Shares	Amount (₹ Cr)	% of Total
Fresh Issue	2,88,98,300	398.80	68.43%
Offer for Sale (OFS)	1,33,33,300	184.00	31.57%
Total Issue Size	4,22,31,600	582.80	100.00%

Use of Proceeds — Fresh Issue

Objective	Amount (₹ Cr)	% of Fresh Issue
Repayment / prepayment of borrowings	216.79	54.36%
Funding incremental working capital	130.00	32.60%
General corporate purposes	52.01	13.04%
Total Fresh Issue	398.80	100.00%

OFS at 31.57% is the single best structural feature of this issue and the clearest point of difference from most of what has come to market this month. Two-thirds of the money raised goes into the company — ₹216.79 Cr against ₹624 Cr of borrowings, and ₹130 Cr into the working capital line that has been funded almost entirely by debt. This is a company raising capital to grow, not a register cashing out.

Selling Shareholders in the OFS

Selling Shareholder	Category	Shares	Amount (₹ Cr)
Yashpal Sharma	Promoter	71,20,690	98.27
Tarun Sharma	Promoter	24,60,000	33.95
Rohit Sehgal	Other	18,86,610	26.04
Himanshu Chhabra	Other	18,66,000	25.75

Category Reservation

Category	Shares Offered	% of Issue
QIB (including Anchor)	2,10,80,000	49.92%
— of which Anchor Investors	1,26,48,000	29.95%
Non-Institutional — bHNI (> ₹10 L)	42,34,400	10.03%

Category	Shares Offered	% of Issue
Non-Institutional — sHNI (₹2-10 L)	21,17,200	5.01%
Retail Individual (RII)	1,48,00,000	35.04%

Book Running Lead Managers are Holani Consultants, Shannon Advisors and Dolat Finserv, with Bigshare Services as registrar. Anchor allocation was finalised on 21 August 2026 at ₹138 — the top of the band. Anchor lock-in releases 50% on 27 September and the balance on 26 November 2026. Promoter holding falls from 79.14% to 56.82%, which leaves control comfortably intact.

8. Financial Performance Analysis

Profit & Loss

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Total Income	1,316.81	2,270.99	2,839.67
Growth (% YoY)	—	72.4%	25.0%
EBITDA	48.34	86.49	125.65
EBITDA Margin (%)	3.67%	3.81%	4.42%
PAT	34.49	48.14	63.52
PAT Margin (%)	2.62%	2.12%	2.24%

Balance Sheet & Returns

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Net Worth	154.26	247.14	332.64
Total Borrowings	357.34	558.43	624.06
Debt / Equity (x)	2.32	2.26	1.26
Total Assets	790.35	1,321.64	1,508.24
Return on Equity (%)	—	—	14.15%
Return on Capital Employed (%)	—	—	18.11%

Revenue compounded at 46.9% over two years, EBITDA at 61.2% and PAT at 35.7%. Those are genuinely strong numbers and they are not an accounting artefact — cargo tonnage grew 43.20% in FY26, so the growth is physical. FY25 was the outlier year at 72.4% revenue growth; FY26 normalised to 25.0%, which is the rate to underwrite going forward.

Margins moved the right way. EBITDA margin expanded from 3.67% to 4.42% across three years, and that expansion is operating leverage in its purest form — a forwarder's fixed cost base is people and offices, so incremental tonnage drops through at a much better rate than the blended margin suggests. PAT margin, by contrast, went 2.62% to 2.12% to 2.24%, and the gap between EBITDA expansion and PAT stagnation is interest. Borrowings rose from ₹357.34 Cr to ₹624.06 Cr while the business grew, and the finance cost ate the operating gain.

That is precisely what the ₹216.79 Cr debt repayment from fresh proceeds is meant to fix. Post-issue, gross debt drops toward ₹400 Cr and D/E — already down from 2.32x to 1.26x as net worth compounded — falls further. On a normalised basis, removing roughly ₹20–25 Cr of annual interest from a ₹63.5 Cr PAT base is a material earnings event, and it is the one part of the FY27 story that does not depend on freight rates.

Two disclosures deserve more attention than they usually get. Contingent liabilities stand at 86.90% of net worth. And the RHP acknowledges a history of negative operating cash flow — in a business that funds 82–100% of its working capital gap with borrowings, growth consumes cash rather than producing it. Neither is disqualifying at this size, but both mean the equity raise is a necessity, not an option.

9. Valuation

Company	P/E (x)	RoNW / RoCE	Revenue (₹ Cr)
Skyways Air Services (at ₹138)	31.6	12.33% RoNW · 18.11% RoCE	2,812.90
TVS Supply Chain Solutions	54.0	5.62% RoNW	11,002
Shadowfax Technologies	104.0	5.41% RoCE	—
Delhivery	~260	1.58% RoNW	10,508
Mahindra Logistics	~1,548	0.19% RoNW	6,999

Peer set per the RHP Basis for Issue Price. Skyways P/E computed on post-issue diluted EPS of ₹4.37 against consolidated PAT of ₹63.52 Cr and a market capitalisation of ₹2,005.74 Cr at the upper band. On PAT attributable to owners of the parent — after the minority interest in the Brace Port Logistics subsidiary — the multiple is materially higher, in the high-40s. Both bases are in circulation; the ownership-attributable number is the one we weight.

On the headline, Skyways is the cheapest name in its own comparison table by a wide margin — 31.6x against a peer set where the next cheapest is 54x and the rest are either unprofitable or priced on hope. It is also, by some distance, the most capital-efficient: 12.33% RoNW and 18.11% RoCE against Delhivery at 1.58% and Mahindra Logistics at 0.19%. On those two facts alone the issue looks underpriced.

We would temper that. The peer comparison flatters Skyways because the comparables are broken, not because Skyways is cheap in absolute terms. Delhivery at 260x and Mahindra at 1,548x are not valuation anchors; they are companies with collapsed earnings and multiples that mean nothing. Strip them out and TVS Supply Chain at 54x on 5.62% RoNW is the only usable reference — against which Skyways at 31.6x on 12.33% RoNW is genuinely better value.

The honest caveat is the earnings base itself. On PAT attributable to the parent's owners, the multiple sits closer to 49x, and that is the number a careful institutional buyer will use. At 49x on a 4.47% EBITDA margin business with 1.26x leverage and a history of negative operating cash flow, the discount to peers largely evaporates. Our read: the issue is fairly priced rather than cheap, and the peer table will do the work on listing day regardless — a day-one buyer sees 31.6x versus 54x and 260x, and that comparison is what sets the opening print.

10. Demand, Applications, Anchor Quality & BRLM Track Record

10.1 Subscription Trajectory

Category	Day 1	Day 2	Day 3	Day 4 (live)
QIB (ex-anchor)	0.46x	0.47x	0.49x	0.52x
NII — Total	0.92x	2.58x	6.90x	18.10x
NII — bHNI (> ₹10 L)	0.61x	1.86x	5.43x	—
NII — sHNI (₹2–10 L)	1.53x	4.01x	9.86x	—
Retail (RII)	1.66x	3.54x	6.93x	10.39x
Overall	1.16x	2.46x	5.09x	9.23x

Day 1–3 figures at 17:00 IST close. Day 4 figures are live as at 27 August 2026, the closing day; the bHNI/sHNI split for Day 4 was not published at the time of writing. Final figures will exceed these.

This book built steadily rather than in one late lurch, which we prefer. NII went 0.92x, 2.58x, 6.90x and then 18.10x on the closing day — a clean compounding curve with no single-session panic. Retail did the same thing, 1.66x to 10.39x, and retail at ten times on a ₹583 Cr issue is real breadth, not a handful of funded applications.

Note that sHNI has run ahead of bHNI at every single checkpoint — 1.53x versus 0.61x on Day 1, 9.86x versus 5.43x on Day 3. That gap is unusual and it is useful information for an allocation decision. The smaller bucket is more contested, which means proportionate scaling bites harder there, but it also means the ₹2 lakh ticket is where the broader HNI market is voting.

QIB is the problem, and it is the same problem the market has seen repeatedly this month: 0.52x ex-anchor. Institutions outside the anchor list have not bid. With an anchor tranche of 29.95% the category will clear, but a sub-1x ex-anchor QIB print in a book that is otherwise 9.23x covered says the professional money is not chasing this price. We do not ignore that.

10.2 Subscription & Application-Wise Breakup

Category	Lot(s)	Qty	Application Amount (₹)	Shares Reserved
Retail	1	100	13,800	1,48,00,000
sHNI	15	1,500	2,07,000	21,17,200
bHNI	73	7,300	10,07,400	42,34,400

Minimum application size per category at the ₹138 upper band. Retail maximum is 14 lots (1,400 shares, ₹1,93,200); sHNI maximum is 72 lots (7,200 shares, ₹9,93,600).

What to Bid — bHNI and sHNI

Particulars	bHNI (primary)	sHNI (if funds constrained)
Category	NII — above ₹10 lakh	NII — ₹2 to ₹10 lakh
Lots	73 lots	15 lots
Quantity	7,300 shares	1,500 shares
Bid Price	₹138 (upper band / cut-off)	₹138 (upper band / cut-off)
Application Amount	₹10,07,400	₹2,07,000

Bid bHNI — 73 lots, 7,300 shares at ₹138, ₹10,07,400 — from every PAN where funds are available. Where funding is constrained, bid the same account in sHNI at 15 lots, 1,500 shares at ₹138, ₹2,07,000, rather than skipping the PAN. Use every family PAN in one bucket or the other; do not leave an account unbid.

10.3 Grey Market Premium

Particulars	Value
GMP as at 27 Aug 2026, 10:00 IST	₹27
Implied premium over ₹138	19.57%
Implied listing price	₹165
GMP range through the issue	₹17 – ₹37
Trend into the close	Rising — ₹22 on 26 Aug to ₹27 on 27 Aug

The direction here matters more than the level. Skyways' premium has firmed into the close rather than faded — ₹22 to ₹27 across the final two sessions, against a subscription curve that was also strengthening. That is the shape you want. A premium that holds or improves while the book fills usually means operators are marking to genuine demand rather than defending an early quote.

It remains an unofficial number. The grey market has no settlement guarantee, no volume disclosure and no regulator, and it has been badly wrong on plenty of issues in both directions. We treat ₹27 as a sentiment reading that supports the trade, not as a price we expect to be paid. Our 15–22% expectation deliberately brackets it rather than extending beyond it.

10.4 Anchor Quality — Seven-Year Backtest

The anchor book was allocated on 21 August: 1,26,48,000 shares at ₹138 to 17 investors, totalling ₹174.54 Cr — 29.95% of the issue. Of that, 50,50,000 shares, or 39.93%, went to just two domestic mutual funds across six schemes. Nil was allocated to life insurance companies and pension funds. Those two facts define the quality of this book.

Anchor Investor	₹ Cr	% Anchor	Prior Issues	Avg P/E	Avg Listing Gain
Bank of India MF (2 schemes)	49.68	28.46%	24	35.3	9.9%
Taurus MF (4 schemes)	20.01	11.47%	8	22.8	10.2%
Pranitya India Opportunities Fund	16.59	9.50%	First-time	—	—
Holani Venture Capital Fund – I	14.36	8.23%	7	22.9	44.1%
IndusInd General Insurance	12.97	7.43%	First-time	—	—
LC Pharos Multi Strategy Fund	10.00	5.73%	31	32.8	7.9%
LRSD Securities	10.00	5.73%	2	27.2	-4.5%
Vista Axis VCC – Quant Fund	10.21	5.85%	First-time	—	—
Meru Investment Fund PCC Cell 1	9.60	5.50%	17	28.9	18.4%
ASAS Global Fund VCC Sub Fund	5.52	3.16%	1	18.4	-10.4%
Shine Star Build Cap	5.52	3.16%	17	38.4	15.4%
Nomura Singapore	5.04	2.89%	99	119.7	20.2%
Citigroup Global Markets Mauritius	5.04	2.89%	50	37.8	3.8%

Prior-issue counts, average P/E of issues participated in and average listing-day gains computed at the investor level from the desk's seven-year anchor base file (2020–2026).

Set this book beside a marquee one and the difference is obvious. Two domestic mutual funds, both small houses — Bank of India MF has deployed ₹350 Cr across 24 anchor participations in seven years, Taurus ₹70 Cr across 8. No SBI, no ICICI Prudential, no HDFC, no Nippon. No insurance money and no pension money at all, which the circular states explicitly. This is a book that the largest domestic institutions either declined or were never shown.

What is here instead is the small-cap anchor circuit, and that is not nothing. Holani Venture Capital Fund carries a 44.1% average listing gain across 7 prior issues, Meru Investment Fund 18.4% across 17, and Shine Star Build Cap 15.4% across 17. Look at the average subscription column behind those names in our base file — 62x, 50x and 64x respectively. These investors show up in aggressively-priced, heavily-oversubscribed small mainboard issues that pop on listing. Their presence is a momentum signal, not a quality signal, and for a listing trade a momentum signal is exactly what we are buying.

⚠️ Related-party anchor participation.

Holani Venture Capital Fund – I took ₹14.36 Cr, or 8.23% of the anchor portion, in an issue where Holani Consultants Private Limited is a Book Running Lead Manager. The two are affiliated. Anchor demand from an entity connected to the syndicate running the book is not the same signal as independent institutional demand, and it should be discounted accordingly when reading the 29.95% anchor coverage. Nothing about the arrangement is irregular or undisclosed — it is in the circular — but it does mean the effective third-party anchor book is smaller than the headline.

Four names — Pranitya, IndusInd General Insurance, Vista Axis and, on our file, the ASAS and LRSD vehicles with one and two prior issues — carry effectively no readable history. Together with the

Holani affiliate they account for roughly 36% of the anchor tranche. The two names with real institutional standing, Nomura Singapore and Citigroup Global Mauritius, took ₹5.04 Cr each — token allocations of 2.89% apiece. Our read: this anchor book supports a listing pop and does not support a valuation argument.

10.5 BRLM Track Record — Seven-Year Backtest

Lead Manager	Mainboard IPOs (7Y)	Positive	Hit Rate	Avg Listing Gain
Holani Consultants	2 (2021, 2022)	2	100.0%	102.95%
Shannon Advisors	No mainboard history on file	—	—	—
Dolat Finserv	No mainboard history on file	—	—	—

Computed from the desk's seven-year lead-manager base file covering mainboard issues from 2020 to 2026.

This is the thinnest syndicate track record we have written up. Holani Consultants has run exactly two mainboard issues in seven years, one in 2021 and one in 2022, and both listed positive with an eye-catching 102.95% average gain. On a sample of two, that number tells you almost nothing about process and rather more about the vintage — 2021 and 2022 were forgiving years for small mainboard listings. There has been no mainboard issue from this desk since 2022.

Shannon Advisors and Dolat Finserv do not appear in our seven-year mainboard base file at all. Whatever their SME or advisory record, they carry no measurable mainboard listing history to backtest against.

Contrast that with what a JM Financial or a Kotak brings — 100-plus issues, a hit rate you can rely on across cycles, and institutional distribution deep enough to fill a QIB book without anchors. The absence of that distribution here is not a theory; it is visible in the 0.52x ex-anchor QIB print. A stronger syndicate would have covered that category. What this syndicate did deliver is retail and HNI reach, and on the numbers it delivered that well.

Strong anchor participation and a good BRLM track record reduce listing risk; they do not eliminate it. Here we have neither in the conventional sense — the case rests on structure, valuation and the demand curve instead.

11. Risk Factors

[PRIMARY CONCERN] Total dependence on carriers the company does not control.

Skyways owns no aircraft and no vessels. The RHP states 100% dependency on carriers for cargo transportation, and the top five suppliers accounted for 36.01% of service cost in FY26 with the top ten near 49%. The entire business is a spread between a rate the company must accept and a rate it must negotiate. When belly capacity tightens, when a carrier reprices, or when a major partner shifts allocation to a competitor, the forwarder absorbs it first. This is the risk that sits underneath every other number in the document, and there is no operational lever that removes it.

A thin anchor book with a related-party component and no institutional depth.

Only two domestic mutual funds participated, both small houses, and nil went to insurance or pension funds. Holani Venture Capital Fund — affiliated with lead manager Holani Consultants — took 8.23% of the anchor portion. Roughly a third of the tranche went to investors with no readable seven-year history. Combined with QIB ex-anchor at 0.52x, the institutional validation behind this price is materially weaker than the 29.95% anchor headline suggests.

3. **Margins leave almost no room for error.** EBITDA margin of 4.47% and PAT margin of 2.26% mean a 100 basis point move in purchased freight cost that cannot be passed through wipes out roughly a fifth of operating profit. Average revenue per tonne already declined in FY26 while volumes grew 43.20% — the company is buying share on price, and in a spread business that eventually shows up in the margin line.
4. **Leverage and a history of negative operating cash flow.** Borrowings rose from ₹357.34 Cr to ₹624.06 Cr over three years while the company was profitable throughout, because between 82.62% and 100% of the working capital gap has been funded by debt. Growth in this model consumes cash. The ₹216.79 Cr repayment from fresh proceeds materially improves the position, but it does not change the underlying dynamic — the next leg of growth will need working capital again.
5. **Contingent liabilities at 86.90% of net worth.** Against a FY26 net worth of ₹332.64 Cr, disclosed contingent liabilities run to roughly 87%. Crystallisation of even a fraction would be significant relative to a ₹63.5 Cr annual profit. The RHP does not give enough granularity to assess probability, which is itself the concern.
6. **Criminal proceedings involving the company and a subsidiary.** An FIR was filed in December 2025 naming subsidiary Brace Port Logistics and the company. Outcome and exposure are undetermined. In a licensed, customs-facing business where regulatory standing is part of the operating permission, unresolved criminal proceedings are a live governance item rather than boilerplate litigation disclosure.
7. **Earnings base ambiguity between consolidated and attributable PAT.** The headline 31.6x multiple rests on consolidated PAT of ₹63.52 Cr. On profit attributable to owners of the parent, after the

minority interest in Brace Port, the multiple sits in the high-40s. Two very different valuations are circulating in the market on the same issue, and the cheaper one is the one being quoted most.

8. **Cyclical and geopolitical exposure to global trade volumes.** Air freight rates are among the most volatile prices in logistics and respond immediately to conflict, route closures, fuel and trade policy. Roughly 77% of revenue sits in that single mode. A slowdown in global trade compresses both volume and spread at the same time, which is the combination that hurts a forwarder most.
9. **A syndicate with no recent mainboard track record.** Holani Consultants has managed two mainboard issues in seven years, the last in 2022. Shannon Advisors and Dolat Finserv have no mainboard history on our seven-year file. That absence of institutional distribution is already visible in an ex-anchor QIB book at 0.52x, and it means less price support on listing day than a top-tier syndicate would provide.

 Listing volatility.

Mainboard listings in the current regime have shown sharp intraday swings on the print and through the first few sessions. Here the setup is more exposed than most: a thin institutional book, a syndicate without recent mainboard distribution, an unsubscribed ex-anchor QIB category, and a 29.95% anchor tranche whose first tranche unlocks on 27 September. A weak market open on 1 September, or an early move by the small-cap anchor names into the print, can undo the setup regardless of how the book looked on closing day. We do not consider this a risk-free recommendation.

12. Investment Strengths & Positive Indicators

- 1. Genuine category leadership.** Number one air freight forwarder in India by airway bills generated for four consecutive years, 2022 through 2025, with 56 carrier relationships including Emirates, Lufthansa and Turkish. In a fragmented market of regional agents, scale in carrier negotiation is the advantage that compounds — better rates buy volume, volume buys better rates.
- 2. The best capital efficiency in the peer set.** RoCE of 18.11% and RoNW of 12.33% against Delhivery at 1.58% RoNW, TVS Supply Chain at 5.62% and Mahindra Logistics at 0.19%. On a 2.26% net margin, that return is only possible because the model is asset-light — fixed-asset turnover of 14.14x and a 23-day working capital cycle.
- 3. Issue structure that funds the company, not the register.** OFS at 31.57% is the exception rather than the rule in the current pipeline. ₹216.79 Cr of the fresh issue repays borrowings against ₹624 Cr outstanding and ₹130 Cr funds working capital that has historically been debt-financed. Promoters retain 56.82% post-issue. This is a growth raise with a partial exit attached, not the reverse.
- 4. Deleveraging is a visible, non-speculative FY27 earnings driver.** D/E has already fallen from 2.32x to 1.26x on retained earnings. Removing roughly ₹20–25 Cr of annual interest cost from a ₹63.5 Cr PAT base is arithmetic, not forecasting — and it is the one part of next year's earnings story that does not depend on freight rates holding.
- 5. Low customer concentration.** Top five customers were 14.04% of FY26 revenue across a base of 9,504 active accounts. Most logistics issues arrive with a top-five figure north of 40%. No single client here can hold the P&L hostage, which is a materially better risk profile than the sector norm.
- 6. Growth that is physical, not accounting.** Revenue compounded 46.9% and EBITDA 61.2% over two years, and cargo tonnage grew 43.20% in FY26 alone. The margin expansion from 3.67% to 4.42% is operating leverage on a people-and-offices cost base doing exactly what it should as volume scales.
- 7. The demand curve built cleanly and the premium firmed into it.** NII moved 0.92x to 2.58x to 6.90x to 18.10x, retail 1.66x to 10.39x, with no single-session spike — and GMP rose from ₹22 to ₹27 across the final two sessions rather than fading. A premium that strengthens while the book fills is the shape that most reliably precedes a positive print.
- 8. Anchors from the small-cap circuit that historically list well.** Holani Venture Capital Fund carries a 44.1% average listing gain across 7 prior issues, Meru Investment Fund 18.4% across 17, and Shine Star Build Cap 15.4% across 17 — and the issues these names join average 50x to 64x subscription on our base file. Read as a momentum signal rather than a quality endorsement, that is a constructive read for a listing trade.

13. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

Second priority · bHNI where funds permit, sHNI where constrained

The five pillars split cleanly on this one. Financial quality is a story of strong growth on thin margins — 46.9% revenue CAGR, 35.7% PAT CAGR, EBITDA margin expanding from 3.67% to 4.42%, but 2.26% at the net line and 1.26x leverage with a history of negative operating cash flow. Valuation at 31.6x consolidated earnings looks cheap against a broken peer set, and closer to fair at the high-40s multiple on attributable profit. GMP is ₹27, or 19.57%, and rising into the close — the healthiest premium shape we have seen this week. Demand is strong at 9.23x overall with NII at 18.10x and retail at 10.39x, and weak at 0.52x ex-anchor QIB. And OFS at 31.57% is the best structural feature of the issue: two-thirds of the money goes into the company.

What makes this second priority rather than first is the book, not the business. The anchor tranche has two small mutual funds, no insurance or pension money, a related-party fund from the lead manager's own stable taking 8.23%, and a third of the allocation going to investors with no readable history. The syndicate has run two mainboard issues in seven years between them, the last in 2022. That is a materially weaker validation stack than we would want behind a first-priority call, and it is why we size this one behind the other name on the desk this week.

We are still applying, because the things that set a listing print are lining up. The peer table gives a day-one buyer an easy justification at 31.6x against 54x and 260x. The demand curve compounded rather than spiked. The premium firmed into the close. And the anchors who did take stock — Holani, Meru, Shine Star — are names that habitually appear in heavily-subscribed small mainboard issues that pop. Take the listing print. If the open is soft, work out by T+5 rather than holding into the 27 September anchor unlock. A 4.47% EBITDA margin business does not hold a re-rating, and this note expresses no view on where the stock trades in a year.

Execution: bid bHNI — 73 lots, 7,300 shares at ₹138, ₹10,07,400 — from every PAN where funds are available. Where funding is constrained, put that account into sHNI at 15 lots, 1,500 shares at ₹138, ₹2,07,000 rather than skipping it. Every family PAN goes into one bucket or the other; none sits out.

This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — and this one is not strong. Two domestic mutual funds, nil insurance and pension participation, a lead-manager-affiliated fund at 8.23% of the tranche, and an ex-anchor QIB book at 0.52x mean the

institutional floor under this price is thin. The 29.95% anchor allocation begins unlocking on 27 September. A weak market open on 1 September can override every favourable signal in this note.

Category-Wise Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains) — second priority	Bid 73 lots / 7,300 shares at ₹138 = ₹10,07,400 per PAN where funds permit. Where funding is constrained, bid that PAN in sHNI at 15 lots / 1,500 shares = ₹2,07,000. No PAN left unbid.	Listing day; T+5 outer limit

IPO Research Desk operates a BHNI-only advisory mandate covering the listing print and the immediate momentum window. The sHNI route above is stated solely as the funding-constrained fallback within that mandate. No long-term view is expressed.

14. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.