IPO REVIEW

Apollo Techno Industries IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 19 December 2025

- The company is a manufacturer specializing in trenchless technology and foundation equipments for construction industry.
- It has certain critical products that are having high demand.
- The company posted erratic financial performances for the reported periods.
- Though it marked a setback in top line for FY24, it posted higher bottom line, that surprises all.
- Record performance for FY25 (a pre-IPO year) raises eyebrows and concern over its sustainability.
- Based on its recent financial data, the issue appears greedily priced.
- Well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Apollo Techno Industries Ltd. (ATIL) is a manufacturer specializing in trenchless technology and foundation equipment for the construction industry. Its product line-up includes Horizontal Directional Drilling (HDD) Rigs, Diaphragm Drilling Rigs, Rotary Drilling Rigs and Spare parts. The Horizontal Directional Drilling rigs are primarily utilized for the installation of essential utilities such as gas pipelines, water supply lines, sewer lines, optical fibre cables, and electrical conduits. The Diaphragm Drilling Rigs are designed for constructing foundations for deep basements, retaining walls in railway, airports and metro stations, as well as developments along riverfronts. The Rotary Drilling Rigs are employed for creating foundation piles necessary for high-rise buildings and bridges.

The company also provides warranties, on-site support and technical training to ensure customers are well-equipped to utilize its machinery effectively. In 2017, it started commercial operation in domestic market. In the same year it exported product Apollo A800 HDD machine. In 2019 the company further launched product Apollo A1200 HDD Machine. In 2021 it acquired subsidiary Apollo Techno Equipments Limited. To expand its product portfolio and to offer new products, it has launched Diaphragm Wall Drilling Rig Machine in 2023. Its organization has experienced growth, driven by ongoing improvements and customer support.

The company operates on an SAP ERP system, which enhances its manufacturing processes. The company is committed to delivering quality products and strives to maintain the highest standards in every aspect of operations. It is accredited with quality management system certification of ISO 9001:2015. With in-house design and engineering capabilities, it is able to offer a broad spectrum of products and solutions that emphasize quality to clients. As of June 30, 2025 it has a team 5 (Five) members in design department. This strategic focus has enabled it to expand business both

domestically and internationally. In addition to its manufacturing capabilities, the company also provides refurbishment services for used machines at its factory.

This comprehensive approach not only enhances its product offerings but also reinforces commitment to sustainability and customer satisfaction in the construction equipment market. ATIL is the only domestic manufacturer that is engaged in the manufacturing of Horizontal Directional Drilling equipments, Diaphragm wall Drilling Rigs and one of the manufacturers of Rotary Drilling Rigs catering the end user industries demand in India as well as in export markets. As of June 30, 2025, it had 154 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3689000 equity shares to mobilize Rs. 47.96 cr. The company has announced the price band of Rs. 123 – Rs. 130 per share of Rs. 10 each. The IPO opens for subscription on December 23, 2025, and will close on December 26, 2025. The minimum application to be made is for 2000 shares and in multiple of 1000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.95% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 38.50 cr. for working capital, and the rest for general corporate purpose.

The IPO is solely lead managed by Beeline Capital Advisors Pvt. Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Beeline group’s Spread X Securities Pvt. Ltd. Is the market maker, as well as a syndicate member.

The company has issued entire initial equity shares at par value, it has also issued bonus equity shares in the ratio of 1 for 1 in April 2024, and 1 for 1 in November 2024. The average cost of acquisition of shares by the promoters is Rs. 1.42, Rs. 2.67, Rs. 2.89, and Rs. 27.50 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 10.00 cr. will stand enhanced to Rs. 13.69 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 177.96 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total revenue/net profit, of Rs. 72.57 cr. / Rs. 0.90 cr. (FY23), Rs. 69.28 cr. / Rs. 3.23 cr. (FY24), Rs. 99.66 cr. / Rs. 13.79 cr. (FY25). For Q1- FY26 ended on June 30, 2025, it earned a net profit of Rs. 1.08 cr. on a total revenue of Rs. 24.67 cr. According to the company, historically, they witness better second half.

For the last three fiscals, the company has reported an average EPS of Rs. 5.97 (simple average), and an average RoNW of 38.36%. The issue is priced at a P/BV of 4.93 based on its NAV of Rs. 26.38 as of June 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 41.14, and based on its FY25 earnings, the P/E stands at 12.91. Thus, the issue appears greedily priced.

The company has posted PAT margins of 1.24% (FY23), 4.66% (FY24), 13.84% (FY25), 4.38% (Q1-FY26), and RoCE Margins of 3.76%, 12.29%, 30.98%, 3.30%, respectively, for the referred periods.

Dividend Policy

The company not paid any dividends for the periods reported in the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Eimco Elecon, as its listed peer. It is currently trading at a P/E of 22.2 (as of December 19, 2025, 2025). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER’S TRACK RECORDS:

This is the 69th mandate from Beeline Capital in the last four fiscals. From the last 14 mandates, all listed with premium ranging from 0.56% to 146.91% on the date of listing.

Conclusion / Investment Strategy

ATIL is a manufacturer specializing in trenchless technology and foundation equipments for construction industry. It has certain critical products that are having high demand. The company posted erratic financial performances for the reported periods. Though it marked a setback in top line for FY24, it posted higher bottom line, that surprises all. Record performance for FY25 (a pre-IPO year) raises eyebrows and concern over its sustainability. Based on its recent financial data, the issue appears fully priced. Well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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