

Apsis Aerocom IPO

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- The company is engaged in the field of precision engineering having prime focus on manufacturing components for aerospace, defence, healthcare industries.
- The company has marked growth in its top and bottom lines for the reported periods.
- The sudden surge in bottom lines from FY25 onwards raise eyebrows and concern over its sustainability going forward.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for medium to long term.

About the Company

Apsis Aerocom Ltd. (AAL) is engaged in the field of precision engineering, with primary focus on manufacture of components and allied services for the aerospace, defence and healthcare industries. Driven by modern manufacturing techniques, it provides engineering and precision machining services, offering end-to-end solutions ranging from design support to final product delivery. The Company manufactures products based on specific customer requirements and preferences. Each product is customized in accordance with the individual specifications provided by customers and is manufactured pursuant to confirmed orders. The Company supplies products directly to customers and does not sell its products through dealers, distributors, or other intermediaries.

Accordingly, the Company does not maintain a dealer or distributor network, and its sales are executed on a direct-to-customer basis. Its manufacturing processes have consistently demonstrated significant levels of dimensional accuracy over the last three fiscal years. The company maintains quality systems aligned with AS9100D and ISO 9001:2015 certifications, which are widely recognized standards in industries of operation.

AAL's product offering caters to a specific niche segment of the aerospace, defence and healthcare industries. These include machined parts compliment the complex systems deployed in the aerospace, defence and healthcare industry. These products are manufactures as per client supplied designs and requirements. In India, the Company has established a market presence in Karnataka, Telangana, Maharashtra and Kerala, where it has developed ongoing business relationships with clients. The concentration in these states enables it to offer region-specific solutions while maintaining operational efficiency and responsiveness to customer requirements.

Internationally, the Company has strategically focused its efforts on select global markets, catering to certain customers based in the United States of America (USA), Spain, and Israel. These countries

reflect the Company's operational footprint in international markets, where it has provided services to different customers. However, contribution to its top lines from exports is minimal.

The Company aims to position itself as a trusted supplier for global OEMs by consistently delivering precision engineered components that adhere to international quality standards. It is committed to ensuring high precision, on-time delivery, and customer satisfaction, which constitute the core values guiding business. It also seeks to be a trusted and valued partner by providing efficient manufacturing solutions that support long-term customer success.

AAL offers end-to-end capabilities, from utilization of client provided drawings through CAD, material and process planning, CNC programming through CAM, machining, surface finishing, quality control, assembly to final inspection and product delivery. The company has lion share in its top line from southern regions. As of September 30, 2025, it had 105 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3252000 equity shares of Rs. 10 each to mobilize Rs. 35.77 cr. at the upper cap. The company has announced a price band of Rs. 104 - Rs. 110 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on March 11, 2026 and will close on March 13, 2026. The shares will be listed on NSE SME Emerge. The IPO constitute 26.98% of the post-IPO paid-up capital of the company. From the net proceeds of the equity issue, it will utilize Rs. 27.02 cr. for capex on purchase of machinery, and the rest for general corporate purposes.

The IPO is solely lead managed by Oneview Corporate Advisors Pvt. Ltd. (erstwhile known as Guinness Corporate Advisors Pvt. Ltd., and Integrated Registry Management Services Pvt. Ltd. is the registrar to the issue. Basan Equity Broking Ltd. is the market maker, as well as a syndicate member.

After issuing entire initial equity capital at par value, it issued bonus shares in the ratio of 8 for 1 in August 2025. The average cost of acquisition of shares by the promoters is Rs. 1.11 per share.

Post-IPO, company's current paid-up equity capital of Rs. 8.80 cr. will stand enhanced to Rs. 12.05 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 132.57 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 10.41 cr. / Rs. 1.03 cr. (FY23), Rs. 16.88 cr. / Rs. 2.55 cr. (FY24), Rs. 20.57 cr. / Rs. 6.64 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it earned a net profit of Rs. 3.12 cr. on a total income of Rs. 13.70 cr. The sustainability of such margins going forward is a major concern since it is operating in a highly competitive and fragmented segment. The segment is becoming overcrowded with rising competition.

For the last three fiscals, the company has reported an average EPS of Rs. 4.93 and an average RoNW of 65.53%. The issue is priced at a P/BV of 7.07 based on its NAV of Rs. 15.55 per share as of September 30, 2025, and at a P/BV of 2.68 based on its post-IPO NAV of Rs. 41.04 per share (at the upper cap).

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 21.24, and based on FY25 earnings, the P/E stands at 19.96. The issue appears fully priced based on its recent earnings.

The company has posted PAT Margins of 9.89% (FY23), 15.14% (FY24), 32.39% (FY25), 22.88% (H1-FY26), and RoCE margins of 42.18%, 64.04%, 65.79%, 25.62%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in March 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Unimech Aerospace, as its listed peer. It is currently trading at a P/E of 68.3 (as of March 06, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare is nothing but an eyewash.

Merchant Banker's Track Record

This is the 6th mandate from Oneview Corporate (erstwhile Guinness Corporate) in the last three fiscals. Out of the last 5 listings, 1 at par, and the rest with premium ranging from 1.81% to 90.00% on the date of listing.

Conclusion / Investment Strategy

AAL is engaged in the field of precision engineering having prime focus on manufacturing components for aerospace, defence, healthcare industries. The company has marked growth in its top and bottom lines for the reported periods. The sudden surge in bottom lines from FY25 onwards raise eyebrows and concern over its sustainability going forward. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park moderate funds for medium to 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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