BONANZA RESEARCH – SME IPO

Bonanza

7 September 2026

Apana Logistics Limited – Neutral

Company Overview

Apana Logistics Limited, incorporated in Kolkata in January 1992, provides container handling and transportation support services across four verticals: container handling at CFS, ICD and port sites using reach stackers, road transportation of containers, cargo handling at third party warehouses, and repair, operation and maintenance of truck trailers. As on 31 March 2026 it owned 33 truck trailers, 5 reach stackers and 2 cranes, and employed 62 people as on 30 June 2026. It runs a hybrid model, supplementing owned assets with hired equipment, and wins most work through L1 tenders floated by CFS, ICD and port operators.

Investment Rationale

- **Sharp FY26 step up:** Revenue rose 43.9% to Rs. 3,085 Lakh and PAT 88.8% to Rs. 586 Lakh. EBITDA margin expanded 799 bps to 36.69% as operating expenses grew slower than revenue and employee cost fell 11.8%.
- **Best in class return ratios:** RoNW of 33.82% and RoCE of 45.00% in FY26 are well ahead of listed peers Premier Roadlines (14.23%) and VRL Logistics (21.27%), on a small and largely leased asset base.
- **Light balance sheet:** Total debt of Rs. 630 Lakh gives D/E of 0.31x, down from 0.78x in FY24, falling to 0.12x post issue and leaving headroom to debt fund further fleet additions.
- **Contracted visibility:** Six live contracts carried an aggregate order value of Rs. 8,035 Lakh as on 31 March 2026, about 2.6x FY26 revenue, with tenures running to 2027-2030.
- **Capex cuts hire dependence:** Rs. 2,500 Lakh of net proceeds, 83% of the total, funds up to 9 reach stackers. Owned units rise from 5 to 14, cutting third party hire and improving eligibility for larger tenders.
- **Sector tailwind:** The National Logistics Policy targets logistics cost below 10% of GDP by 2030, and PM GatiShakti, freight corridors and new MMLPs expand the CFS, ICD and port network Apana serves.

Valuation

At Rs. 60 the issue is priced at 12.10x FY26 EPS of Rs. 4.96 on a pre-issue basis, but 17.91x on post-issue EPS of Rs. 3.35, above the 14.56x peer average, at a market cap of Rs. 10,506 Lakh and 1.93x post-issue book. The headline 12.10x understates what a subscriber actually pays. Return ratios and the order book support the multiple, while unreconciled FY26 revenue growth, 97.79% customer concentration and weak cash conversion cap it. Hence, we have a **NEUTRAL** stance.

IPO Details	
Industry	Logistics Services
Issue Open Date	07-Sep-26
Issue Close Date	09-Sep-26
Price Band	Rs. 60
Issue Size*	Rs. 3,414 Lakh
Issue Size (Shares)	56,90,000
Bid Lot	2,000 Shares
Listing Exchanges	BSE SME
Face Value	Rs. 10/-

*Fixed price issue

Issue Details	
Fresh Issue*	Rs. 3,414 Lakh
Issue Type	Fresh Capital
Lead Manager	Corporate Makers Capital
Registrar	KFin Technologies
Issue structure	Market Maker: 5.10% NII: 47.45% Retail: 47.45%
Allotment	10-Sep-26
Credit of Shares	11-Sep-26
Listing Date	15-Sep-26

Objective of Issue

Particular	Estimated Amt (in Lakh)
Capex	2,500
General Corporate Purposes	504
Issue Expenses	410

Shareholding Pattern

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.00	67.50
Public & Others		32.50

Business Highlights

- **Service mix has inverted:** Road transportation rose from 19.94% of revenue in FY25 to 48.94% in FY26. Container handling fell from 64.41% to 43.34% and cargo handling from 18.35% of FY24 revenue to 2.13%.
- **Geography follows the contracts:** Karnataka is the largest state at 33.25% of FY26 revenue. Maharashtra fell from 43.68% to 17.36%, West Bengal rose from 0.87% to 17.36% and Gujarat entered at 14.94% from nil.
- **Tender led order book:** Six live contracts worth Rs. 8,035 Lakh as on 31 March 2026, five tender based. The largest, at Rs. 5,291 Lakh, runs to August 2028. Tenures range from one to five years.
- **Hybrid asset model:** 8 reach stackers deployed at customer sites, of which 3 were hired, plus 13 third party truck trailers managed under O&M. Sites include Nhava Sheva, ICD Whitefield, ICD Balli, Varnama, Pithampur and Nagalapally.
- **Concentrated supplier base:** Top 10 suppliers were 76.86% of FY26 operating expenses, up from 42.34% in FY24. Headcount is 62, of whom 43 are in operations.
- **Technology:** GPS on all vehicles, Tally Prime for accounting, and in house fleet software logging hourly diesel consumption to flag pilferage and breakdowns.

Financials

Profit & Loss Statement:

Particulars (in Lakh)	FY24	FY25	FY26	CAGR (FY24-26)
Revenue from Operations	2,009.64	2,143.50	3,085.13	23.90%
EBITDA	463.12	615.27	1,132.08	56.35%
EBITDA Margin	23.05%	28.70%	36.69%	-
PAT	300.31	310.65	586.47	39.75%
PAT Margin	14.94%	14.49%	19.01%	-

- Revenue grew 43.9% in FY26 after 6.7% in FY25. The MD&A attributes this to the ordinary course of business, while the risk factors ascribe it to a shift from wet lease to dry lease terms. A dry lease shift lowers reported revenue and lifts margin, so the largest driver of FY26 is left unreconciled.
- EBITDA margin expanded 799 bps to 36.69%, against 7.55% at Premier Roadlines and 20.16% at VRL Logistics. The gap is not explained by asset mix and needs monitoring across the first listed quarters.
- Employee cost fell 11.8% while revenue grew 43.9%, taking it to 8.87% of total income from 14.46%. Operating expenses rose 37.5%, slower than revenue.
- Effective tax was 36.44% in FY26 against 28.86% in FY25, as deferred tax of Rs. 170.10 Lakh on accelerated fleet depreciation exceeded current tax of Rs. 166.08 Lakh.

Balance Sheet:

Particulars	FY24	FY25	FY26	Particulars	FY24	FY25	FY26
Equity & Liabilities				**Assets**			
Net Worth	1,187.01	1,440.79	2,027.25	PPE	1,442.17	1,639.13	1,936.46
Long Term Debt	682.31	615.72	400.26	Inventories	-	-	-
Short Term Debt	243.43	184.65	229.87	Trade Rec.	361.07	407.13	691.53
Trade Payables	219.28	278.85	347.75	Cash	155.06	138.24	65.87

- Net worth grew from Rs. 1,187 Lakh to Rs. 2,027 Lakh purely on retained earnings. There has been no cash equity infusion; the February 2025 bonus was a reserve capitalisation.
- Total debt fell from Rs. 926 Lakh to Rs. 630 Lakh. Secured borrowings of Rs. 593.71 Lakh are with IndusInd Bank and Manappuram against the fleet; Rs. 36.42 Lakh unsecured from Richbond Capital carries 21.00% interest.
- Receivables rose 69.9% against 43.9% revenue growth, taking debtor days from 69 to 82. Short term loans and advances doubled to Rs. 534.24 Lakh.

Cash Flow:

Particulars	FY24	FY25	FY26
Operating Cash Flow	106.12	818.46	606.00
Investing Cash Flow	(769.58)	(607.52)	(400.14)
Financing Cash Flow	725.49	(227.76)	(278.23)
Net Cash Flow	62.03	(16.82)	(72.37)

- Operating cash flow fell 26.0% to Rs. 606.00 Lakh while PAT rose 88.8%. OCF to EBITDA dropped from 133% to 54% and OCF to PAT from 2.63x to 1.03x, as receivables and short term advances absorbed Rs. 564 Lakh.
- Investing outflow of Rs. 400.14 Lakh is fleet capex of Rs. 420.54 Lakh net of interest and rent received. Cumulative three year capex of Rs. 1,511 Lakh is the main use of cash.
- Financing was a net outflow in FY25 and FY26 on borrowing repayment, against an inflow of Rs. 725.49 Lakh in FY24 when the fleet build was debt funded.
- Net cash flow was negative in FY25 and FY26.

Key Ratios:

Particular	FY26
Return on Equity	33.82%
Return on Capital Employed	45.00%
Debt-Equity Ratio	0.31x
Current Ratio	1.39x
EPS (Rs.)	4.96
NAV (Rs.)	17.15

Working Capital Cycle:

Particulars	FY24	FY25	FY26
Debtor Days	66	69	82
Inventory Days	-	-	-
Creditor Days	69	91	83
Net Working Capital Cycle	**(4)**	**(22)**	**(1)**

Peer Comparison

Company	Revenue from Ops (Rs. Lakh)	Basic EPS (Rs.)	NAV (Rs.)	RoNW (%)	P/E (x)
Apana Logistics	3,085.13	4.96	17.15	33.82%	12.10
Premier Roadlines	33,075.62	5.97	44.93	14.23%	6.97
VRL Logistics	3,22,111.00	13.54	65.31	21.27%	22.15
Peer Average P/E					**14.56**

Risk & Concerns

- **Customer Concentration:** Top five customers were 97.79% of FY26 revenue and the largest single 48.08%, up from 94.66% and 39.21% in FY24. Loss of one contract would be material to the whole business.
- **Related Party Revenue:** Group company Roadwings Western is a top five customer at Rs. 446.01 Lakh, or 14.46% of FY26 revenue. Aggregate related party sale and purchase was 14.72% of revenue in FY26 and 35.87% in FY25.
- **Competing Promoter Ventures:** The Promoter and MD is a director and shareholder of Freightrans Logistics and Gocon Logistics, both in similar business. The WTD and CFO is also a Freightrans director.
- **Earnings Quality:** Operating cash flow fell 26% while PAT rose 89%. Cash conversion to EBITDA fell from 133% to 54%.
- Geographic and sector concentration: Seven states account for all revenue, Karnataka at 33.25%. Demand is tied to CFS, ICD and port throughput, exposed to EXIM volumes and trade cycles.
- **Asset Light Dependencies:** Both offices are on leave and licence, the Class 39 trademark applications were abandoned so no registered IP is held, and lenders hold a charge over the fleet.

Name	Designation	SANKET GAJANAN ROGE	Digitally signed by SANKET GAJANAN ROGE DN: cn=SANKET GAJANAN ROGE c=IN o=Personal ou=Personal Reason: I am the author of this document Location: Date: 2026-09-07 19:14+05:30
Sanket Roge	**Research Analyst**		

Disclosure: M/s. Bonanza Portfolio Ltd hereby declares that the views expressed in this report accurately reflect its viewpoint with respect to the subject companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The analysts engaged in the preparation of this report or their relatives: (a) do not have any financial interests in the subject company mentioned in this report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the report. (d) have not received any compensation for products or services other than investment banking, merchant banking, or brokerage services from the subject company in the past twelve months; (e) have not received any compensation or other benefits from the subject company or any third party in connection with this report; (f) have not served as an officer, director, or employee of the subject company; (g) are not engaged in market-making activity for the subject company; (h) The Research Analyst may use AI-enabled tools for preliminary research, data aggregation, and analytical assistance. Such tools are used only to support the research process and do not replace independent analysis, professional judgment, or regulatory responsibilities. All research reports and recommendations are reviewed and approved by the Research Analyst prior to publication. M/s. Bonanza Portfolio Ltd is a registered Research Analyst under the SEBI (Research Analyst) Regulations, 2014. The registration number is INH100001666, and the research analysts engaged in preparing reports are qualified as per the provisions of the regulations.

Bonanza Portfolio Ltd.
Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai – 400063 Phone: 022-68363794/708
Website: https://www.bonanzaonline.com SEBI Regn. No.: INZ000212137 BSE CM: INB 011110237 | BSE F&O: INF 011110237 |
MSEI: INE 260637836 | CDSL: 120 33500 |NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186
Compliance Officer: Trupti Milind Khot, 022-62735507, compliance@bonanzaonline.com