

About Company

- ✦ Carraro India Limited is engaged in manufacturing and supplying high-quality **transmission systems, axles, and drives** used primarily in the **agriculture and construction equipment industries**.
- ✦ The company is part of the **Carraro Group**, a global leader in driveline systems and components. Its operations focus on designing, producing, and selling innovative and reliable products tailored to the needs of original equipment manufacturers (OEMs).
- ✦ Carraro International S.E., the promoter of the company, holds 5,68,51,531 shares, representing **99.99% of the company's share capital**. The promoter is offering 1,77,55,680 shares for sale through an Offer for Sale (OFS).
- ✦ The Carraro brand is owned by Carraro S.p.A. and licensed to the company pursuant to a licensing agreement with Carraro S.p.A. On October 1, 2023, Carraro S.p.A. **transferred the worldwide exclusive rights**, title and interest in the IP rights of certain products customized for the Indian market to Carraro India Ltd. and entered into an engineering service agreement with the Indian Company to provide engineering support services on the maintenance of products and child parts to support the development needs.
- ✦ In June 2024, Carraro India Ltd. completed its acquisition of CTIPL at a consideration of Rs. 23.98 crore, after which CTIPL became its Subsidiary. CTIPL focused on R&D of axles, transmission systems and other components of agricultural tractors and construction vehicles as an engineering service provider.

Revenue by Product Sector

(Fig. in Cr)

Particulars	30th Sep 2024	FY'2024	FY'2023	FY'2022
Agricultural Tractor	425.03	793.38	832.30	745.90
Construction Vehicle	357.60	727.17	647.74	532.57
Others	120.15	240.63	205.66	195.85

Revenue by Geography

Particulars	30th Sep 2024	FY'2024	FY'2023	FY'2022
India	65.40%	64.13%	61.81%	63.20%
Exports*	34.60%	35.87%	38.19%	36.80%

* Major Exports to European Union

Capacity Utilization

Particulars	30th Sep 2024	FY'2024	FY'2023	FY'2022
Driveline Manufacturing Plant	76.83%	81.07%	80.20%	82.27%
Gear Manufacturing Plant	71.42%	89.94%	93.15%	84.75%

IPO Details

- ✦ Open date :
Dec 20, 2024
- ✦ Close date :
Dec 24, 2024
- ✦ Issue Size :
1,77,55,680 Shares (Rs. 1,250 Cr.)
- ✦ Fresh Issue :
Nil
- ✦ OFS :
1,77,55,680 Shares
- ✦ Price Band :
Rs. 668–704 Per Equity Shares
- ✦ Pre IPO Promoter Holding :
100%
- ✦ Post IPO Promoter Holding :
68.77%

Objects of the Issue

- ✦ Entire Issue is offer for sale. No funds will be infused in the company.

Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	914.61	1,788.96	1,713.14	1497.54
EBITDA	101.09	149.99	124.81	82.86
EBITDA Margins	10.96%	8.30%	7.20%	5.45%
PAT	49.73	62.56	48.45	22.42
PAT Margins	5.44%	3.50%	2.83%	1.50%
ROCE	13.13%	19.35%	16.30%	10%
CFOA	43.72	112.18	80.21	95.83

Comparison with Peers

Companies	Revenue	EBITDA	PAT	D/E Ratio	MCap	P/E
Carraro India (FY 2024)	1,788.96 Cr.	149.99 Cr. (8.30%)	62.56 Cr. (3.50%)	0.47	4002.34 Cr.	63.98*
Escorts Kubota (TTM)	9,742 Cr.	1,207 Cr. (12%)	1,162 Cr. (11.92%)	0.01	36,715 Cr.	31.60
Schaeffler India (TTM)	7,849 Cr.	1,418 Cr. (18%)	946 Cr. (12.05%)	0.01	52,226 Cr.	55
Sona BLW Precision Forgings (TTM)	3,479 Cr.	981 Cr. (28%)	567 Cr. (16.30%)	0.04	37,864 Cr.	65.90
Ramkrishna Forgings (TTM)	4,094 Cr.	878 Cr. (21%)	451 Cr. (11.01%)	0.50	16,455 Cr.	44.70
Happy Forgings (TTM)	1,388 Cr.	395 Cr. (28%)	259 Cr. (18.65%)	0.09	9,695 Cr.	37.40
Action Construction Equipment (TTM)	3,080 Cr.	440 Cr. (14%)	366 Cr. (11.88%)	0.08	18,077 Cr.	49.40

*Forward PE on the basis of FY 25 profit is 40.24.

Positive and Negative Points

Positive

- ✦ Promoters include well-established entities like Carraro S.p.A. and Carraro International S.E., providing credibility and global expertise in the industry.
- ✦ The company operates in a niche sector with significant opportunities for growth, particularly in manufacturing components for tractors and construction vehicles.
- ✦ Good cash conversion ratio.

Negative

- ✦ Promoters are selling their stake at a high PE of 63.98.
- ✦ The entire issue comprises an Offer for Sale, meaning that the funds raised through this IPO will not be directed to the company.
- ✦ The company's EBITDA and PAT margins are significantly lower compared to its industry peers, indicating a relatively weaker profitability position.
- ✦ The company's Debt-to-Equity (D/E) ratio is also the highest among its peers, reflecting a relatively higher financial leverage.
- ✦ Client concentration as 87.88% of revenue is from top 10 customers.
- ✦ Contingent Liabilities as on 30th Sep 2024 is Rs. 193 Cr.



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