

About Company

- Indo Farm Equipment Limited operates primarily in the manufacturing and sale of agricultural **tractors** and equipment. The company has expanded its product offerings from a single 50 HP tractor model to a diverse range of tractors with horsepower ratings from 16 HP to 110 HP.
- In addition to tractors, the company manufactures **pick-and-carry cranes**. These products cater to industrial and construction sectors, complementing their core agricultural equipment business.
- As on September 30, 2024, Company's production facilities have a capacity to manufacture **12,000 Tractors p.a. & 1,280 Pick & Carry Cranes p.a.**
- Company has recently acquired industrial land near the company's manufacturing facility wherein they intend to set up an additional dedicated Pick & Carry Crane manufacturing unit and increase additional capacity by **3,600 units p.a.**
- In the year 2017, the company launched an in-house NBFC Company for providing retail financing for tractors.
- The Promoter, Chairman and Managing Director of Company, Mr. Ranbir Singh Khadwalia has significant industry experience of around three decades and possesses business intellect in all the core fields of the industry. Prior to starting the company in 1994, he worked with Eicher Group for around 2.5 years in the production department.

Break up of product vertical sales for the period ended June 30, 2024 and last 3 financial years:

Particulars	June 30, 2024	FY'2024	FY'2023	FY'2022
Tractors	43.06%	52.16%	65.46%	77.77%
Cranes	55.93%	47.77%	34.25%	21.80%
Others	1%	0.07%	0.29%	0.43%

* Exports contribute around 7% on an average of total revenues of the last three years and period ended June 30, 2024.

Capacity Utilization

Particulars	June 30, 2024	FY'2024	FY'2023	FY'2022
Tractor	13.90%	24.83%	29.63%	41.70%
Cranes	77.81%	99.38%	94.31%	67.22%

IPO Details

- Open date : **Dec 31, 2024**
- Close date : **Jan 2, 2024**
- Issue Size : **1,21,00,000 Shares (Rs.260.15 Cr.)**
- Fresh Issue : **86,00,000 Shares**
- OFS : **35,00,000 Shares**
- Price Band : **Rs. 204-215 Per Equity Shares**
- Pre IPO Promoter Holding : **93.45%**
- Post IPO Promoter Holding : **69.44%**

Objects of the Issue

- Setting up new Dedicated Unit for Expansion of our Pick & Carry Cranes\ Manufacturing Capacity : **71.131 Cr**
- Repayment or pre-payment, in full or part, of certain borrowings availed by our Company : **50 Cr**
- Further Investment in our NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements. : **45 Cr**

Financials of the company

(Fig. in Cr)

Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	74.95	375.23	370.75	352.08
EBITDA	12.65	62.51	58.71	52.06
EBITDA Margins	16.88%	16.66%	15.84%	14.79%
PAT	2.45	15.59	15.37	13.71
PAT Margins	3.27%	4.15%	4.14%	3.89%
ROCE		8.96%	8.84%	7.96%
CFOA	6.69	40.85	30.17	9.97

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Indo Farm Equipment (FY 2024)	375.23 Cr	16.66%	4.15%	0.71	1033.10 Cr	66.26*
Escorts Kubota Limited (TTM)	9,742 Cr.	12%	11.93%	0.01	36,969 Cr.	31.80
Action Construction Equipment (TTM)	3,080 Cr.	14%	11.88%	0.08	18,012 Cr.	49.20

*Forward PE is 105.51 on the basis of FY 25 profit.

Positive and Negative Points ———

Positive

- ✦ The company consistently generates positive cash flow from operations every year.
- ✦ The company has good client diversification, with only 23.13% of its revenue in FY24 coming from its top 10 customers.
- ✦ The IPO funds will be utilized to enhance the manufacturing capacity for pick-and-carry cranes, a segment experiencing strong revenue growth. If the company operates at full capacity for crane manufacturing in the future, its revenue is expected to increase significantly, and improved margins would result in a much lower forward P/E ratio.
- ✦ Stable EBITDA Margins.

Negative

- ✦ Low capacity utilization in the Tractor segment.
- ✦ The company's Price-to-Earnings (PE) ratio is significantly higher compared to its peers, with a forward PE of 105 based on FY25 profit expectations. At this valuation, the IPO appears expensive.
- ✦ There is no growth in sales.
- ✦ High Debts in the company.
- ✦ Low PAT Margins.
- ✦ The company is planning to launch its IPO in December 2024, but its financials are only available up to June 30, 2024.



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