



IPO INSIGHTS



Indo Farm Equipment Limited

Issue Dates - Opens: 31-12-2024 | Closes: 02-01-2025

IPO Note

1. Indo Farm Equipment Limited is engaged in manufacturing Tractors, Pick & Carry Cranes, and other harvesting equipment.
2. The Company operates two brands: Indo Farm and Indo Power. They export their products to countries like Nepal, Syria, Sudan, Bangladesh, Myanmar, etc.

Rating

★★ (Average)

IPO SNAPSHOT

Issue Size

₹260.15 Crores

Issue Type

Book Built Issue IPO

Fresh Issue

₹184.90 Crores

Offer for Sale

₹75.25 Crores

Face Value Per Share

₹10

Price Band Per Share

₹204 to ₹215

Minimum Lot Size

69 shares

Listing On

BSE, NSE

Registrar to the Issue

Mas Services Limited

IPO SNAPSHOT- Indo Farm Equipment Limited

<p>About the Company</p>	<ul style="list-style-type: none"> ▪ Incorporated in 1994. ▪ The company, Indo Farm Equipment Limited is a more than two decade old fully integrated established manufacturer of Tractors and Pick & Carry Cranes. ▪ They also deal in other farm equipment such as Harvester Combines, Rotavators and other related spares & components, which do not materially contribute to total revenue of the Company. ▪ Their products are being exported to various countries such as Nepal, Syria, Sudan, Bangladesh, Myanmar, etc. ▪ Their certified manufacturing facilities are spread across 127,840 sq. meters. of Industrial lands at Baddi, Himachal Pradesh which includes a captive foundry unit and dedicated machine shop, fabrication and assembling units for Tractors, pick & Carry Cranes and other equipment. ▪ Their facilities are equipped with induction furnaces, pneumatic molding machines, automatic molding line, sand plant, fully equipped Metallurgy and Sand Testing Laboratory, Machining Center, Gear Shop, Press Shop, Fabrication Shop, Paint Shop, Assembly unit, Quality Room & Utility room. ▪ The integrated operations of the company enable them to manufacture some of the critical machine components in-house which reduces their dependence on third parties, streamlines their production process and improves their operational efficiencies. ▪ In addition, it also enables them to maintain control over the entire manufacturing process and also provide better delivery timelines to their customers at a more competitive cost. ▪ Moreover, the Company had identified & purchased a land to set up a factory to manufacture tractors, tillers and harvesters. ▪ The Company was working towards the product development and R & D activities to set up the industrial unit and working towards the government approvals in order to commence. 																														
<p>Competitive Strengths</p>	<ul style="list-style-type: none"> ▪ Fully Integrated and established Manufacturing Setup. ▪ Well Educated & Experienced Management. ▪ In-House NBFC Setup. ▪ Manufacturing Wide Range of Products. ▪ Product acceptability in multiple countries and wide variety of financial institutions. 																														
<p>Financials (₹ in Crores)</p>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2022</th> <th>31-3-2023</th> <th>31-03-2024</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>352.08</td> <td>370.75</td> <td>375.23</td> <td>1%</td> </tr> <tr> <td>EBITDA</td> <td>51.63</td> <td>57.65</td> <td>61.79</td> <td>7%</td> </tr> <tr> <td>EBITDA Margin</td> <td>14.7%</td> <td>15.6%</td> <td>16.5%</td> <td></td> </tr> <tr> <td>PAT</td> <td>13.71</td> <td>15.37</td> <td>15.59</td> <td>1%</td> </tr> <tr> <td>PAT Margin</td> <td>3.90%</td> <td>4.15%</td> <td>4.16%</td> <td></td> </tr> </tbody> </table>	Particulars	31-3-2022	31-3-2023	31-03-2024	Y-o-Y	Revenue	352.08	370.75	375.23	1%	EBITDA	51.63	57.65	61.79	7%	EBITDA Margin	14.7%	15.6%	16.5%		PAT	13.71	15.37	15.59	1%	PAT Margin	3.90%	4.15%	4.16%	
Particulars	31-3-2022	31-3-2023	31-03-2024	Y-o-Y																											
Revenue	352.08	370.75	375.23	1%																											
EBITDA	51.63	57.65	61.79	7%																											
EBITDA Margin	14.7%	15.6%	16.5%																												
PAT	13.71	15.37	15.59	1%																											
PAT Margin	3.90%	4.15%	4.16%																												
<p>Valuation</p>	<ul style="list-style-type: none"> ▪ Attributing Annualized FY23 Earnings asking P/E = 54.39 																														
<p>Peers</p>	<table border="1"> <thead> <tr> <th>Company Name</th> <th>P/E ratio</th> </tr> </thead> <tbody> <tr> <td>Escorts Kubota Limited</td> <td>34.06</td> </tr> <tr> <td>Action Construction Equipment Limited</td> <td>53.33</td> </tr> </tbody> </table> <p>Note- P/E ratio is calculated as on 24th December, 2024.</p>	Company Name	P/E ratio	Escorts Kubota Limited	34.06	Action Construction Equipment Limited	53.33																								
Company Name	P/E ratio																														
Escorts Kubota Limited	34.06																														
Action Construction Equipment Limited	53.33																														
<p>Promoters</p>	<ul style="list-style-type: none"> ▪ Ranbir Singh Khadwalia ▪ Sunita Saini 																														
<p>Objects of the issue</p>	<ul style="list-style-type: none"> ▪ Setting up new Dedicated Unit for Expansion of their Pick & Carry Cranes Manufacturing Capacity. ▪ Repayment or pre-payment, in full or part, of certain borrowings availed by the Company. ▪ Further Investment in NBFC Subsidiary (Barota Finance Ltd.) for financing the augmentation of its capital base to meet its future capital requirements. ▪ General Corporate Purposes. 																														

DISCLAIMER

The information provided by or in this newsletter is generally from the press reports, electronic media, research websites and other media. It also includes information from interviews conducted, analysis, views expressed by our research team. Investors should not rely solely on the information contained in this publication and must make their own investment decision based on their specific objectives and financial positions and using such independent advisor as they believe necessary. The material and the information provided herein are not and should not be construed as an advice to buy or sell any of the securities named in this newsletter. SIHL may or may not hold positions in any of the securities named in this newsletter as a part of its business. Past performance is not necessarily an indication of future performance. SIHL does not assure for accuracy and correctness of information of reports in this newsletter.

