INDO FARM EQUIPMENT LIMITED
An ISO 9001 : 2015 Certified Company

Head Office & Plant : Export Promotion Industrial Park Phase-II Baddi-173 205, District Solan, H.P., India
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September 19, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Symbol: INDOFARM
BSE Scrip Code: 544328

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051
NSE Symbol: INDOFARM

Subject: Intimation of Credit Rating under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Ma'am,

Pursuant to Regulation 30(6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), we would like to inform that "Infomerics Valuation and Rating Private Limited, a credit rating agency, has upgraded company ratings after taking into account all the relevant recent developments including operational and financial performance of the Company.

In accordance with the Regulation, please find below the details of the upgraded rating for the Company:

Instrument/Facility	Rating Assigned	Rating Action
Long Term Bank facilities	IVR A/Stable	Rating Upgraded
Short Term Bank facilities	IVR A1	Rating Upgraded

Copy of the Credit Rating is enclosed as an Annexure to this letter.

The above information will also be available on the website of the Company at www.indofarm.com.

You are requested to kindly take the above on your records.

Thanking you,
Yours faithfully,
For **Indo Farm Equipment Limited**

Navpreet Kaur
Digitally signed by Navpreet Kaur
Date: 2026.09.19 10:07:07 +05'30'

Navpreet Kaur
Company Secretary & Compliance Officer
Membership No F8353

Encl: As above

Indo Farm Equipment Limited

September 18, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 103.70 Crore (reduced from Rs. 104.34 Crore)	Regulator^
Long Term Rating	**IVR A/Stable (Rating Upgraded)**	**RBI**
Short Term Rating	**IVR A1 (Rating Upgraded)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

The rating upgrade reflects the sustained improvement in Indo Farm Equipment Limited's (IFEL's) financial risk profile and debt-protection metrics, supported by deleveraging, strengthening of its adjusted tangible net worth (ATNW) and a structural reduction in IFEL's financial exposure to its wholly owned subsidiary, Barota Finance Limited (BFL). The ratings also factor in the 14.39% growth in IFEL's total operating income during FY2026, led by higher tractor volumes, along with continued year-on-year revenue growth in Q1FY2027.

The agency takes note of the reduction in IFEL's financial exposure to BFL through recovery of inter-corporate loans and a reduction in corporate guarantees. Any material increase in financial support to BFL beyond the currently envisaged level remains a key rating sensitivity.

The rating further derives comfort from the fact that the ongoing capex towards expanding crane capacity is being funded through equity raised during IPO as well as internal accruals, thereby limiting incremental reliance on external debt. The expanded facility is expected to commence commercial operations in the second half of FY2027. The rating continues to be supported by IFEL's established operating track record, experienced management and widespread dealer network.

The rating strengths are partially offset by moderation in profitability margins, an elongated working capital cycle, risks associated with the implementation and ramp-up of the ongoing crane capacity expansion. The rating also remains constrained by intense competition and the cyclical nature of the tractor and crane industries.

IVR has also withdrawn the rating of TL's (refer Annexure I) from Federal Bank, based on No Due Certificate. The withdrawal of rating for these limits is as per IVR policy.

IVR has principally relied on the standalone audited financial results of the company up to 31 March 2026, (i.e. review period from 1st April 2025 to 31st March 2026), Q1FY27 (unaudited), projected financials of FY2027-FY2029 and publicly available information/ clarifications provided by the company's management.

Outlook: Stable

The 'Stable' outlook reflects Infomerics' expectation that IFEL will sustain its current scale and leverage profile over the medium term, supported by its established market position, healthy capital structure and adequate liquidity despite industry cyclicality and ongoing capacity augmentation.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone For arriving at the rating, IVR has considered Standalone financials of IFEL.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation analysis is given at Annexure 4

Key Rating Drivers with Detailed Description

Strengths

- **Improved debt protection metrics and financial risk profile**

  The capital structure is comfortable and continued to strengthen in FY2026. Total debt reduced by 10.91% to Rs 84.94 crore in FY2026 from Rs 95.34 crore in FY2025, principally through repayment of term borrowings, and finance costs fell 29.02% to

Rs 10.15 crore in FY2026 from Rs 14.30 crore in FY2025. In terms of the debt coverage indicators, the interest service coverage ratio (ISCR) and debt service coverage ratio (DSCR) improved to 4.76x and 2.06x respectively in FY2026 as compared to 3.30x and 1.74x respectively in FY2025. Overall adjusted gearing improved to 0.18x in FY2026 from 0.22x in FY2025 and TOL/ATNW to 0.31x in FY2026 from 0.33x in FY2025 due to reduction in debt.

- **Improving scale of operations**

  Total operating income grew 14.39% to Rs 419.54 crore in FY2026 from Rs 366.77 crore in FY2025, following growth of 4.06% in FY2025. Growth was volume-led and concentrated in tractors, where overall volumes recovered and segment revenue rose 42.87% to Rs 201.47 crore. Crane revenue was broadly flat at Rs. 218.09 crore, a 9.9% improvement in realisation offsetting a 7.73% volume decline. The recovery has continued into FY2027, with Q1FY27 TOI of Rs 104.93 crore, 14.98% above Q1FY26.

- **Strong distribution network**

  The dealer network expanded to 250 from 200 during FY2026 through 15 regional offices and is a well-recognized brand in the industry. Distribution is supported by the group's captive financing arm, BFL, whose loan portfolio of Rs 136.93 crore provides retail credit to purchasers of the company's equipment which in turns supports volume of IFEL.

- **Established track record of operations and experienced management**

  It has a successful track record of more than two decades in the existing line of business. Overall activities of IFEL are managed by three directors with Mr. Ranbir Singh Khadwalia being the Chairman cum Managing Director. He has experience of more than 3 decades in the tractor and crane manufacturing business. He is ably supported by other directors namely, Mr. Anshul Khadwalia and Mr. Amit Kumar who have experience in tractor marketing and crane manufacturing respectively as well as supported by qualified and well experienced management team.

Weaknesses

- **Decline in profitability margins**

  EBITDA margin contracted 132 basis points to 11.52% and PAT margin 97 basis points to 5.15%, with profit after tax declining 3.27% in absolute terms to Rs 21.87 crore. Q1FY27 provides limited early support, with EBITDA margin of 11.61% against 11.50% in Q1FY26. Sustained improvement in operating margins, supported by the pass-through of the BS-V-related price increase, shall remain a key monitorable.

- **Elongated working capital cycle**

  The company's operating cycle stood at 240 days in FY2026 as compared to 260 days in FY2025. The elongated cycle is majorly attributable to a high inventory holding period of 173 days in FY2026. The company manufactures a wide range of models both in the tractor and crane segments. The company has high level of backward integration and manufactures majority of the components in house i.e., casting components, machining, hydraulic components, gears, sheet and heavy metal fabrication etc, leading to a high inventory holding period. Further, the sale of tractors is linked to harvest time for the next sowing season for which the company must maintain an adequate inventory prior to harvest season to meet surge in demand.

- **Exposure to group companies**

  IFEL holds 100% of BFL, a non-banking financial company engaged in providing retail financing to purchasers of the company's equipment. Support to BFL is extended in the form of equity investment of Rs. 65.00 crore and corporate guarantees extended to BFL's lenders. As on March 31, 2026, the corporate guarantee exposure stood at Rs. 125 crore. However, during FY2027, the corporate guarantee exposure has reduced to Rs. 75 crore following the closure of one of the term loans availed by BFL from its lenders. Consequently, the overall exposure to BFL has moderated to 26.47% of IFEL's tangible net worth from 35.92% as on March 31, 2026, and remains at an adequate level. BFL's standalone financial performance remained modest during FY2026. Further, as per management discussions, certain additional corporate guarantees are contemplated for BFL. IVR has taken note of the moderation in the overall exposure to BFL.

- **Project Execution Risk**
  The company is undertaking crane capacity expansion involving an additional 3,600 cranes per annum at a project cost of Rs. 71.13 crore, funded substantially through IPO proceeds. The project is expected to become operational in the second half of FY2027. Timely completion and successful ramp-up of the new capacity remain key monitorable.

- **Industry cyclicality and intense competition**
  The company operates in highly competitive tractor and crane markets and remains exposed to cyclicality in agricultural and infrastructure sectors. Tractor demand is influenced by monsoon conditions, farm income and rural sentiment, while crane demand remains linked to infrastructure and construction activity

Liquidity – Adequate

The company has an adequate liquidity position. CFO has risen consistently, from Rs. 21.02 crore in FY2024 to Rs. 25.88 crore in FY2025 and Rs. 31.27 crore in FY2026, comfortably covering the scheduled term-debt repayment obligations (Rs. 0.04 crore - Rs. 7.61 crore). The same is expected over FY2027-2029. Free cash and bank balances ~Rs. 8 crore crore as on March 31, 2026. The current ratio stood at 3.07x in FY2026. With the adequate cash accruals expected against repayments, the liquidity position will remain adequate.

Rating Sensitivities:

Upward Factors

- Interest coverage sustained above 6.00x and total debt / EBITDA below 1.20x
- Reduction in financial exposure to group company to below 10% of standalone net worth of the company
- Commissioning of the additional 3,600-unit crane line within timeline and within the budgeted cost of Rs 71.13 crore, followed by successful capacity utilisation with improved crane volumes on a full-year basis

Downward Factors

- Any reduction in the scale of operations, inability to grow its crane revenue income and profitability margins,
- Total debt / EBITDA exceeding 2.20x, or interest coverage below 3.50x, on a sustained basis
- Liability arising on account of corporate guarantee given to group company and further increase outstanding guaranteed borrowings or deterioration in asset quality/profile of BFL

About the Company

Indo Farm Equipment Limited (IFEL) was incorporated in the year 1994 and commenced its commercial production of tractors in October 2000 and in 2008, the company diversified into manufacturing and marketing of Pick-N-Carry cranes of 9 tonnes – 30 tonnes capacity and commenced production of mobile pick and carry cranes. It is currently engaged in the manufacturing of tractors, cranes at its plant located in Baddi, Himachal Pradesh. It has annual installed capacity of 12,000 tractors and 1280 cranes at its existing plant. It sells tractors and cranes under the brand names of Indo Farm and Indo Power respectively.

IFEL has formed a non-banking financial company (NBFC), Barota Finance Limited [BFL] (a wholly owned subsidiary), to provide tractor financing to its customers. BFL received NBFC license in April 2017 and commenced operations in October 2017.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	366.77	419.54
EBITDA	47.11	48.32
PAT	22.61	21.87
Total Debt	95.34	84.94
Adjusted Total Debt@	260.34	209.94
Adjusted Tangible Net Worth (TNW)#	438.72	463.94
EBITDA Margin (%)	12.84	11,52
PAT Margin (%)	6.12	5.15
Overall Adjusted Gearing (times)	0.22	0.18
Interest Coverage (times)	3.30	4.76

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

 # After adjusting equity investment in group company

@It includes extent of Corporate Guarantee given to lenders of group company

Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Policy on Withdrawal of Rating

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					August 08,2025	July 24,2024	June 12,2023
1.	Fund Based Facilities	LT	85.00	IVR A/Stable	IVR A-/Stable	IVR A-/Stable	IVR A-/Stable

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					August 08,2025	July 24,2024	June 12,2023
2.	Non-Fund Based Facilities	ST	18.70	IVR A1	IVR A2+	IVR A2+	IVR A2+

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook	Listing Status	Regulator ^	Complexity Indicator
Cash Credit-1	-	-	-	-	50.00	IVR A/Stable	Not Applicable	RBI	Simple
Cash Credit-2	-	-	-	-	35.00	IVR A/Stable	Not Applicable	RBI	Simple
ILC/FLC	-	-	-	-	13.50	IVR A1	Not Applicable	RBI	Simple
Bank Guarantee	-	-	-	-	5.00	IVR A1	Not Applicable	RBI	Simple
Credit Exposure Limit	-	-	-	-	0.20	IVR A1	Not Applicable	RBI	Simple
Term Loan	-	-	-	-	0.00* [0.64]	Withdrawn	Not Applicable	RBI	Simple

**No Due Certificate is in place for withdrawal of rating of TL from Federal Bank. The withdrawal is as per IVR policy.*

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details: https://infomericstorage.blob.core.windows.net/uploads/Len_Indo_Farm_Equip18_Sep26_ea2f4c1912.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, Fis	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

***Footnotes**:*

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may

accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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About Infomerics

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For more information and definitions of ratings, please visit www.infomerics.com.

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