

May 29, 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

Dear Sir/Madam,

Subject: Transcript of the Investor/Analyst Earnings Call held on Wednesday, 27th May 2026.

This is in continuation to our letter dated 27th May 2026, wherein we had informed regarding the audio link of the earnings call with analysts/investors for the quarter and year ended 31st March, 2026. In this regard, please find enclosed herewith the transcript of the said call.

The transcript is also available on the Company's website i.e. <https://www.indofarm.in/corporate-governance/>.

This is for your information and records.

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

Navpreet Kaur
Company Secretary & Compliance Officer
M. No. 8353

Encl: As Above

EARNINGS CALL Q4 & FY26

TRANSCRIPT

Indo Farm Equipment Ltd



27th may, 2026
Wednesday



04:00 PM
onwards

SPEAKERS:

**Mr. Ranbir Singh
Khadwalia**

Chairman &
Managing Director

**Mr. Shubham
Khadwalia**

Executive
Vice President
Sales & Marketing

Mr. Varun Sharma

Chief Finance Officer

**Mr. Anshul
Khadwalia**

Whole-Time Director

Ms. Navpreet Kaur

Company Secretary &
Compliance Officer

Mr. S M Singla

Finance Head



LET'S CONNECT ►

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Indo Farm Equipment Limited

Q4 & Fiscal Year 2026 Earnings Conference Call

27th May 2026

Management Representatives

- Mr. Ranbir Singh Khadwalia – Chairman and Managing Director
- Mr. Anshul Khadwalia – Whole-Time Director
- Mr. S. M. Singla – Finance Head
- Mr. Varun Sharma – Chief Financial Officer
- Ms. Navpreet Kaur – Company Secretary and Compliance Officer
- Mr. Shubham Khadwalia – Executive Vice President-International Business

Opening Remarks

Moderator (Finportal): Good afternoon, everyone, and welcome to the Q4 and Fiscal Year 2026 earnings call for Indo Farm Equipment Limited. Thank you for joining us today.

This call covers the company's operational and financial performance, followed by an update on the strategic priorities going forward.

Please note that certain statements made during this call may be forward-looking in nature, based on management's current expectations and assumptions. These statements are subject to risk and participants are advised to exercise due caution and not place any reliance on such statements.

This call is being recorded for compliance purposes. Representing Indo Farm Equipment Limited today, we have with us

- Mr. Ranbir Singh Khadwalia, Chairman and Managing Director;
- Mr. Anshul Khadwalia, Whole-Time Director;
- Mr. S. M. Singla, Finance Head;
- Mr. Varun Sharma, Chief Financial Officer; and
- Ms. Navpreet Kaur, Company Secretary and Compliance Officer.

I now invite the management team to share their opening remarks. We will subsequently open the floor for the Q&A session. Thank you and over to you.

Mr. Ranbir Singh Khadwalia: The company's financial results for the quarter and year ended March 2026 have been circulated and uploaded on the Stock Exchange and the company website. I will summarize the key highlights of the financial performance for the quarter and the year ended March 2026 on a standalone basis.

Quarterly performance (Q4 FY26):

- **Revenue from operations:** ₹128.58 crore v/s ₹125.16 crore - YoY growth of 2.73% and QoQ growth of 27.77%.
- **EBITDA:** ₹17.47 crore v/s ₹17.37 crore - a marginal growth of 0.57%, but QoQ growth of 43.7%.
- **Tractor segment revenue:** ₹61.2 crore v/s ₹50.56 crore - YoY growth of 21.03%, and QoQ growth of 27.74%.

- **Crane segment revenue:** ₹67.38 crore v/s ₹74.6 crore - a decline of 9.67% YoY, but a growth of 27.8% QoQ.

Annual performance (FY26):

- **Turnover:** ₹419.54 crore v/s ₹366.77 crore – YoY growth of 14.39%.
- **EBITDA:** ₹53.50 crore v/s ₹50.01 crore - YoY growth of 6.98%.
- **Tractor segment:** ₹201.45 crore v/s ₹141.02 crore - growth of 42.85%.
- **Crane segment:** ₹218.09 crore v/s ₹225.05 crore - a marginal YoY decline of around 3%.

Mr. Ranbir Singh Khadwalia: Growth outlook:

- The company expects to achieve overall revenue growth of around 20–25% for financial year 2026–27.
- Tractor revenue is expected to grow around 25–30%.
- Crane revenue of existing plant is expected to grow around 15–20%.

Mr. Ranbir Singh Khadwalia: Dealer network expansion:

- During **the quarter ended March 2026**, the **company added 23 new dealers in the Tractor Division**, taking the total dealer network to 225-plus dealers.
- The total **dealer network for the crane segment is 25-plus dealers**.

Mr. Ranbir Singh Khadwalia: New pick-and-carry crane project at the Bhud site (new site):

- The project work has regained momentum during the current quarter and the project is expected to start commercial production in the second quarter of financial year 2026–27.
- The civil work at the Bhud site is in full swing and the steel work of the main shed is also almost completed.
- The pre-engineered fabricated building and related work are also expected to be completed by July 2026.
- Orders for all the machines have been placed and the machines are generally ready with the supplier

Mr. Ranbir Singh Khadwalia: On the tower crane:

- We have already done the technology tie-up and completed all the trials. The machine has been successfully built and tested at our site.
- A comprehensive evaluation has been done. Structural integrity, operational efficiency, reliability and safety are all meeting the highest industry benchmarks.
- Now that the testing is complete, we are fully geared for commercial production, commencing in Q2.

This is about the company and its performance. Now we can reply to the specific questions from the investors.

Question & Answer Session

Moderator (Finportal): Thank you so much, sir, for the comprehensive opening remarks. We will now proceed to the Q&A session. Participants who wish to ask a question, please raise their hand. We'll take the first question from Ms. Disha

Disha C

Disha C: Thank you so much, sir, for the opportunity. A couple of questions. Firstly, if you could just help me with the volumes for the tractors and the crane for Q4 FY26?

Mr. Ranbir Singh Khadwalia: In the last financial year, the tractor number was around 3,000, 3,006 exactly and the crane number was 1,000-plus, 1,003 exactly.

Disha C: So 1,003 was the crane number, and the tractor number was 3,006?

Mr. Ranbir Singh Khadwalia: Yes, ma'am.

Disha C: Okay. So you mentioned this 20–25% growth, with crane revenue growing 15–20%, but given this new capacity that we're adding, shouldn't our growth be much higher? Because I think earlier, when we spoke, you were targeting around 50% utilization.

Mr. Ranbir Singh Khadwalia: Ma'am, that new project has not yet started. Once the new project starts, then only the number will come.

Disha C: And what was the reason for the de-growth in the crane segment?

Mr. Ranbir Singh Khadwalia: There is a little de-growth, ma'am. It's around 3% only because of two reasons.

- The first reason was the **new emission norm**: it has shifted from **Term III to Term V** emission norms. Though the market is accepting the new emission norms, it has taken a little more time. This de-growth is the minimum, and it is across all the construction equipment companies.
- Rather, our **revenue remained almost constant**, it is not very much down whereas in **tractors, we have grown about 42.85%**.

Disha C: Right. And the project that we're expecting to commission everything is on track, sir?

Mr. Ranbir Singh Khadwalia: Last year it became a little delayed, but still, we are expecting that by this second quarter, we'll start the commercial production from there.

Disha C: And what sort of revenue can we expect from the tower crane business for this year?

Mr. Ranbir Singh Khadwalia: Ma'am, for the tower crane, we have done all the trials and everything here at this location, but we want to start in the new location only, because we require a much larger area, and in the new building which we're making, which is quite a large building. We want to start this tower crane also. Initially, in the **first three quarters**, the number will not be very high, and we have not kept it in the projection, but still, we are expecting **around 60 to 80 numbers in the next six months time**.

Disha C: 60 to 80 crore, right?

Mr. Ranbir Singh Khadwalia: 60 to 80 numbers. The **average selling price is around 60 to 70 lakh per machine**.

Disha C: Okay, and how should one look at the overall margin for FY27?

Mr. Ranbir Singh Khadwalia: Ma'am, we are expecting the margin in the range of **around 12.5%** operating EBITDA.

Disha C: So we are seeing some pressure, because this year I think we were around 13%.

Mr. Ranbir Singh Khadwalia: That is because the tower crane will be a new product, and we are also setting up a new plant for pick-and-carry crane; we are expanding our capacity. We'll be opening some new markets and in a new market, once you enter, you have to make some effort to establish yourself. The EBITDA and all these things can be increased once we start selling some good numbers.

Disha C: Once it scales up. Okay. That is it. I have a couple more questions; I'll get back in the queue. Thank you.

Sameera Middha

Moderator (Finportal): Thank you, ma'am. We'll move on to the next question from Ms. Sameera Middha.

Sameera Middha: Good evening, sir. I have just one question regarding tower cranes. What would be our manufacturing capacity for tower cranes initially?

Mr. Ranbir Singh Khadwalia: It would be around 240 to 250 machines per year capacity. But because we are making a quite large building, this capacity can be increased without adding more machines, only some welding machines we have to add. That depends on the market need. It can be increased without doing more capex.

Sameera Middha: Okay, so what you mean to say is that initially we will start with a manufacturing capacity of around 250 cranes, right?

Mr. Ranbir Singh Khadwalia: Yes, ma'am.

Sameera Middha: Okay, thank you so much.

Rohan Patel

Moderator (Finportal): Thank you, ma'am. We'll move on to the next question from Mr. Rohan Patel.

Rohan Patel: Thanks for this opportunity. I have questions regarding tractors. FY27 was one of the fantastic years for the tractor industry. It grew at a double-digit level at the macro industry level, and many of the companies have also given high-teens growth. But seeing that, we have just done 3,000 numbers of tractor volume this year, considering this was one of the best industry-growth years. We did around 4,500 numbers in FY22 and around 3,700 numbers in FY23, taking this data out of the DRHP and this year our segment margins have also declined. So can you help me explain why we missed out and did not recover to that 4,500 number and why we grew at a pace much lower than that and with less margin?

Mr. Ranbir Singh Khadwalia: Look, in the last year 2025-26, our growth also remained 42.85%. The figure has gone down because at that time we were struggling to get retail financing. At one time it was a little better. It sometimes depends on whether you get good financing options, For example, sometimes from the Nationalized Bank, or from some financiers like Sriram Finance, then the numbers are good. But we are expecting this growth will continue now, because we have invested in the finance company also. In that one earlier year when the numbers were higher, there was a bigger order of custom hiring from the government. Anshul ji is on the line and is looking after the marketing portion of the tractor business, he has more inputs on how we are going to achieve this number in future. Anshul ji, you can take this and explain better.

Mr. Anshul Khadwalia: Yes, sir, just to clarify the point. In the year that you're specifically mentioning, that year we had generated a good number of orders from a custom hiring centre in the southern states. We were also doing a **reasonable amount of export business in Nepal and Myanmar**, which, unfortunately, due to the whole **geopolitical situation and some external factors**, is now **not very fruitful for any tractor player**. That custom hiring was a one-time order, which is why you see the spike in the numbers. Otherwise, we are now operating in a specific area, but our dealers are the healthiest they have ever been. And now, with the new investment in our captive finance company, as well as support from the other financiers, we are very confident we'll be able to achieve those numbers in the next financial year itself and then move towards bigger growth.

Rohan Patel: Okay and what kind of margin should we expect from the tractor business, like a steady-state margin considering we are in an aggressive position now with financing available, as well as dealer expansion?

Mr. Ranbir Singh Khadwalia: Around 10% at EBIT level.

Rohan Patel: Okay. Now I have a couple of questions on crane and then I will get back in the queue. Given that crane had a difficult period this year and we are also expecting 15–20% growth next year, but seeing that if we commence our new crane facility by Q2, can't we do, like, 300–400 numbers easily? At 25–30% utilization of the new facility, that could take us over and currently, also, from the current facility, we can do still 100–200 more units. So 10–15% are we giving conservative guidance? Because we can easily do 20–30% on the number side.

Mr. Ranbir Singh Khadwalia: That 15–20% number we have given is from this unit only. Once the new facility is installed or becomes operational, from there also we are expecting around 30–35% utilization of the plant in the first six months' time. So some more numbers will come from there.

Rohan Patel: Okay. So as the plant gets commercialized and stabilized as the year passes, we can expect this number to increase, you might be increasing the guidance going forward? Can we expect that the mid-year guidance can go up?

Mr. Ranbir Singh Khadwalia: Yes, yes. That would be around 500 to 600 numbers minimum, which we are expecting from that point.

Rohan Patel: Okay. And at what margins?

Mr. Ranbir Singh Khadwalia: The margin will remain, I think, similar.

Rohan Patel: Okay. So, sir, a lot of industry players are quite mixed in sentiment given the Middle East situation, commodity inflation, and slowdown in infrastructure activity on the government end. So what's giving you this confidence of growing at 15–20% from the current site, as well as doing 200–300 conservatively on the new facility? Is there a market opportunity domestically available that we can grab for these additional sales?

Mr. Ranbir Singh Khadwalia: In fact, we were not present across the country in the crane business. So we are going to new areas, basically. We were operating in not the complete country maybe around 25–30% of the area. So we are adding more. My younger son, Shubham Khadwalia, is responsible for this crane business. Probably he can explain better how we're going to achieve these 15–20% numbers. Shubhamji, are you there?

Mr. Shubham Khadwalia: Yes, sir, I'm here. Adding to what Chairman Sir said: currently we are operating in less than half of the country. So, with the increase in capacity, we can always add new network, new dealers, add more manpower and team, and the numbers we are expecting to grow for this particular year, we are confident we can achieve that with the added capacity, because since past few years the main constraint has always been production. So, once the capacity is unlocked, we can add resources on the marketing side of it and always add on the volumes we have committed.

Rohan Patel: Okay. Thanks for answering all my questions. I will get back in the queue, and best of luck with your efforts.

Khushi Jain

Moderator (Finportal): Thank you, sir. We'll move on to the next question from Ms. Khushi Jain.

Khushi Jain: Hi, thanks for the opportunity. Am I audible? Ok My question was regarding the utilization of the tower crane facility. What can be the utilization for FY28?

Mr. Ranbir Singh Khadwalia: Tower crane is going to be a new facility, ma'am. In the first year, we are expecting maybe the capacity utilization maybe 50–60%. We are a little confident because the design which we adopted is a very good design and proven design. We are hopeful that because initially the production reaches also has to reach the field, where people have to test and trial it maybe 50 to 60% we are expecting. In the first year, we can definitely utilize this kind of capacity in the tower crane.

Khushi Jain: Okay, so the first year is going to be FY27 itself, right?

Mr. Ranbir Singh Khadwalia: Yes, ma'am.

Khushi Jain: Okay, and what kind of margins can we expect in the tower crane? Since it's a high-growth field, can we expect margins in the mid-teens?

Mr. Ranbir Singh Khadwalia: We are expecting the margin to be similar to the other cranes, because in that crane also there are only two big players from whom we have to compete. In pick-and-carry crane also, a similar kind of competition is there there are two competitors. In this line also, there are two competitors. So we are expecting a similar kind of get it, basically.

Khushi Jain: Oh, okay, got it. Thank you, I'll get back in the queue. Thank you.

Sandesh Kumar

Moderator (Finportal): Thank you. We'll take the next question from Mr. Sandesh Kumar.

Sandesh Kumar: Yes, sir, my question is regarding the crane segment. During the earlier IPO days, we told the new crane capacity would be during October; later we shifted to March, and now we have shifted to Q2. And when we checked, fund utilization till March was, like, kind of 73% kept in FDR. Does this under-utilization reflect a deliberate slowdown in project execution due to a change in market dynamics? Even our crane dealers are also kind of stagnant 25+ dealers from last quarter to this quarter. What is the strategy behind this crane segment?

Mr. Ranbir Singh Khadwalia: It is not deliberate, sir. The problem is this: we are putting up a facility in Himachal Pradesh. Last year, because of unexpected monsoon rain, the work progress couldn't be as we expected. And there is a lot of that kind of terrain in Himachal on one side there is a filling of 15 feet, and on the other side we have to cut the sand. So if some sand is required, we have to take permission from outside. For mining and buying sand from outside, the permission is needed in two names, the miner as well as the company that is buying and some government clearances take a little time. Then, because of the heavy rain, the contractor couldn't do more, and now, unfortunately, after this Middle East crisis, some gas issues came up. We had already given the order quite long back for making a prefabricated shed, because the shed is made somewhere else, and we have already completed the civil work. The factory building we are making is quite a large, modern building not a small shed. So that has taken a little time, and because he is sometimes not getting gas and these kinds of supply issues are coming up in commodities, those affected it a little bit. So this is the only reason. Otherwise, we are on track, and we are confident, given the kind of product we have prepared and its acceptance in the market that if we open up the whole market, as Shubhamji explained, we can definitely achieve whatever number we have planned.

Sandesh Kumar: Yes, sir. My next question is on crane. For the whole year, the crane segment is only about 3% de-growth, but in profitability it is almost a 20% drop and especially with respect to Q3 and Q4, in Q4 there is a pickup of almost 27% in growth, but in profit the margin fell to almost 10.4% in Q4. Is it due to competition from Chinese players or our peer company?

Mr. Ranbir Singh Khadwalia: No, sir. It is because of the change in emission norms. Initially, we didn't want to pass on the whole of this expenditure, because of the cost incurred in upgrading the engine and all. Partially we were able to collect it from the customer, and a little more burden we took on ourselves, but gradually we have passed it on now. So, therefore, the realization remained a little less and the profit remained a little less.

Sandesh Kumar: Will we be able to pass it on to the customer from next quarter?

Mr. Ranbir Singh Khadwalia: Yes, yes, definitely. The market takes a little time.

Mr. Anshul Khadwalia: Adding to what Sir said, in Q4 there was some drastic increase in input pricing, as in steel. Due to that also you can see some minor dip in the margins, but now we are passing on everything to the end customer.

Sandesh Kumar: Okay, sir. With respect to the tractor segment standalone tractor profitability rose significantly to almost ₹631 lakh, but at the consolidated tractor level it dropped to ₹410 lakh. Is it due to any dealer incentive, subvention cost, or discount with your subsidiary to achieve this tractor retail volume? There is a considerable drop between standalone tractor profitability and consolidated tractor profitability.

Mr. Ranbir Singh Khadwalia: Just a minute, let me check. So, in the segment result, this is ₹6 crore 31 lakh in the tractor segment.

Sandesh Kumar: Yes, that's standalone. But if you check in consolidated, it's lower. Is it due to the NBFC?

Mr. Ranbir Singh Khadwalia: Yes, that is because of the NBFC. In the NBFC, there is a change in the norms. the NPA norms. Because of this change in the norms, we have to make a little more provisioning.

Sandesh Kumar: Okay, sir. My last question is on cash flow. The consolidated net cash flow generated from last year to this year, last year it was around ₹53 crore, and this year almost ₹30 crore. Why this much of a drop? Is it because we are not able to collect cash from dealers? What steps are we taking to improve this cash flow?

Mr. Ranbir Singh Khadwalia: We will explain it to you, I think you can mail us, and I can check up with my CFO. You may mail, and we'll send you a reply; no issue.

Sandesh Kumar: Yeah, sure, sir. Thank you, that's all from my side.

Moderator (Finportal): Thank you so much. I will drop the email ID on which you can connect with us.

Stuti Agarwal

Moderator (Finportal): The next question we'll take from Ms. Stuti Agarwal.

Stuti Agarwal: Hello am I audible Thank you for the opportunity. My first question is: I wanted to know what is the capex for the tower crane and the new crane? What is being incurred already, and what are we going to spend in FY27?

Mr. Ranbir Singh Khadwalia: The total capex is around ₹70-plus crore, out of which we have already done around ₹25 crore till date. For the balance machines generally in this product the machines are common, along with our pick-and-carry machine, except very few machines of around ₹1 or ₹2 crore extra. Otherwise, the maximum machines are common.

Stuti Agarwal: Okay, so the ₹70 crore is for both the tower and the new crane put together?

Mr. Ranbir Singh Khadwalia: Yes For the new project. There, we are making the pick-and-carry crane also, and this tower crane also.

Stuti Agarwal: Okay. My second question is regarding the current capacity utilization for the tower and crane segment in FY26, and what we expect in FY27.

Mr. Ranbir Singh Khadwalia: Ma'am, there is no tower crane capacity here; we are just making it in the existing facility. And the existing facility's capacity utilization this year remained around 80%+, around 80%. But last year, it was rather 90%+.

Stuti Agarwal: Okay, and for the tractor segment?

Mr. Ranbir Singh Khadwalia: In the tractor segment, ma'am, we made around 3,000 tractors. If you see the capacity utilization in tractors, it's almost 35%, around 35% but you can take it as around 40–45%, because in the crane segment also we are making the back-end from the tractor unit only. The tractor unit is supplying the back-end to the crane division also, that means the complete transmission, ma'am.

Stuti Agarwal: Okay. And what do we expect for FY27 for the tractor segment?

Mr. Ranbir Singh Khadwalia: In tractors, we are expecting around 25–30% growth, ma'am, and in crane, around 15–20% growth, from the existing setup.

Stuti Agarwal: Okay, alright, thank you.

Devendra Singh

Moderator (Finportal): Thank you. We'll move on to the next question from Mr. Devendra Singh.

Devendra Singh: Yes, sir. I have just one question from a strategic point of view. Is there a plan for the company to move into new product segments like crawler cranes, truck-mounted cranes, forklifts, lorry loaders because the market is also moving into different product segments? Right now we're in pick-and-carry cranes, and there is already too much competition there. So is there any plan in the pipeline?

Mr. Ranbir Singh Khadwalia: A future decision will be taken according to the market needs, but at this moment, maybe something is going on in R&D; however, we don't want to discuss anything at this stage now, sir. At this stage, we want to focus more on this new plant and on utilizing the new plant's capacity.

Devendra Singh: Okay. My second and last question: for this new facility of pick-and-carry crane we are bringing up, is there any timeline by which we are expecting to achieve full utilization of the capacity not only production, but where our marketing team can see that there is enough demand for our product in India, broadly, for pick-and-carry cranes?

Mr. Ranbir Singh Khadwalia: Maybe by FY28–29 we will be able to utilize the complete capacity of the pick-and-carry crane and the tower crane also.

Devendra Singh: Yes. Thank you, sir. All the best.

Rahul Gupta

Moderator (Finportal): Thank you, sir. We'll move on to the next question from Mr. Rahul Gupta.

Rahul Gupta: Sir, my first question is: your tower crane business is going to start from FY27. Have you received any order yet? And are you onboarding any dealers who sell tower cranes?

Mr. Ranbir Singh Khadwalia: On the dealers, I think Shubham, can you reply?

Mr. Shubham Khadwalia: I can answer this. For tower cranes, we already have a network of our pick-and-carry crane dealers. So we will be using a combination, certain existing dealers will be utilized, and in certain areas we will be adding new dealers for tower crane. As of now, we have recently started marketing, and we already have a small order book, so we've got some orders from the market already and the deliveries are supposed to start at Q2 beginning.

Rahul Gupta: Sir, from which area did you receive the inquiry and order? And what is the number?

Mr. Shubham Khadwalia: As of now, since we are based out here, whatever order book we have is from the north of India only. I don't know if I'm allowed to share, but it is in single digits. We have already started collecting orders.

Rahul Gupta: Sir, single digits because the average price of the tower crane, as Sir mentioned, is 65 to 70?

Mr. Shubham Khadwalia: It depends model to model. It starts from 40 lakh and goes up to 75–80 lakh for the topmost variant.

Rahul Gupta: Okay, so you received the order for a smaller variant, am I right?

Mr. Shubham Khadwalia: Yeah, to begin with, yes.

Rahul Gupta: Okay, sir.

Mr. Shubham Khadwalia: But nothing has been delivered as of now. We have a basic order book, we have started collecting orders, we have started advertising and marketing, but the deliveries are yet to start.

Rahul Gupta: And when will you deliver, sir in quarter two or quarter three?

Mr. Shubham Khadwalia: We will start in quarter two, and then it will continue.

Rahul Gupta: Oh, okay. And sir, what's the margin?

Mr. Shubham Khadwalia: Sir, right now it is a fairly new product segment, so for that we need a little more working to be done as to what margins we can get. To start with, the margins will not be very high, but with time we can get it to the level of what we are getting in pick-and-carry right now.

Rahul Gupta: So currently it is at the break-even point, am I right?

Mr. Shubham Khadwalia: Yeah. We will not be investing money from our pocket.

Mr. Ranbir Singh Khadwalia: I would like to add a little bit. As I told you earlier, in this tower crane market there are two players working two major players and similarly in pick-and-carry crane. So we are expecting a similar kind of margin, because these margins are decided by the market and competition. We are expecting a similar kind of margin initially, but there are likely chances in tower crane later on the way the vertical expansion of cities is going on, even in the metros and even in the small cities, because land prices are going very high, the demand for this product will increase. We are expecting very good demand. Considering that, if the demand is better, definitely the price will be better. It is our expectation and estimate.

Rahul Gupta: Okay, sir. Okay, sir.

Ankur Aggarwal

Moderator (Finportal): Okay, thank you so much, sir. We'll move on to the next question from Mr. Ankur Aggarwal.

Ankur Aggarwal: Hello, I wanted to know: for the whole year, our other costs are approximately 15% of revenue, which was previously 7% or 8% for FY22, 23, 24 and 25. So what are these other costs, and why have they increased so much?

Mr. Ranbir Singh Khadwalia: This is because of some business promotions; we have given some quantity discounts. It includes freight, admin cost, freight component, incentive part and the business promotion part, largely.

Ankur Aggarwal: Okay, so it almost doubled this year. Do you think it'll stay at this level only, or will it come down going forward? What is the rational level for this cost?

Mr. Ranbir Singh Khadwalia: This is not doubled from last year. Last year it was around ₹56-odd crore; this year it has gone from ₹56 crore to ₹64 crore only. I would like to add that sometimes the demand came from the south regarding the cranes, and there the freight component increased a little. Because if you are selling more in the north, basically, and sometimes when we try to pick up the market there also if you are working only in one particular small area, then the competition pressure becomes a little more. We will go everywhere, basically, wherever we get better pricing, and we have to open up those markets. So maybe the freight cost increased a little bit. Going forward, it should hover in the range of around 11–12%, sir. Going forward, around 11–12% is what we are expecting.

Ankur Aggarwal: Understood, sir. That's good. And sir, since you are guiding for approximately 15–20% growth, will our employee cost increase going further, or are the employees we have currently enough?

Mr. Ranbir Singh Khadwalia: Maybe a little bit, basically, but as the overall number increases, in percentage terms it will come down. Because the plant doesn't need more manpower; it's only maybe a little increase in marketing very, very less.

Ankur Aggarwal: Understood, sir. Actually, the thing I want to understand from you is: what do you feel at what revenue point are we now, and how much time will it take for our other costs, relative to revenue, to give us some operating leverage so that more flows down to us? What is your analysis or feeling on that?

Mr. Ranbir Singh Khadwalia: By FY28–29, I feel it will be at par with the industry, because that's when sales will increase. And we are going to increase sales once we reach across the country.

Ankur Aggarwal: Okay, sir. And sir, in the past four years our revenue was almost ₹300, ₹350, ₹360 crore, and this year it's ₹440 crore in sales. So, internally, what do you discuss do you make a plan for the next 3 years or 5 years? Do you make yearly plans? And if you make a 3–5 year plan, what do you keep internally as the target by when how much revenue you want to do so we can also get a sense of it?

Mr. Ranbir Singh Khadwalia: Around 25% average growth, minimum this is the internal plan. From the existing plant, until we utilize the whole capacity. And for the new crane plant, we expect that in FY29–30 at least around 70% to 80% utilization of the crane plant, because we are putting up a new plant of huge crane capacity.

Ankur Aggarwal: Okay, understood, sir. Sorry, one last question on the pick-and-carry crane. When you launch a new product as an OEM, it usually becomes difficult for dealers to sell, because the customers usually stick with the ones they have been working with in the automobile line the acceptance of a new one doesn't come quickly. So what do you do to push it?

Mr. Ranbir Singh Khadwalia: This pick-and-carry crane has been working since 2008 it is a proven product and in our existing plant we have been working at 80–90% capacity. The new product is the tower crane.

Ankur Aggarwal: Sorry, sir, I meant in tower crane.

Mr. Ranbir Singh Khadwalia: The existing capacity is around 1,200, and we have around 3600 additional capacity; it becomes almost 5,000 crane capacity. The tower crane is a new product, basically, but the technology is familiar to us it is a proven technology. And in tower crane competition, there are only two major players. We are hopeful here too: in this segment, one player is a foreign company, so its benchmark pricing is generally higher they charge around 25–30% more. The second company is an Indian company; so we have to compete with them. It is such a big market in India that many more players can be accommodated. As the industry grows, we are hopeful about the customer base. We have got some orders. So, because of the receptiveness to our company's products, our product will give us a good market share that is the goodwill of the company. We are getting a very good market share. Although we are not across the country in pick-and-carry crane, we expect the same for tower crane it is our estimate that it will definitely do well. It depends; it's a complex product. Initially, we will not have very high capacity utilization, but we are expecting that we can build it up utilizing around 50–60% of the plant in a year, We are hopeful to sell whatever the plant produce.

Ankur Aggarwal: Understood, sir. Thank you so much.

Rohan Patel

Moderator (Finportal): Thank you, sir. We'll move on to the next question, from Mr. Rohan Patel.

Rohan Patel: Thanks for the follow-up opportunity. Sir, I want to understand not considering our new plant of 3,600 units what is the India market size for pick-and-carry crane, in numbers?

Mr. Ranbir Singh Khadwalia: Shubhamji, will you explain?

Mr. Shubham Khadwalia: Yeah. So, sir, there is no open forum or public association of the manufacturers, so there is no exact figure, but approximately, what we understand is that last year the market size was around 12,000 to 14,000 units of pick-and-carry, around 12,000 only, because the market was slightly sluggish. But this market size earlier these pick-and-carry cranes were primarily used for construction; now they are used for a variety of applications, from material handling, to loading and unloading, to movement of material from point A to point B. So there is a long list of applications for these machines now, and what we estimate is that this will multiply in the future. This is bound to grow a lot, because if you compare it with the backhoe loader industry, which is approximately 55,000 backhoes per year, which was nothing if you see 10, 15 years ago the same is what we estimate will happen with the pick-and-carry segment also.

Rohan Patel: Okay. Yeah, so my question was exactly that. Considering that the market is somewhere around 12,000 to 14,000 units, and we are adding, say, another 3,600 units which is, like, 25–30% of the overall market size we are adding, not considering the capacity expansion by some of our two or three top players, I just wanted to understand how confident you are. Because this has to go two ways: one, you will be winning market share from other players; and second, the market growing in itself. So what gives you the confidence that there won't be, say, an oversupply of this capacity, and that you will be able to ramp up your new facility?

Mr. Shubham Khadwalia: So, for the past four years, we have been working at 100% capacity of our old plant. Now, manufacturing of this crane is sort of a continuous process. So if, let's say, we add half the capacity of what we are adding now, we will not save a lot on money. This is a calculation done by the engineering and technical team that if we invest this much, we can add this much capacity. And since, with whatever machines we have sold if we are operating in less than half the country, and if we can confidently sell these numbers with a very small network, with only about 20 dealers across India so we are confident, because India is growing, India is developing, and selling has not been a challenge; manufacturing was. So, once the capacity is in place, then we will test ourselves, and we are fairly confident.

Mr. Ranbir Singh Khadwalia: I would like to add on one thing also, Mr. Patel. If we increase this, it makes a very good fit for us, because in our tractor plant there is capacity available. If we make more back-end for the crane, our capacity utilization there increases. Moreover, some of the components which we are making hydraulic components here in this plant, there is also some capacity available. So it makes sense, and we are investing only on good facilities for cutting, for welding, for assembling, for the paint line, for shot blasting; those kinds of machines we are putting. But backward component making hydraulics is also a very important part in this crane. We are making all cylinders in-house, we are making hydraulic winches in-house. Those components are being supplied by the tractor unit. That will increase our capacity utilization here in this plant also. So this is a very good fit for us.

Rohan Patel: Fair enough, yeah. And another question this is to understand more on your working capital side. Because what we are seeing is that, due to working capital, a lot of our profit is getting absorbed into receivables and inventory. So can we expect that with the scale-up of our facilities, we can have better working capital days? Currently, we have improved from 330 days to somewhere around 307 days, but can that fall below, say, 250 days, or come closer to 200 days, which can free up cash for us also? Because this has been really heavy on our working capital side.

Mr. Ranbir Singh Khadwalia: By FY28–29, I think we'll try to bring it at par with the industry, because we had a lot of backward integration, and we have increased so many models. So because of these two things, backward integration and so many models the inventory became a little higher. Now we are not adding more and more models, basically, because we have got the complete range in tractors now available with us, and in crane also we have got the largest range. So I think this is not going to increase; once volume increases, it'll drastically come down.

Rohan Patel: But can you just give a sense of how much it will get normalized to from the current 300-days level, just to understand the cash flow scenario?

Mr. Ranbir Singh Khadwalia: It should come under 200 days.

Rohan Patel: Okay, yeah, that was from my side. Thanks.

Questions from the Q&A Tab

Moderator (Finportal): Thank you, sir. We have a few questions in the Q&A tab. The first question is: what is the current executable order book in hand, and the contribution from export markets, if any?

Mr. Ranbir Singh Khadwalia: Madam, I would like to explain. People know that these are our standard models. On a month-on-month basis, our dealers and channel partners place orders and buying. So we build up the stock for those things. As such, we don't have any long-term order book. Only for some corporate orders they give maybe 2 months' time or 3 months' time or some government order, like we got an order from NTPC recently, which gives, I think, 60 days or 90 days time. Otherwise, we are just replacing our dealer stock. And as far as export is concerned, we have started getting some orders from export. Recently we got an order from a German company around 48 tractors the value is around ₹6 crore. It is a trial order, basically; that was a good beginning, a first order. So we are now trying to go into export. Although some countries where we were working earlier are having some problems for example, we are good in Bangladesh, we are good in Nepal, Myanmar, even in Syria and Afghanistan also but unfortunately these markets are not doing well because of some problems. And last year we did around ₹21 crore of export.

Moderator (Finportal): Okay, got it, sir. The next question is: what percentage of Indo Farm tractor sales are financed through Barota?

Mr. Ranbir Singh Khadwalia: It's around +20%. Plus, we are doing old tractors also because if our dealer has old tractor inventory, since he is doing exchanges, we are financing that also, which helps the dealer rotate his money faster.

Closing Remarks

Moderator (Finportal): Thank you, sir. On this note, I would like to thank you all for such a wonderful and engaging session. I would now request the management team for their closing remarks.

Mr. Ranbir Singh Khadwalia: Anshul, I think you'll take it up.

Mr. Anshul Khadwalia: Sir, on behalf of all of Indo Farm's team and Finportal, I'd just like to thank everyone for joining us. All the questions, suggestions and feedback we will definitely take on board, and we look forward to hearing from you all very soon. Thank you very much. Thank you, everyone.

Mr. Ranbir Singh Khadwalia: Thank you, ma'am. Thank you everyone.

Moderator (Finportal): Thank you so much, sir. On behalf of Finportal, I would like to express sincere gratitude to the management team for joining us today, and to all the participants for their thoughtful questions. If any query remains unanswered, please drop your questions to the mail IDs available in your chat box. Thank you so much. You may now disconnect.

Mr. Ranbir Singh Khadwalia: Thank you very much.

— End of Transcript —