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## INDO FARM EQUIPMENT LIMITED

Our Company "Indo Farm Equipment Limited", was originally incorporated as "Weicut Tools Private Limited" on October 05, 1994 at Chandigarh as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Further, our Company was converted into Public Limited Company pursuant to special resolution passed by the shareholders of our Company in their meeting held on June 29, 1999. There were multiple name changes of our Company between 1994 to 2009. Last name change of our Company was happened vide special resolution passed by the shareholders of our Company in their meeting dated October 24, 2009. We obtained a fresh Certificate of Incorporation on November 04, 2009 by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. For further details, please refer to the chapter "History and Certain Corporate Matters" beginning on page no. 200 of the Red Herring Prospectus

Registered Office: SCO 859 N.A.C Manimajra Kalka Road, Chandigarh-160101, India. Tel: 0172-2730060; Contact Person: Navpreet Kaur, Company Secretary and Compliance Officer; E-mail: compliance@indofarm.in; Website: www.indofarm.in; Corporate Identity Number: U29219CH1994PLC015132

### OUR PROMOTERS: RANBIR SINGH KHADWALIA AND SUNITA SAINI

INITIAL PUBLIC OFFER OF UP TO 12,100,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF INDO FARM EQUIPMENT LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLIONS ("THE OFFER") COMPRISING OF A FRESH ISSUE OF UP TO 8,600,000\* EQUITY SHARES AGGREGATING TO ₹ [●] MILLIONS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,500,000 EQUITY SHARES BY RANBIR SINGH KHADWALIA ("THE PROMOTER SELLING SHAREHOLDER") AGGREGATING TO ₹ [●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 25.18% OF THE FULLY DILUTED POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

\* Our Company, in consultation with the BRLM, has undertaken Pre-IPO Placement of 1,900,000 Equity Shares of ₹10/- each at the rate of ₹185/- per share aggregating to ₹351.50 million. Accordingly, the size of the Fresh Issue has been reduced from 10,500,000 Equity Shares to 8,600,000 Equity Shares of Face Value of ₹10 each.

### DETAILS OF THE SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
Ranbir Singh Khadwalia	Promoter Selling Shareholder	3,500,000	2.11

Our Company is a manufacturer of Tractors and Pick & Carry Cranes.

The Issue is being made in accordance with Regulation 6(1) of the SEBI (ICDR) Regulations, 2018.

QIB Portion: Not more than 50% of the Issue | Non-Institutional Portion: Not less than 15% of the Issue | Retail Portion: Not less than 35% of the Issue

PRICE BAND: ₹ 204 TO ₹ 215 PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH.

THE FLOOR PRICE IS 20.40 TIMES THE FACE VALUE AND THE CAP PRICE IS 21.50 TIMES THE FACE VALUE.

BIDS CAN BE MADE FOR A MINIMUM OF 69 EQUITY SHARES AND IN MULTIPLES OF 69 EQUITY SHARES THEREAFTER.

THE PRICE/EARNINGS RATIO (P/E) BASED ON DILUTED EPS FOR FY 2023-24 AT THE HIGHER END

OF THE PRICE BAND IS AS HIGH AS 51.81 AS COMPARE TO INDUSTRY AVERAGE 42.10.

WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FULL FINANCIAL YEARS IS 5.06%.

In accordance with the recommendation of a Committee of Independent Directors (consisting of Mr. Brij Kishore Mahindroo (Chairman), Ms. Arshdeep Kaur & Ms. Babita Dosajh), the above provided Price Band is justified based on quantitative factors / KPIs as disclosed in the "Basis for Offer Price" beginning on page no. 105 of the Red Herring Prospectus section vis-a-vis the WACA of primary issuance / secondary transactions as disclosed in the "Basis for Offer Price" section.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER.

### RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 27 of the Red Herring Prospectus

- 1) **Revenue Concentration Risk:** We derive a significant portion of our revenue from the sale of tractors (approximately 52.16%) & Pick & Carry cranes (approximately 47.77%) during the FY 2023-24 and any reduction in demand or in the manufacturing of such products could have an adverse effect on our business, results of operations and financial condition. The sales (in % term) for the last three financial years are entailed below:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Tractors	77.77%	65.46%	52.16%	43.06%
Cranes	21.80%	34.25%	47.77%	55.93%
Others	0.43%	0.29%	0.07%	1.00%
Total	100.00%	100.00%	100.00%	100.00%

- 2) **Capacity Utilisation Risk:** Average Capacity utilization for FY 2021-22 to FY 2023-24 is 32% for tractors and 87% for cranes. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance. Capacity utilization (in % term) of our production facilities for the last three financial years are entailed below:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Tractors	41.70%	29.63%	24.83%	13.90%
Cranes	67.22%	94.31%	99.38%	77.81%

- 3) **Business Expansion Risk:** Capital expenditure to the tune of ₹ 700.74 million required for the expansion of our Pick & Carry Cranes Manufacturing Capacity, which would be funded out of the Net Proceeds of the Issue. We have not yet placed orders in relation to such capital expenditure. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the machines and equipments in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

- 4) **Risk of Low Growth in Revenue and PAT Margin:** We have recorded low growth in Revenue and PAT margins in the last three Fiscals of our Company and our Subsidiary.

(₹ in millions)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Revenue	3,520.84	3,707.59	3,752.32	749.59
PAT	137.19	153.72	155.95	24.54
PAT Margin	3.90%	4.15%	4.16%	3.27%

- 5) **Regulatory Risk:** If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.

- 6) **Proceeds from the Offer for Sale:** The Offer comprises of the Fresh Issue of 8,600,000 Equity Shares by our Company and an Offer for Sale of 3,500,000 Equity Shares by the Promoter Selling Shareholders, representing 25.00% of total Offer Size (including Pre-IPO placement) and aggregating to ₹ 752.50 million at the higher end of the Price Band. Our Company will not receive any proceeds from the Offer for Sale.

- 7) **Risk of dependency on dealers:** We have dependency on our customers / dealers in the last three Fiscals of our Company. If our existing dealers do not deal with us, or our relationships are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted.

(₹ in millions)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Income from Top 10 Dealers	781.82	683.94	814.09	271.63
In % term	23.63%	19.73%	23.13%	39.10%

- 8) **Negative Cash flow risk:** We have reported negative net cash flows in the past and may do so in the future. Our net cash flow for the period / years are set forth in the table below:

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Net cash flow from operating activities (A)	99.77	301.75	405.87	66.98
Net cash flow from investing activities (B)	(259.62)	(83.74)	(25.91)	(47.70)
Net cash flow from financing activities (C)	164.02	(219.91)	(256.98)	(88.45)
Net increase/(decrease) in cash and cash Equivalents	4.17	(1.90)	122.98	(69.17)

- 9) **Concentration of Revenue on top 5 states:** Our revenue from manufacturing operations is significantly concentrated in the top 5 States. Any adverse political or economical stability in such States may have a material adverse effect on our business, results of operations and financial condition.

(₹ in millions)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Manufacturing revenue from top 5 States	2,258.79	1,972.89	2,222.89	434.90
In % term	68.27%	56.92%	63.07%	62.81%

- 10) **Risk of Low Demand for Pick & Carry Cranes in Future:** The capacity expansion for the manufacturing of Pick & Carry cranes is based on the expected domestic demand in India, with no confirmed order book for the additional production, and our sales are concentrated primarily in India, making us vulnerable to market fluctuations, regulatory changes, and economic downturns.

- 11) **Risk of retail Financing of Tractors:** Our ability to sell tractors is heavily dependent on financing support from Banks, NBFCs, and our subsidiary NBFC, which exposes us to risks related to financing availability, regulatory compliance, and operational performance of our subsidiary NBFC.

- 12) **Risk of location:** The geographical concentration of our manufacturing facilities in Himachal Pradesh may restrict our operations and adversely affect our business and financial conditions.

- 13) **Risk of Future Complaints/actions by Regulatory of Statutory Authorities:** Our Company has received complaints after filing of the Draft Red Herring

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Prospectus and receiving observations from SEBI, alleging misreporting in our financial statements and non-compliance with applicable law in relation to leasehold land and other aspects. These complaints by third parties may adversely affect our reputation and business.

- 14) Risk of inventories management: Operating inefficiencies, inventory management risks, and raw material price volatility may adversely impact financial performance and sustainability. Inventories form major part of our total assets. Any failure on our part to effectively manage our inventories may result in an adverse effect on our operating results and financial condition. Full details of our Inventories for last 3 financial years are entailed below:
- (₹ in millions)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Q1 FY 2024-25
Raw Material	729.92	795.01	836.99	829.51
Work In Progress	438.25	458.65	476.81	445.97
Finished Goods	466.81	375.19	334.72	383.35
Total	1,634.98	1,628.85	1,648.53	1,658.83

- 15) Other Risk:

- Average cost of acquisition of equity shares for our Promoters is in the range of ₹ 2.11 to ₹ 3.67 per share and Issue Price at higher end of the price band is ₹215.00 per share.
- Our Company has issued 1,900,000 Equity Shares during the last twelve months at a price of ₹ 185/- per share via Pre-IPO (Private Placement), which is lower than the Offer Price. Full details of Pre-IPO placement are given below:

Date of Allotment	Name of the Allottees	No. of Equity Shares
April 16, 2024	Hathor Corporate Advisors LLP	300,000
	Own Infracon Pvt. Ltd.	150,000
	Garishma Daga	150,000
April 30, 2024	Nabs Vriddhii LLP	250,000
May 24, 2024	Finavenue Growth Fund	211,800
	Niveshaay Hedgehogs LLP	225,000

Date of Allotment	Name of the Allottees	No. of Equity Shares
May 24, 2024	Arun Goel	106,000
	Udit Sehgal	106,000
	Adhiraj Swarup Agarwal	106,000
	VM Finserve and Asset Management	106,000
	Tatvam Trade	81,000
	Mohd Jazib Khan	54,100
May 29, 2024	Udit Sehgal	54,100
Total		1,900,000

- The Price/Earnings ratio (P/E) based on diluted EPS for FY 2023-24 at the higher end of the Price Band is as high as 51.81 as compare to Industry average 42.10.
- Based on the lower end and higher end of the Price Band, the total market valuation of the Company will be ₹9,802.53 million and ₹10,331.09 million respectively.
- Weighted Average Return on Net Worth for last three full financial years is 5.06%.
- Market Value at higher end of the Price Band to Total Turnover for the FY 2023-24 is 2.75 times.
- Weighted average cost of acquisition (“WACA”):** Floor Price and Cap Price vis-à-vis Weighted Average Cost of Acquisition (“WACA”) based on primary issuances / secondary transactions during the last three years are as given below:

Past Transactions	WACA	IPO Floor Price – ₹ 204	IPO Cap Price – ₹215
WACA of Primary issuance*	₹ 185/-	1.10 times	1.16 times
WACA of Secondary transactions**	Nil	NA	NA

\*Excluding the shares issued under issuance of bonus shares

\*\* Excluding the shares acquired / sold, via gift deed.

- The BRLM associated with the Issue (Aryaman Financial Services Limited) has handled 15 public issues (3 Main Board & 12 SME Issue) in the past 3 financial year, out of which 4 issues (2 Main Board & 2 SME Issue) closed below the Issue Price on listing date.

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE\* : MONDAY, DECEMBER 30, 2024

BID/OFFER OPENS ON : TUESDAY, DECEMBER 31, 2024

BID/OFFER CLOSSES ON\*\* : THURSDAY, JANUARY 02, 2025

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 156, 27, 231 and 337, respectively, of the Red Herring Prospectus, to have an informed view before making an investment decision

**Qualitative Factors:** Some of the qualitative factors and our strengths which form the basis for the Offer Price are: • Fully Integrated and established Manufacturing Setup • Well educated and experienced management • In-house NBFC Setup • Manufacturing Wide Range of Products. For more details on qualitative factors, refer to chapter “Our Business-Our Strengths” on page no. 156 of the Red Herring Prospectus.

**Quantitative Factors:** Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Information” on page no. 231 of the Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1) Basic and Diluted Earnings / Loss Per Share (“EPS”) as adjusted for changes in capital:

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)	Weights
2024	4.15	3
2023	4.09	2
2022	3.65	1
Weighted Average	4.05	
For three months period ended June 30, 2024*	0.63	

\* Not Annualised

Notes:

- The face value of each Equity Share is ₹ 10 each
- Basic Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of equity shares outstanding during the period/year.
- Diluted Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the period/year.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.
- The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Statement of the “Financial Information” beginning on page no. 231 of the Red Herring Prospectus.

2) Price/Earning (“P/E”) ratio in relation to price band of ₹ 204 to ₹ 215 per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic and diluted EPS for Fiscal 2024	49.16	51.81

3) Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	47.42
Lowest	36.79
Industry Average	42.10

Notes:

- The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the average P/E of the industry peer set disclosed in this section.
- The industry P / E ratio mentioned above is as per the closing rate as on November 29, 2024, quoted on BSE.

4) Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2024	4.92%	3
2023	5.29%	2
2022	4.99%	1
Weighted Average	5.06%	
For the three months period ended June 30, 2024*	0.72%	

\* Not Annualised

Notes:

- Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]
- Return on Net Worth (%) = Net profit after tax as restated, attributable to the owners of the Company / Net worth as restated as at period/year end.
- “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as on June 30, 2024, March 31, 2024, 2023 and 2022.

5) Net Asset Value (NAV)

Financial Year	NAV (₹)
NAV as at June 30, 2024	86.75
After the Offer:	
- At Floor Price	107.74
- At Cap Price	109.70
- At Offer Price	•

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process
- Net asset value per share= Net worth as restated / Number of Equity Shares as at period/year end

6) Key Performance Indicators

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 05, 2024 and the Audit Committee has confirmed that it has verified the audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the stub period and three years period prior to the date of filing of the Red Herring Prospectus, if any. During the stub period and three years period prior to the date of filing of the Red Herring Prospectus, no fresh allotment was made except for issuance of equity shares on bonus issue and Pre-IPO (Private Placement) as disclosed in this section and section entitled “Capital Structure” on page no 77 of the Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Deepak Jindal & Co., Statutory Auditor, by their certificate dated October 05, 2024. For further details, please refer to the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages no. 156 and 337 respectively of the Red Herring Prospectus.

(₹ in Millions, except percentages and ratios)

Particulars	As on 30 June 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	749.59	3,752.32	3,707.59	3,520.84
EBIDTA <sup>(1)</sup>	126.55	625.16	587.18	520.69
EBIDTA Margin (%) <sup>(2)</sup>	16.88%	16.66%	15.84%	14.79%
Restated profit for the period / year	24.54	155.95	153.72	137.19
Restated profit for the period / year Margin (%) <sup>(3)</sup>	3.27%	4.16%	4.15%	3.90%
Return on Equity (“RoE”) (%) <sup>(4)</sup>	0.74%	5.13%	5.44%	5.12%
Return on Capital Employed (“RoCE”) (%) <sup>(5)</sup>	1.73%	8.96%	8.84%	7.96%
Net Debt / EBITDA Ratio	18.82	4.10	4.75	5.24

\*Not annualised

Notes:

(1) EBITDA is calculated as restated profit for the period / year plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(3) Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.

(4) RoE is calculated as Net profit after tax divided by Average Equity.

(5) RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

(6) Net Debt= Long term borrowings plus Short term borrowings less cash and cash equivalent

We shall continue to disclose these KPIs, on a quarterly basis, along-with the financial results for a period of at least till the proceeds of the objects have been fully utilized. We confirm that the ongoing KPIs would be certified by the statutory auditor of our Company.

**Explanation for the Key Performance Indicators**

**Revenue from operations:** Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

**EBITDA:** EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.

**EBITDA margin:** EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortization, and taxes.

**Restated profit for the period / year:** Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during the given period. It provides information regarding the profitability of the business of our Company.

**Restated profit for the period / year margin:** Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.

**Return on Equity (“RoE”):** RoE refers to Restated profit for the period / year divided by Equity for the period. Equity is calculated as average of closing balance of the total equity at the end of the period and opening balance of total equity at the beginning of the period. RoE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoE is indicative of the profit generation by our Company against the equity contribution.

**Return on Capital Employed (“RoCE”):** RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoCE is indicative of the profit generation by our Company against the capital employed.

**Net Debt/ EBITDA:** Net Debt to EBITDA is a measurement of leverage, calculated as a company’s interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

7) Comparison of Key Performance Indicators with listed Industry Peers

Following is the listed peer group, which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates. Key Performance Indicators of our Company (IFEL) with listed peer Action Construction Equipment Limited (ACE) and Escorts Kubota Limited (ESCORTS) is given below.

June 30, 2024 - ₹ in Millions

Particulars	IFEL	ACE	ESCORTS
Revenue from Operations	749.59	7,342.60	23,099.50
EBIDTA	126.56	1,261.80	4,368.60
EBIDTA Margin (%)	16.88%	17.18%	13.38%
Restated profit for the period / year	24.54	841.80	2,931.30
Restated profit for the period / year Margin (%)	3.27%	11.46%	12.69%
Return on Equity (“RoE”) (%)	0.74%	N.A	N.A
Return on Capital Employed (“RoCE”) (%)	1.73%	N.A	N.A
Net Debt / EBITDA Ratio	18.82	N.A	N.A

N.A- Not Available

Fiscal 2024 (₹ in Millions)

Particulars	IFEL	ACE	ESCORTS
Revenue from Operations	3,752.32	29,138.00	88,496.20
EBIDTA	625.16	4,803.40	11,837.10
EBIDTA Margin (%)	16.66%	16.49%	13.38%
Restated profit for the period / year	155.95	3,261.98	10,490.80
Restated profit for the period / year Margin (%)	4.16%	11.26%	11.85%
Return on Equity (“RoE”) (%)	5.13%	30.55%	12.08%
Return on Capital Employed (“RoCE”) (%)	8.96%	36.76%	15.22%
Net Debt / EBITDA Ratio	4.10	-0.09	-0.17

Fiscal 2023 (₹ in Millions)

Particulars	IFEL	ACE	ESCORTS
Revenue from Operations	3,707.59	21,596.75	84,286.90
EBIDTA	587.17	2,620.34	7,775.20
EBIDTA Margin (%)	15.84%	12.13%	9.22%
Restated profit for the period / year	153.72	1,729.83	6,366.50
Restated profit for the period / year Margin (%)	4.15%	8.01%	7.55%
Return on Equity (“RoE”) (%)	5.44%	20.68%	7.78%
Return on Capital Employed (“RoCE”) (%)	8.84%	26.01%	10.28%
Net Debt / EBITDA Ratio	4.75	-0.06	-

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BASIS FOR OFFER PRICE

Particulars	Fiscal 2022 (₹ in Millions)		
	IFEL	ACE	ESCORTS
Revenue from Operations	3,520.84	16,295.75	72,384.30
EBIDTA	520.69	1,664.60	9,511.90
EBIDTA Margin (%)	14.79%	10.21%	13.14%
Restated profit for the period / year	137.19	1,049.98	7,356.10
Restated profit for the period / year Margin (%)	3.90%	6.44%	10.16%
Return on Equity ("RoE") (%)	5.12%	16.44%	11.65%
Return on Capital Employed ("RoCE") (%)	7.96%	19.49%	13.58%
Net Debt / EBITDA Ratio	5.24	0.01	-

**\*Action Construction Equipment Limited ("ACE"):** ACE is in the business of manufacturing Cranes and our product "Pick and Carry" cranes is one of many other type of cranes being sold by ACE. Further ACE is also in the business of tractors which is similar to our product line. Cranes and Tractors form over 80% of their total sales. In addition, ACE is also in the business of other construction machinery however the same is less than 20% of their total sales.

**\*\*Escorts Kubota Limited ("ESCORTS"):** ESCORTS is in the business of manufacturing Tractors and Cranes. These products make up more than 75% of their total sales and the same are similar line as our product lines. In addition, Escorts also manufactures construction equipment and railway equipment, however these lines do not exceed more than 25% of their total sales.

8) Past Transfer(s) / Allotment(s)

a. There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions.

b. There have been no secondary sales / acquisitions of Equity Shares or any convertible securities, excluding the shares acquired / sold via gift deed, (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company(calculated based on the pre-Offer capital before such transaction(s)), whether in a single transaction or a group of transactions during the 18 months preceding the date of the Red Herring Prospectus.

c. Price per share based on the last five primary or secondary transactions

We had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of the Red Herring Prospectus except for issuance of equity shares on bonus issue and the Pre-IPO Placement as disclosed in the section entitled "Capital Structure" on page no. 77 of the Red Herring Prospectus. Details of last five primary transactions (excluding Bonus Issue) during the period of preceding 3 years from the date of the Red Herring Prospectus are as given below:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment
April 16, 2024	Hathor Corporate Advisors LLP	300,000	10/-	185/-	Pre-IPO (Private Placement)
	Own Infracon Pvt. Ltd.	150,000			
	Garishma Daga	150,000			
April 30, 2024	Nabs Vridhdhil LLP	250,000			
May 24, 2024	Finavenue Growth Fund	211,800			
	Niveshaay Hedgehogs LLP	225,000			
	Arun Goel	106,000			
	Udit Sehgal	106,000			

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment
May 24, 2024	Adhiraj Swarup Agarwal	106,000			
	VM Finserve and Asset Management	106,000			
	Tatvam Trade	81,000			
	Mohd Jazib Khan	54,100			
May 29, 2024	Udit Sehgal	54,100			
Total		1,900,000			

Further there have been no secondary sales / acquisitions of Equity Shares or any convertible securities (where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) during the period of preceding 3 years from the date of the Red Herring Prospectus.

Weighted average cost of acquisition ("WACA"), IPO Floor Price and Cap Price

Floor Price and Cap Price vis-a-vis Weighted Average Cost of Acquisition ("WACA") based on primary issuances / secondary transactions during the last three years are as given below:

Past Transactions	WACA	IPO Floor Price – ₹ 204	IPO Cap Price – ₹ 215
WACA of Primary issuance*	₹ 185/-	1.10 times	1.16 times
WACA of Secondary transactions	Nil	NA	NA

\*Excluding the shares issued under issuance of bonus shares

9) Peer Group Comparison of Accounting Ratios:

Name of the company	CMP	EPS	PE	RONW (%)	EV/EBIDTA	NAV per share (₹)	Face Value (₹)
Indo Farm Equipment Limited	●*	4.15	●*	4.92%	●	84.43	10.00
Peer Group **							
Escorts Kubota Limited	3,555.20	92.64	36.79	11.44%	34.19	830.43	10.00
Action Construction Equipment Limited	1,306.80	27.56	47.42	30.78%	24.68	103.28	2.00

\* Offer Price per Equity Share will be determined on conclusion of the Book Building Process

\*\*Source: www.bseindia.com.

Notes:

(i) The figures of Indo Farm Equipment Limited are based on restated financial statements for the year ended March 31, 2024.

(ii) Current Market Price (CMP) is the closing price of peer group scripts as on November 29, 2024.

(iii) The figures for the peer group are based on the Consolidated Audited Financials for the year ended March 31, 2024.

(iv) EV (Enterprise Value) has been calculated as Market Capitalization (+) Debt (-) Cash & Cash Equivalents.

10) The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Red Herring Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.

FOR FURTHER DETAILS, SEE "BASIS FOR OFFER PRICE" ON PAGE 105 OF THE RHP.

**ASBA<sup>#</sup>** Simple, Safe, Smart way of Application!!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.

Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for all individual investors applying in public issues where the application amount is up to ₹ 5,00,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors in the Retail Portion and Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 423 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFp=yes&intmid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. RIBs Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For issue related queries, please contact the BRLM on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE. THE COMPANY HAS UNDERTAKEN PRE-IPO PLACEMENT OF 1,900,000 EQUITY SHARES AT A PRICE OF ₹ 185/- PER SHARE.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of 1 (one) Working Day, subject to the Bid/ Offer Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of price band, the Bid lot shall remain the same.

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). The Offer is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") and such portion the "QIB Portion", provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Offer Procedure" on page 423 of the Red Herring Prospectus.

Bidders / Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for RIBs bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Investors/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for RIBs bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Investors/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Investors' /Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance

with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section "History and Certain Corporate Matters" on page 200 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 460 of the RHP.

Liability of the members of the Company: Limited by shares

Amount of share capital of the Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 500 million divided into 50 million Equity Shares of face value ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 394.51 million divided into 39.45 million Equity Shares of face value ₹ 10 each. For details, please see the section titled "Capital Structure" on page 77 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are Ranbir Singh Khadwalia, Sat Parkash Mittal and Sunita Saini. For details of the share capital history and capital structure of our Company, please see the section titled "Capital Structure" beginning on page 77 of the RHP.

Listing: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an "in-principle" approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated December 18, 2023 and December 19, 2023, respectively. For the purposes of the Offer, BSE shall be the Designated Stock Exchange.

A signed copy of the Red Herring Prospectus has been filed and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 460 of the RHP.

Disclaimer Clause of Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 405 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 407 of the RHP for the full text of the disclaimer clause of BSE.

Disclaimer Clause of NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 407 of the RHP for the full text of the disclaimer clause of NSE.

General Risk: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 27 of the RHP.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Ground Floor, Akshesh Dinesh Modi Marg, Fort, Mumbai – 400 001. Telephone: 022 – 6216 6999; E-mail: ipo@afsl.co.in Investors Grievance E-mail: feedback@afsl.co.in; Website: www.afsl.co.in Contact Person: Deepak Biyani / Vatsal Ganatra SEBI Registration Number: INM000011344	 MAS Services Limited T-34 2nd Floor, Okhla Industrial Area Phase II, New Delhi 110020, India. Tel: 011-26387281-83, 011-41320335 Email: ipo@massserv.com; Website: www.massserv.com Contact Person: N.C. Pal; SEBI Registration No.: INR000000049	<b>INDO FARM EQUIPMENT LIMITED</b> SCO 859 N.A.C Manimajra Kalka Road, Chandigarh-160101, India. Tel No.: 0172 – 2730060; Email: compliance@indofarm.in Website: www.indofarm.in Contact Person: Navpreet Kaur Investors can contact the Compliance Officer or the Registrar to the Offer in case of any Pre-Offer or Post-Offer related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, etc.

AVAILABILITY OF THE RED HERRING PROSPECTUS: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 27 of the Red Herring Prospectus, before applying in the Offer. A copy of the Red Herring Prospectus shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLM, i.e. Aryaman Financial Services Limited at www.afsl.co.in and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of the Company Indo Farm Equipment Limited, Tel: 0172 – 2730060; the BRLM: Aryaman Financial Services Limited, Tel: +91 – 22 – 6216 6999, Syndicate Members: Aryaman Financial Services Limited, Tel: +91 – 22 – 6216 6999 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Syndicate members: Aryaman Financial Services Limited.

Sub-syndicate Members: Axis Capital Limited, ICICI Financial Services Ltd, J M Financials Services Limited, Kotak Securities Limited, Zerodha Broking Limited and Others

Escrow Collection Bank, Refund Bank, and Public Issue Bank: ICICI Bank

Sponsor Bank: ICICI Bank

All capitalized terms used and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

For Indo Farm Equipment Limited

On behalf of the Board of Directors

Sd/-

Navpreet Kaur

Company Secretary and Compliance Officer

Place: Chandigarh

Date: December 23, 2024

INDO FARM EQUIPMENT LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares ("Offer") and has filed a Red Herring Prospectus ("RHP") with the Registrar of Companies, Chandigarh ("RoC"). The RHP is available on the website of the SEBI at www.sebi.gov.in, the website of the BSE Limited at www.bseindia.com and the website of the National Stock Exchange of India Limited at www.nseindia.com and the websites of the Book Running Lead Manager to the Offer, Aryaman Financial Services Limited at www.afsl.co.in. All potential investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the Prospectus which may be filed with the RoC in the future, including the section titled "Risk Factors". Potential investors should not rely on the DRHP filed with the SEBI in making any investment decision. Potential investor should read the Red Herring Prospectus carefully, including the Risk Factors on page 27 of the Red Herring Prospectus before making any investment decision.

The Equity Shares offered in this offer have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no offering of securities in the United States.

