

Indo-MIM IPO

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Reviewed on 21 July 2026

- The company is one of the leading end-to-end solution providers in the manufacturing of precision engineering components using metal injection molding.
- As of March 31, 2026, it had to its credit 608 tool developments, serving more than 1100 customers globally.
- It posted steady growth in its top and bottom lines despite rising competition.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed investors may park funds for medium to long term in this pricey bet.

About the Company

Indo-MIM Ltd. (IML) provides end-to-end solutions for the manufacture of precision engineering components using metal injection molding (“MIM”) technology. Its capabilities include mold designing and tooling, coupled with finishing and assembly operations. With over 25 years of experience in the MIM industry, it is the largest manufacturer globally of precision engineering components using MIM technology, with a market share of 6.8% in terms of revenue from MIM in Calendar Year 2025 and have held this position for the last six years. (Source: F&S Report)

Over the years, the company has implemented a range of manufacturing technologies to enhance its product offerings to customers. In addition to MIM technology, it leverages technologies such as investment casting, precision machining, ceramic injection molding and metal three-dimensional (“3D”) printing. These technologies have strengthened its manufacturing capabilities and enabled to address the evolving needs of customers across industries. IML’s product portfolio caters to automotive, defence, medical, consumer, and aerospace sectors, and it manufactured over 9,000 types of products in Fiscal 2026.

As of the date of this Red Herring Prospectus, the company operates 15 manufacturing facilities, of which, six are located in India, six in the United States, two in the United Kingdom (“UK”) and one in Mexico. Over the years, it has expanded manufacturing capabilities and as of March 31, 2026, it had the world’s largest installed capacity for MIM products. (Source: F&S Report) Its dual-shore manufacturing, with manufacturing capabilities both in India and countries such as the United States, the UK and Mexico coupled with its scale of operations, technical know-how and mold design capabilities, helps it compete with other global precision engineered product manufacturers. IML’s manufacturing model enables it to serve both Indian and global OEMs, helping the company benefit from economies of scale. Its manufacturing capabilities enable it to cater to the needs of customers who require domestic manufacturing for their components. Additionally, having a local base offers

additional supply chain security for customers who do not necessarily require domestic sourcing, in case of unforeseen events.

Its diverse capabilities allow IML to service the customers globally, which has established it as an export-oriented company with customers across North America, Europe and South East Asia. Its manufacturing facilities are fungible due to the similarity of the manufacturing processes employed in the production of products for different sectors. This flexibility allows it to adjust production capacity based on industry demands, enabling it to serve various end users. Its facilities are certified to international quality management standards, including NADCAP, IATF 16949:2016, AS 9100:2016, ISO 9001:2015, ISO 14001:2015, ISO 13485:2016, ISO 27001:2022 and ISO 45001:2018.

The company has global sales capabilities with a dedicated sales team that provides customer support. As of March 31, 2026, it had three sales offices in China, Germany and the United States, with 13 sales representatives in Czech Republic, France, Italy, Japan, South Korea, Singapore, Israel, Poland and Turkey. It manufactures and supplies critical and complex products for automotive, defence, medical, consumer and aerospace sectors, which are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. According to the F&S Report, the precision components manufacturing industry has significant barriers to entry. These barriers include the need for a higher initial investment in manufacturing molds, as well as the demand for complex execution and technical skills for the development of each new product for customers. The company differentiate itself through a combination of factors, including its diversified manufacturing technologies, including MIM, investment casting, precision machining, ceramic injection molding and metal 3D printing, experience in mold designing and tooling and a diverse product portfolio.

This allows it to meet customer requirements and build long-standing relationships. It has long-term relationships with several Indian and global OEMs across various industries. As per the F&S Report, business relationships in its industry are characterized by a high rate of repeat orders and minimal inclination by OEMs to switch suppliers. Its track record of manufacturing products to meet customer requirements helps it retain existing customers and attract new customers. During Fiscal 2026, IML served more than 1,100 customers. Its number of tools developed increased from 551 (FY24) to 608 (FY26). As of March 31, 2026, it had 4424 employees on its payroll and additional 2766 contract labourers.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 78600300 equity shares (worth Rs. 3812.11 cr. at the upper cap). The IPO consists of fresh equity issue worth Rs. 500.00 cr. (for approx. 10309278 equity shares at the upper band), and an Offer for Sale (OFS) of 68291022 equity shares (worth Rs. 3312.11 cr. at the upper cap). The company has announced a price band of Rs. 461 – Rs. 485 per equity shares of Re. 1 each. The issue opens for subscription on July 23, 2026, and will close on July 27, 2026. The minimum application to be made is for 30 shares

and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 15.90% of the post-IPO paid-up equity capital. From the net proceeds of the fresh issue, the company will utilize Rs. 400.00 cr. for repayment/prepayment of certain borrowing, and the rest for general corporate purposes.

The company has reserved 200000 equity shares for its eligible employees and offering them a discount of Rs. 45 per share. From the rest, it has allocated not more than xx % for QIBs, and not less than 35% for Retail investors, and not less than 15% for HNI investors.

The five joint Book Running Lead Managers (BRLMs) to this issue are HDFC Bank Ltd., Axis Capital Ltd., ICICI Securities Ltd., Kotak Mahindra Capital Co. Ltd., SBI Capital Markets Ltd., and MUFG Intime India Pvt. Ltd., is the registrar to the issue. HDFC Securities Ltd., Kotak Securities Ltd., SBICAP Securities Ltd., and Investec Capital Services (India) Pvt. Ltd. are syndicate members.

The company has issued initial equity shares at par value, and has issued further equity shares in the price range of Rs. 5 – Rs. 496 per share (based on FV of Re. 1) between July 2006 and June 2023. It has also issued bonus shares in the ratio of 3 for 1 in September 2020. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, Rs. 1.25, Rs. 2.67, and Rs. 2.82, per share.

Post-IPO, its current paid-up equity capital of Rs. 48.42 cr. will stand enhanced to Rs. 49.45 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 23981.42 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 2900.38 cr. / Rs. 283.73 cr. (FY24), Rs. 3373.97 cr. / Rs. 423.73 cr. (FY25), and Rs. 4320.70 cr. / Rs. 533.54 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Its consolidated contingent liabilities of Rs. 227.45 cr. as of March 31, 2026 raise concern. Higher trade receivables raise alarm.

For the last three fiscals, the company has posted an average EPS of Rs. 9.44 (Basic) and an average RoNW of 19.61 %. The issue is priced at a P/BV of 8.33 based on its NAV of Rs. 58.24 as of March 31, 2026, and at a P/BV of 7.22 based on its post-IPO NAV of Rs. 67.13 per share at the upper price.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 44.95. Based on FY25 earnings, the P/E stands at 56.59. The issue aggressively priced.

For the reported periods, the company has posted PAT margins of 9.88 % (FY24), 12.73% (FY25), 12.72% (FY26), and RoCE margins of 19.59%, 23.51%, 26.60%, respectively for the referred periods.

Dividend Policy

The company has paid a dividend of 775% (FY24), and 591% (FY25). It has already adopted a dividend policy in February 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers in India, but Jiangsu Glan Technology Co. Ltd. – a global listed player is the only peer.

Merchant Banker's Track Record

The five BRLMs associated with this issue have handled 106 IPOs in the last three fiscals, out of which 33 issues closed below the offer price on the listing date.

Conclusion / Investment Strategy

IML is one of the leading end-to-end solution providers in the manufacturing of precision engineering components using metal injection molding. As of March 31, 2026, it had to its credit 608 tool developments, serving more than 1100 customers globally. It enjoys most preferred partner by user industry. It posted steady growth in its top and bottom lines despite rising competition. As per RHP data, its global peer is trading around 148 P/E. Based on its recent financial data, the issue appears aggressively priced. Well-informed investors may park funds for medium to long term in this pricey bet.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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