

Indo SMC IPO

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- The company is engaged in the manufacturing of enclosure box for energy meters, and other power equipments/products.
- It posted growth in its top and bottom lines for the reported periods, but the quantum surge in bottom line raises eyebrows as it is operating in a highly competitive segment.
- Based on its recent financial data, the issue appears aggressively priced.
- As of November 30, 2025, it had an order book worth Rs. 111+ cr.
- Well-informed investors may park e funds for medium term.

About the Company

Indo SMC Ltd. (ISL) is an ISO 9001:2015 certified company mainly engaged in the design and manufacturing of enclosure box for energy meters, high tension current transformer (“HTCT”), high tension potential transformer (“HTPT”), low tension current transformer (“LTCT”), LT/HT distribution boxes and panels, fiberglass reinforced plastic (“FRP”) Grating, junction boxes, feeder pillars and other power distribution and circuit protection switchgears.

Its products are crafted from materials such as sheet moulding compounds (“SMC”), fiberglass reinforced plastic (“FRP”), copper, mild steel and stainless steel, etc. Its business primarily comprises of (i) sheet moulding compound division, under which it manufactures enclosure box for energy meters, SMC sheet and SMC chequered plates, (ii) fiberglass reinforced plastic in which it manufactures grating plates and (iii) electrical component division where ISL manufactures HTCT, HTPT, LTCT, feeder pillars and other power distribution and circuit protection switchgears. In SMC enclosure box, the company follows Indian Standards (“IS”) which are IS:13410 for SMC materials and IS:14772 for enclosure.

The Company has in-house testing laboratories to ensure products meet quality requirements and suitable material composition. All the incoming materials are tested, and the finished product must comply with quality standards. Along with these quality certifications quality checks, it has been certified with ISO 14001:2015 for the above product which it is manufacturing and supplying to customers. In FRP, products such as FRP pultruded products, FRP moulded gratings and FRP storage tanks, these products are customized to a variety of industrial applications.

FRP is a composite material made of polymer resins reinforced with fibres like fibreglass, carbon, or aramid. This combination has many advantages, including corrosion resistance, chemical resistance, high strength, lightweight characteristics, electrical and thermal non-conductivity, and ease of

manufacturing.

ISL currently operates through four manufacturing facility, located at Gujarat, Maharashtra and Rajasthan. Its manufacturing facility at Ahmedabad where it manufactures SMC and FRP products, comes equipped with a variety of machinery and other handling tools to guarantee appropriate product handling and efficient production. The company uses advanced machinery and equipment in our production procedures in order to ensure timely manufacture of high-quality products that satisfy specified requirements while remaining cost-effective. As of November 30, 2025, it had overall 332 employees including 258 contract workers. As of the said date, it has an order book worth Rs. 111+ cr.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 6171000 equity shares of Rs. 10 each to mobilize Rs. 91.95 cr. The company has announced the price band of Rs. 141- Rs. 149 per share of Rs. 10 each. The IPO opens for subscription on January 13, 2026, and will close on January 16, 2026. The minimum application to be made is for 2000 shares and in multiple of 1000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 27.00% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 25.71 cr. for capex on plant and machineries, Rs. 52.00 cr. for working capital, and the rest for general corporate purpose.

The IPO is solely lead managed by GYR Capital Advisors Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd., and Nikunj Stock Brokers Ltd. are the market makers.

The company has issued initial equity shares at par value, it has issued further equity capital in the price range of Rs. 200.00 – Rs. 342.00 per share between March 2024, and September 2024. It has also issued bonus equity shares in the ratio of 6 for 1 in August 2024, and 2 for 1 in December 2024. The average cost of acquisition of shares by the promoters is Rs. 0.48, and Rs. 2.38 per share.

Post-IPO, company's current paid-up equity capital of Rs. 16.68 cr. will stand enhanced to Rs. 22.86 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 340.54 cr. This IPO is underwritten jointly by Giriraj Stock Broking and Nikunj Stock Broker – but the exact portion data is missing from the offer document.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 7.30 cr. / Rs. 0.46 cr. (FY23), Rs. 28.06 cr. / Rs. 3.00 cr. (FY24), Rs. 138.78 cr. / Rs.15.44 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 11.46 cr. on a total income of Rs. 112.62 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 5.59, and an average RoNW of 45.39%. The issue is priced at a P/BV of 5.27 based on its NAV of Rs. 28.25 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 14.87, and based on its FY25 earnings, the P/E stands at 22.04. Thus, the issue appears aggressively priced.

The company has posted PAT margins of 6.24% (FY23), 10.71% (FY24), 11.13% (FY25), 10.18% (H1-FY26), and RoCE Margins of 7.97 %, 20.71%, 31.39%, 17.50%, respectively for the referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Aeron Composite, and RMC Switchgear, as its listed peers. They are currently trading at a P/E of 12.2, and 10.0 (as of January 09, 2026). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER'S TRACK RECORDS:

This is the 56th mandate from GYR Capital in the last five fiscals. From the last 11 listings, 1 listed at par and the rest with premium ranging from 4.92% to 90% on the date of listing. This offer document also has the repeated mistake of KV Toys listing price data.

Conclusion / Investment Strategy

ISL is engaged in the manufacturing of enclosure box for energy meters, and other power equipments/products. It posted growth in its top and bottom lines for the reported periods, but the quantum surge in bottom line raises eyebrows as it is operating in a highly competitive segment. Based on its recent financial data, the issue appears aggressively priced. As of November 30, 2025, it had an order book worth Rs. 111+ cr. Well-informed investors may park e funds for medium term.

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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