



LONG TERM SUBSCRIBE

IPO Report

26th June '25

Snapshot

Company is engaged in the business of manufacturing of crop protection products, plant nutrients and biologicals in India. Company manufacture Spiromesifen technical with the minimum purity of 96.5% in 2019. Company is also one of the first few indigenous manufacturers of Pyrazosulfuron Ethyl technical, with the minimum purity of 97% indigenously in India and commenced production in 2018. Company is also a growing exporter of crop protection, plant nutrients and biologicals products and company exported its products to over 34 countries.

VALUATION

Company is bringing the issue at price band of Rs 105-111 per share at p/e multiple of approx. 24x on post issue annualized 9 months FY25E PAT basis.

Company has diversified product portfolio and specialized products across all three verticals; . Also , company has established distribution network in India and abroad. Company has also backward integrated manufacturing infrastructure. Company has strong R&D and product development capabilities; and experienced promoters and a strong management team. Hence we recommend “Long term Subscribe” to this ipo.

Price Band (Rs./Share)	105-111
Opening date of the issue	26th June '2025
Closing Date of the issue	30th June '2025
No of shares pre issue	4,87,87,456 Eq Shares
Issue Size	Rs 198-200 Cr
Fresh Issue	Rs 160 Cr
Offer For Sale	36,03,603 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Employee Discount	Rs 11/share
Bid Lot	135
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 91,35,133 Eq Shares)
Non-Institutional	15% of the offer (Approx 27,40,541 Eq Shares)
Retail	35% of the offer (Approx 63,94,595 Eq Shares)
Employee Reservation	Rs 6 Cr
Lead managers	Systematix Corporate Services Limited
Registrar to the issue	Bigshare Services Private Limited

WHAT WE LIKE

Diversified product portfolio and specialized products across all three verticals

Company have, over the span of three decades, diversified company's product portfolio and have grown into multi-product manufacturer of crop protection, plant nutrients and biologicals in India. Company's product portfolio has expanded from 198 products in Fiscal 2022 to 262 products in December 31, 2024, consisting of products that company manufacture using in-house innovative processes, which enable it to cater to a wide range of customers in domestic and international markets. Company manufacture a wide range of product categories consisting, among others, water dispersible granules (“WDG”), suspension concentrate (“SC”), capsule suspension (“CS”), ultra low volume (“ULV”), emulsion in water (“EW”), soluble granule (“SG”), flowable suspension (“FS”), which can be in powder, granules and liquid form.

Established distribution network in India and abroad

Company have a pan-India sales and dealer presence in 22 states and three Union Territories in India and over 34 countries outside India with a dedicated sales and development force that provides customer service and undertakes product promotion. As of April 30, 2025, company distribute its products through company's distribution network and its distribution network comprised 192 institutional business partners (b2b), 6,916 working domestic distributors (b2c), supported by 17 stock depots and 6 sales/branch offices supporting the distribution of its products in India and 143 overseas business partners optimizing company's product distribution in over 34 countries.

Backward integrated manufacturing infrastructure

Company currently have four manufacturing facilities including formulation, technical and fertilizer plants having international quality standards located in (i) Samba, Jammu and Kashmir; (ii) Nathupur - I, Haryana; (iii) Nathupur - II, Haryana; and (iv) Barwasni, Haryana, collectively, spread across approximately twenty acres. Company's manufacturing facilities are ISO 9001: 2015 and ISO 14001: 2015 certified, for quality management system and environment management system.



COMPANY BACKGROUND

Company commenced its operations in 1993 and primarily operate under three business verticals namely crop protection, plant nutrients and biologicals, to retail and institutional customers focused on improving the crop yield. Company manufacture and market extensive range of products in all types of available formulations such as water dispersible granules (“WDG”), suspension concentrate (“SC”), capsule suspension (“CS”), ultra low volume (“ULV”), emulsion in water (“EW”), soluble granule (“SG”), flowable suspension (“FS”), etc. which can be in powder, granules and liquid form to its customers. Company’s diverse product portfolio caters to a broad spectrum of crops, including cereals, pulses and oilseeds, fibre crops, plantations, and fruits and vegetables. Company’s products are designed to improve crop yield while promoting sustainable agriculture and environmental stewardship.

Company’s registered and licensed products are further categorised in following three verticals:

Registered Products

Following are the registered products which have been officially registered with a regulatory body or authority based on the data requirements guided by the specific clause under which the approval is obtained:

1. *Crop protection*: It refers to the various practices, techniques, and strategies employed to safeguard crops from insects, diseases, weeds, and other threats, thereby ensuring their healthy growth, development, and productivity. It aims to minimize yield losses and maintain crop quality while minimizing negative environmental impacts. Under this vertical, company manufacture and offer a variety of insecticides, fungicides, herbicides, plant growth regulators and efficacy enhancers. Crop protection products include formulations and technical. These, among others, includes (i) formulations, namely, Lambda Cyhalothrin 5% EC (brand name - Farrate), Emamectin Benzoate 5% SG (brand name - Dominator), Profen.40%EC+Cyper.4%EC (brand name - Corsa-808), Tembotrione 34.4% SC (brand name - Alkazar) and Glyphosate 41% SL (brand name - Bound Off); and (ii) technical, namely, Abamectin Tech, B.P.M.C Tech, Chlorantraniliprole, Quizalofop, Spiromesifen and Azoxystrobin Technical.
2. *Biologicals*: Biologicals empower farmers with a comprehensive approach to crop management, offering novel solutions to combat pests and diseases, build resilience against abiotic stress, and unlock improved nutrient use efficiency. It also mitigate the impact of environmental stresses, and optimize nutrient uptake and soil well-being, driving progress toward a more sustainable food system ultimately leading to more resilient and sustainable agricultural practices. Company manufacture various types of bio-simulants under this vertical. These, among others, include sea-weed (brand name - Breeza), humate (brand name - Apache) mycorrhiza (brand name - Root-o-Max Gold) and combinations thereof (brand name: Empire).

Following are the licensed products have been granted permission to be manufactured, sold, or used under specific terms and conditions:

1. *Plant nutrients*: Plant nutrients are aimed at improving the soil fertility, strengthen roots, enhance quality of produce and boost crop yields. Company manufacture various types of straight fertilizers and nutrient deficiency corrector for oil and plant health products under this vertical. These, among others, include Picaso Gold, Picaso Power, Jagromin-99, Zinc Super Gold and Zinc Super+.

Company also provide contract manufacturing services which are customizable to meet the specific requirements and formulations requested by its clients and deliver tailored solutions. Company’s longevity in the industry for over three decades is a testament to its ability to adapt to the evolving industry landscapes, business environments and customer requirements. Company have built long - standing relationships with a number of its customers and have catered to major domestic and international brands, with some its key customers being, namely, Krishi Rasayan Exports Private Limited, Delhi, Parijat Industries (India) Private Limited, Delhi, BR Agrotech Private Limited, Delhi, Crystal Crop Protection Limited, Delhi, and Asasiat of Development for Agric & Trade Co., UAE. Company have also established long-term relationships with a network of reliable suppliers who provide company with essential raw materials and components. These suppliers include Coromandel International Limited, GSP Crop Science Private Limited, Gujarat, Dagro Chemical (Changzhou) Co. Ltd., China, Hubei Benxing Supply Chain Management Co. Ltd, China, and MaxxGro Agrology Private Limited, Delhi.

Presently company operate four manufacturing facilities located in (i) Samba, Jammu and Kashmir; (ii) Nathupur - I, Haryana; (iii) Nathupur - II, Haryana; and (iv) Barwasni, Haryana, collectively, spread across approximately twenty acres. Company’s manufacturing facilities are ISO 9001: 2015 and ISO 14001: 2015 certified, for quality management system and environment management system and company is recognized as a Two Star Export House under the Ministry of Commerce scheme. Additionally, as on the date of this Red Herring Prospectus, company have two Subsidiaries, Indogulf Crop Sciences Australia Pty Ltd located in Sydney, Australia and Abhiprakash Globus Private Limited located in Delhi, India. Indogulf Crop Sciences Australia Pty Ltd helps company to get registrations in the countries which required OECD registered products and Abhiprakash Globus Private Limited facilitates to expand company’s market reach, drive growth, and open new avenues for business development in domestic as well as overseas markets while optimizing resource use and fostering healthy competition.



INVESTMENT RATIONALE

<p><i>Strong R&D and product development capabilities</i></p>	<p>Company have substantial experience in undertaking R&D activities as part of its manufacturing operations. Company's R&D laboratory is located at its Nathupur, Haryana facility with modern research and development infrastructure. Company's R&D laboratory has received certificate of accreditation from the NABL which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017. Company have been able to diversify its products range mainly due to company's R&D and product development capabilities.</p> <p>Further, company is currently in the process of developing and upgrading 39 products. Company's R&D efforts are mainly focused on developing new products and processes, improving its existing production processes, adopting advance production technology, and improving the quality of company's existing products coupled with cost efficiency. Company's R&D efforts are important to maintain its competitive position in various business lines as well as to address evolving customer needs, industrial development and business models.</p> <p>Company's R&D efforts focus on product development and improvement through a strategic approach involving short-term, mid-term, and long-term planning. In the short term, Company prioritizes obtaining registrations for existing products in the marketplace. Leveraging its expertise and advanced technologies, Company successfully develops and manufactures a wide range of products, meeting regulatory standards both domestically and internationally.</p>
<p><i>Experienced Promoters and a strong management team</i></p>	<p>Company is led by a set of experienced Promoters. Om Prakash Aggarwal, Chairman, provides strategic direction to the team and has over 30 years of experience and knowledge of the industry. Sanjay Aggarwal, Managing Director, has been associated with Company since its inception and has an experience of over 30 years in the industry.</p> <p>Company is assisted by experienced team of personnel including agronomists, and advisors on product portfolio development, workforce management, and strategic planning. Their industry experience has enabled company to anticipate and address market trends, manage and grow its operations including expanding globally, enhance its manufacturing capabilities, leverage customer relationships, innovate continuously and respond to changes in customer preferences. Further, company's regulatory team enables it to obtain product registrations in a timely and efficient manner. Company will continue to leverage on the experience of its management team and their understanding of agricultural science and industry in order to take advantage of current and future market opportunities. Company's employee base is the key to its competitive advantage. Company's employee value proposition is based on a strong focus on employee development, friendly environment, and competitive compensation. Continued talent development is a key focus area for company and is implemented through diligently designed talent management processes. The skills and diversity of its employees give company the flexibility and agility to adapt to the future needs of its business..</p>



OBJECTS OF OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

The Promoter Group Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon.

Fresh Issue

Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding working capital requirements of Company;
2. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by Company;
3. Capital expenditure of Company for setting up an in-house dry flowable (DF) plant at Barwasni, Sonipat, Haryana; and
4. General corporate purposes (collectively, the “Objects”).

RISKS

Company is subject to regular inspections and audits, and the success and wide acceptability of company’s products is largely dependent upon its quality controls and standards. Any failure to comply with quality standards may adversely affect Company’s business prospects and financial performance, including cancellation of existing and future orders which may expose it to warranty claims.

Source:RHP

INDUSTRY OVERVIEW

Key Growth Drivers for Bio-fertilizers and Organic Fertilizers Industry

- Introduction and promotion of new technologies such as usage of drones
 - The necessity of increasing food production to meet the demand of the ever-increasing population in India needs no emphasis but doing so while maintaining soil nutrients and fertility is more crucial.
 - The use of conventional methods for application of fertilizer has its own limitations and challenges of labour shortage, energy, and low input use efficiency. Furthermore, the conventional machines used for crop nutrient spraying are heavy and may compact the soil along with mechanical damage to the crop.
 - This is when Unmanned Aerial Vehicles (UAVs) which are usually known as drones become a vital alternative to overcome these challenges. Drones can be used for targeted input application, timely diagnosis of nutrient deficiency, crop health monitoring, rapid assessment of crop yield and crop losses. There is a variety of imaging technologies which include multi spectral, hyper spectral and thermal imaging, with the help of which farmers are able to get a better picture of farms and fields.
 - Crop nutrient spraying through drone ensures rapid application and can be used to treat large areas quickly. The drones also have the capability to fly at low height (1-3m) over the canopy of the crop and this makes them even more suitable for spraying crop nutrients and is more viable compared to aerial spray. This also saves input cost and environment.
 - Drones use multiple batteries, and it is very beneficial for farmers as it helps in saving effort, time and dependencies on labour. It is also helpful for tall crops like sugarcane, bushy crops like cotton and fields like paddy.
 - Drones can be more effectively used in hilly regions where it is difficult for another farm equipment to reach. Drones not only encourage farmers to solve other problems and receive plenty of benefits through precision agriculture but enhances the overall performance of the farmers, crop and soil.

Drones with special features like lasers, sensors, reservoirs can be filled with fertilizer and pesticide for spraying on the crops and for planting seedlings since they have flexibility and can maneuver over the desired locations. Further, drones can also provide accurate information, quantify and identify risks faster and safely. Hence it is used in insurance to assess the extent of damage based on visuals provided by the drones and in monitoring for timely harvest, aversion of pest attacks etc. Drones can prove to be vital for agriculture as they provide real time information which can improve the health of crops.


Consolidated Financials

(Rs in Mn)

Financials	FY22	FY23	FY24	9M FY 2025
Total Revenue (A)	4872.10	5496.55	5522.34	4641.88
Total Expenditure (B)	4400.46	5007.8	4928.25	4207.47
EBIDTA	471.64	488.75	594.09	434.41
EBIDTA Margin	9.68	8.89	10.76	9.36
Other Income	30.20	25.33	35.53	21.17
Depreciation	86.01	96.14	103.07	71.36
EBIT	415.83	417.94	526.55	384.22
Interest	60.30	116.45	129.48	103.74
PBT	355.53	301.49	397.07	280.48
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	355.53	301.49	397.07	280.48
Exceptional	0.78	1.63	-36.65	13.36
PBT	356.31	303.12	360.42	293.84
Tax	92.68	78.90	78.09	77.08
PAT	263.63	224.22	282.33	216.76
NPM	5.41	4.08	5.11	4.67
ROE%	14.60	11.03	12.19	8.17
EPS	11.21	9.53	12.00	5.10
Eq Cap	235.19	235.19	235.19	487.87
Net Worth	1,805.13	2,032.48	2,316.51	2,654.28

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Indogulf Cropsiences Limited*</i>	<i>10.00</i>	<i>12.00</i>	<i>--</i>	<i>12.19</i>	<i>97.98</i>
Peers					
Aries Agro Ltd	10.00	14.94	17.47	7.07	200.20
Basant Agro Tech India Ltd	1.00	0.43	44.48	2.27	19.22
Best Agrolife Ltd	10.00	44.94	12.23	16.42	273.64
Bhagiradha Chemicals & Industries Ltd	1.00	17.50	101.81	4.40	397.59
Heranba Industries Ltd	10.00	8.72	35.34	4.04	213.19
India Pesticides Ltd	1.00	5.24	41.62	72.90	7.17
Dharmaj Crop Guard Ltd	10.00	13.13	18.02	12.35	106.33

(Source: RHP)



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