



SUBSCRIBE

IPO Report

16th Mar'26

Snapshot

Company is a research-driven agrochemical company, specializing in the development and manufacturing of insecticides, herbicides, fungicides and plant growth regulators in India, with over 40 years of experience in the agrochemical industry. Company provide its customers with crop protection solutions designed to support farmers in maximizing productivity and achieving optimal agricultural output through development, manufacturing, supply and distribution of (i) formulations, which refer to products composed of 'active ingredients', chemical compounds in a product responsible for achieving the desired effects on the target pests, weeds, or plant diseases and 'additives' which improve the product's performance, stability, and ease of use, in definite proportion obtaining well-defined target properties ("Formulations"); and (ii) technicals, which refer to concentrated form of the 'active ingredients' which are processed with other ingredients to develop formulations ("Technical").

VALUATION

Company is bringing the issue at price band of Rs 304-320 per share at p/e multiple of 9x on post issue H1FY26 PAT basis. Company has well-diversified product portfolio including a wide range of insecticides, herbicides, fungicides, and plant growth regulators, making company a comprehensive solution provider for its customers along with large and diverse clientele both domestically as well as internationally. Also, company has strong in-house R&D capabilities with focus on innovation and product development. Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	304-320
Opening date of the issue	16 th Mar '2026
Closing Date of the issue	18 th Mar '2026
No of shares pre issue	3,90,18,750 Eq Shares
Issue Size	Rs 392-400 Cr
Offer For Sale	5,000,000 Eq Shares
Fresh issue	Rs 240 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	46

BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 62,50,000 eq Shares)
Non-Institutional	15% of the offer (Approx 18,75,000 eq Shares)
Retail	35% of the offer (Approx 43,75,000 eq Shares)
Lead managers	Equirus Capital, Motilal Oswal Investment Advisors
Registrar to the issue	MUFG Intime India

WHAT WE LIKE

Well-diversified product portfolio including a wide range of insecticides, herbicides, fungicides, and plant growth regulators, making companyS a comprehensive solution provider for its customers

As a research-driven agrochemical company, company specialize in the development and manufacturing of insecticides, herbicides, fungicides and plant growth regulators in India. Company's robust product development capabilities empower it to effectively manufacture and operate across company's two businesses: Formulations and Technicals. As of September 30, 2025 company have 524 registrations across Formulations and Technicals for insecticides, herbicides, fungicides and plant growth regulators

Catering to a large and diverse clientele both domestically as well as internationally

Company have long-standing relations with company's customers for company's Domestic Business as well as International Business. Several of its customers have been associated with Company for over 10 years. Company's customers include agrochemical companies such as Bharat Rasayan Limited, Dharmaj Crop Guard Limited, Indogulf Cropsiences Limited, SML Limited, Willowood Chemicals Limited and Agrico Organics Limited.

Robust manufacturing facilities with ability to manufacture a wide range of products with a focus on sustainability

As of September 30, 2025, company have five manufacturing facilities located at Odhav (Ahmedabad, Gujarat), Kathwada(Ahmedabad, Gujarat), Nandesari (Vadodara, Gujarat), Samba (UT of Jammu & Kashmir) and Saykha (Dahej, Gujarat). As of September 30, 2025, company have an annual aggregated installed capacity of 15,120 MTPA for Technicals, 43,672 MTPA for Formulations and 5,400 MTPA for intermediates across company's five manufacturing facilities.



COMPANY BACKGROUND

As of September 30, 2025 company with a strong focus on product research and development. Company hold process and product patents across a variety of agrochemicals. As a research driven agrochemicals company, company's research and development efforts over the years have led company to being granted 102 patents as of the date of this Red Herring Prospectus. Company's revenue from sale of patented products was ₹ 1,436.75 million for the six months ended September 30, 2025, accounting for 17.10% as a percentage of sale of products from continuing operations for the period. Additionally, company also have 108 patent applications under process as of date of this Red Herring Prospectus. Company's Material Subsidiary, Rajdhani Petrochemicals Private Limited, was among the top 10 Indian applicants for Patent Cooperation Treaty filings (RO/IN) in Fiscal 2022. Company was also ranked among the top 10 Indian applicants for patents from Scientific and Research & Development Organizations in Fiscal 2017.

Company operate under two distinct businesses which are categorized as (i) Formulations; and (ii) Technicals.

Formulations

Formulations are composed of 'active ingredients', which refer to the chemical compounds in a product responsible for achieving the desired effects on the target pests, weeds, or plant diseases. These are combined with 'additives', also known as inert ingredients or co-formulants, which are substances when added to the active ingredients, improve the product's performance, stability, and ease of use. These Formulations may be in the form of solids (e.g. powders) or liquids (e.g. emulsifiable concentrates). As of September 30, 2025, company's portfolio consists of 395 registrations for Formulations which are marketed and distributed directly or as brands owned or licensed by Company.

Technicals

Technicals consist of technical grade ingredients, which are concentrated forms of active ingredients that are processed with other ingredients to develop formulated products such as insecticides, herbicides and fungicides. As of September 30, 2025, company's portfolio consists of 129 registrations for Technicals.

Company have adopted a multi-faceted approach to its business, by establishing presence in both domestic and international markets. This strategy allows company to effectively cater to diverse customer needs and capitalize on opportunities across various regions. Company's (i) domestic business is undertaken on a business-to-business basis ("**B-to-B**") for bulk products, as well as business-to-customer basis ("**B-to-C**") across India through company's brands such as SLR 525, Platform, PCT-410, All Rounder, Afford, Aurthor, Liger, Raavan, Element, Runway and Fighter ("**Domestic Business**"); and company's (ii) international business is undertaken on a B-to-B basis across various geographies outside India ("**International Business**"). In company's International Business, company catered to 253 customers in 37 countries during the six months ended September 30, 2025, Fiscals 2025, 2024 and 2023, including in Latin America, Asia Pacific (excluding India), North America and other geographies. The countries primarily included Uruguay, United States of America, Vietnam, Brazil, Singapore, Bangladesh, United Arab Emirates, Taiwan, Australia and Sri Lanka. In 2023, company acquired, GSP Agroquimica Do Brasil LTDA in Brazil with an intention to expand into the Latin American market. Company further intends to expand its operations in Uruguay, and is in the process of incorporating a subsidiary in Uruguay towards this objective, subject to necessary approvals.

OBJECTS OF OFFER

The Offer comprises a Fresh Issue by Company and Offer for Sale by the Promoter Selling Shareholders.

Requirement of funds

Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Repayment or pre-repayment of all or a portion of certain outstanding borrowings availed by Company; and
2. General corporate purposes.

RISKS

Company require certain approvals and licenses, including certain registrations from the Central Insecticides Board and Registration Committee ("**CIBRC**") for company's products. Regulations governing the production, sale, and use of agrochemicals have become increasingly stringent. Any failure to successfully obtain such registrations or renew or maintain company's statutory and regulatory permits and approvals required to operate company's business and manufacturing facilities would adversely affect company's operations, results of operations and financial condition.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	12033.09	11521.61	12873.85	8442.91
Total Expenditure (B)	11247.65	10278.23	11370.23	7087.52
EBIDTA	785.44	1243.38	1503.62	1355.39
EBIDTA Margin	6.53	10.79	11.68	16.05
Other Income	27.38	60.68	136.71	33.17
Depreciation	210.06	198.58	234.13	138.08
EBIT	602.76	1105.48	1406.20	1250.48
Interest	369.53	339.91	309.39	172.96
PBT	233.23	765.57	1096.81	1077.52
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	233.23	765.57	1096.81	1077.52
Exceptional	0.00	0.00	0.00	0.00
PBT	233.23	765.57	1096.81	1077.52
Tax	57.50	210.16	282.61	266.87
PAT	175.73	555.41	814.20	810.65
NPM	1.46	4.82	6.32	9.60
ROE%	4.79	15.00	18.38	15.62
EPS	4.20	13.49	21.20	21.22
Eq Cap	274.80	260.13	390.19	390.19
Net Worth	3,634.82	3,704.68	4,500.43	5,298.61

(Source: RHP)



DISCLAIMER

HEM Securities Limited (“Research Entity or HSL”) is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, depository services, merchant banking services, Portfolio Management Services and other related activities. Broking services offered by HEM Securities Limited are under SEBI Registration No.: INZ000168034.

This Report has been prepared by HEM Securities Limited in the capacity of a Research Analyst having SEBI Registration No. INH100002250 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. This should not be construed as invitation or solicitation to do business with HSL. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject HSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. HSL reserves the right to make modifications and alterations to this statement as may be required from time to time. HSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. HSL is committed to providing independent and transparent recommendation to its clients. Neither HSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

HSL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Investments in securities market are subject to market risks, read all the related documents carefully before investing.