INDOGULF CROPSCIENCES LIMITED

June 24, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**Pesticides**
Offer for sale (Shares)	3,603,603
Fresh Issue (Shares)	14,414,414
Net Offer to the Public	**18,018,017**
Issue Size (Rs. Cr.)	189-200
Price Band (Rs.)	105-111
Offer Date	26-Jun-25
Close Date	30-Jun-25
Face Value	10
Lot Size	135

Issue Composition

	In shares
Total Issue for Sale	18,018,017
QIB	9,009,009
NIB	2,702,703
Retail	6,306,306

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	96.87%	69.07%
QIB	0.00%	14.25%
NIB	3.13%	6.69%
Retail	0.00%	9.98%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

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

Book Running Lead Manager

- Systematix Corporate Services Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

Incorporated in 1993, Indogulf Cropsciences Limited is an Indian agrochemical company engaged in the manufacturing of crop protection products, plant nutrients, and biologicals. The company has established itself as a pioneer by being among the first indigenous manufacturers of Pyrazosulfuron Ethyl technical (97% purity) and producing Spiromesifen technical with 96.5% purity since 2019. It operates four manufacturing facilities across approximately 20 acres in Jammu & Kashmir and Haryana, including two sites in Nathupur and one in Barwasni. Its product portfolio spans specialty fertilizers, bio-stimulants, insecticides, herbicides, fungicides, and biologicals like Biogold, Indo Breeza, and Indo Mychoriza. With adaptable, multi-purpose manufacturing capabilities and high regulatory barriers supporting its market position, the company had 640 permanent employees as of August 31, 2024.

Strength

Diversified Product Portfolio and Specialized Offerings: Indogulf Cropsciences Limited has built a robust and diversified product portfolio over three decades, expanding from 198 products in FY22 to 262 as of December 31, 2024. The company manufactures a wide range of crop protection, plant nutrients, and biologicals using innovative in-house processes. Its product forms include WDG, SC, CS, ULV, EW, SG, and FS. With packaging protected by three patents and featuring QR codes for easy traceability, Indogulf enhances product safety and customer trust. With 225 trademarks, 8 copyrights, and 6 design registrations, the company sustains strong brand recognition and reduces dependency on single products through portfolio breadth.

Established Distribution Network in India and Abroad: Indogulf Cropsciences Limited has developed a widespread distribution network across 22 Indian states, 3 Union Territories, and more than 34 countries. As of April 30, 2025, it worked with 192 institutional partners, 6,916 domestic distributors, 17 depots, and 6 branch offices. Internationally, it collaborates with 143 overseas partners. Its 293-member marketing team uses industry insights to drive sales, develop relationships, and support distributors. The company's new mobile and web app improves efficiency through real-time tracking and order management. Recognized as a Two Star Export House, Indogulf exports to regions including Asia, Africa, Europe, and the U.S., supported by two subsidiaries.

Backward Integrated Manufacturing Infrastructure: Indogulf Cropsciences Limited operates four ISO-certified manufacturing facilities in Haryana and Jammu & Kashmir. Its backward integration strategy enhances supply chain control, reduces costs, and limits reliance on external vendors. Key active ingredients such as bifenthrin and Cloquintocet are produced in-house, with 29.53% of total production used for captive consumption as of December 31, 2024. The company's multi-purpose plants offer production flexibility across all verticals—crop protection, plant nutrients, and biologicals. With long-standing vendor relationships and strategic sourcing both locally and globally, Indogulf improves operational margins and ensures timely delivery, vital for the seasonal agriculture market.

Strong R&D and Product Development Capabilities: Indogulf Cropsciences Limited's R&D facility at Nathupur, Haryana, accredited by NABL, supports the company's innovation in product development and process optimization. The firm is developing or upgrading 39 products and has successfully commercialized over 600. Its eight-member R&D team—comprising scientists, agronomists, chemists, and biologists—drives

innovation through short-, mid-, and long-term strategies, including new registrations, partnerships, and technology transfers. Equipped with advanced instruments, the lab supports cost-effective product improvement and compliance with global regulatory standards. Indogulf's R&D capabilities are central to maintaining competitiveness, meeting evolving customer needs, and expanding its market presence both in India and abroad.

Strategy

Expand Existing Production Capacities: Indogulf Cropsciences Limited operates four manufacturing facilities across Jammu & Kashmir and Haryana, covering approximately 20 acres. To support future growth, the company plans to expand its Barwasni facility, which spans 16 acres. Necessary regulatory approvals have been obtained, including environmental clearances and licenses for raw material handling. Indogulf will establish a dedicated dry flowable plant, featuring seven specialized sheds and 9,000 sq. ft. for the new formulation line. This plant will manufacture advanced dry granules across product categories, enhancing operational flexibility and cost efficiency. The expansion strengthens manufacturing capabilities while addressing evolving market demand.

Grow Product Portfolio Across All Verticals: Indogulf Cropsciences Limited continues to expand its portfolio across crop protection, plant nutrients, and biologicals. With 288 products as of April 30, 2025, the company aims to introduce new, cost-effective offerings at varied price points to meet evolving market needs. The company also plans to strengthen its global presence in markets like Morocco, Turkey, USA, South Korea, Oman, and Tanzania. Leveraging R&D capabilities and customer relationships, Indogulf targets increased registrations, enhanced product quality, and cost optimization. Emphasis is on tapping cross-sell opportunities and developing high-potential products in plant nutrition and biologicals to drive long-term visibility and market leadership.

Strengthen R&D Capabilities: Indogulf Cropsciences Limited has consistently invested in R&D to improve product quality and cost efficiency. With in-house labs at Nathupur accredited by NABL and ISO-certified standards, the company expanded its portfolio from 198 products in FY22 to 288 by April 2025. R&D strategies include short-term product registration, mid-term tech collaborations, and long-term discovery of new molecules. The company prioritizes sustainability, innovation, and strategic partnerships with research bodies. R&D efforts have resulted in over 800 registrations and the annual launch of 15–20 products across all segments, reinforcing Indogulf's competitiveness, regulatory compliance, and alignment with global agricultural trends.

Expand Sales & Distribution Network and Obtain Foreign Registrations: Indogulf Cropsciences Limited maintains a robust distribution presence across 22 Indian states, 3 Union Territories, and over 34 international markets. The network includes 192 institutional partners, 6,916 domestic distributors, and 143 overseas business partners. To strengthen global outreach, the company launched a subsidiary—Abhiprakash Globus Private Limited—to promote an alternate product brand and trade in select agri-commodities. Indogulf is also expanding sales infrastructure and foreign registrations in key growth markets like Mexico, Brazil, and Spain. The strategy includes appointing new dealers, enhancing stock points, and leveraging existing infrastructure to penetrate untapped markets and enhance supply chain efficiency.

Focus on Cost Optimization: Cost optimization remains central to Indogulf Cropsciences Limited's strategy. The company employs regular reviews to reduce inefficiencies and improve resource utilization. SAP systems, automated packaging, and job work orders are used to control operational costs. R&D plays a key role in developing alternative formulations to reduce material costs. Indogulf plans to expand production at Barwasni to benefit from economies of scale. It also aims to reduce import dependence by securing long-term contracts with raw material suppliers. With greater in-house integration, skill upgrades, and equipment modernization, the company expects to enhance production efficiency, profitability, and long-term competitiveness.

Risk Factor

- The company is subject to regular inspections and audits, and the success and wide acceptability of its products is largely dependent upon its quality controls and standards.
- The value of its brands may be diluted if there is a change in the brand name for a known product, quality concern, negative publicity which could adversely affect its business, financial condition and results of operations.
- Under-utilization of its manufacturing capacities and an inability to effectively utilize its expanded manufacturing capacities could have an adverse effect on its business, future prospects and future financial performance.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Aries Agro Ltd	622.22	34.03	26.16	11.86	1.39	222.68	10	310.30	403.52
Basant Agro Tech India Ltd	462.75	4.16	0.46	33.11	0.78	19.63	1	15.23	138.03
Best Agrolife Ltd	1814.31	69.89	29.56	10.49	1.07	290.60	10	309.95	732.87
Bhagiradha Chemicals & Industries Ltd	440.47	13.86	1.07	279.35	5.68	52.61	1	298.90	3875.81
Heranba Industries Ltd	1409.73	3.06	0.77	368.31	1.35	210.13	10	283.60	1134.78
India Pesticides Ltd	828.60	83.23	7.14	29.97	2.74	78.01	1	214.00	2464.50
Dharmaj Crop Guard Ltd	951.05	34.83	10.30	27.70	2.45	116.70	10	285.35	964.41
Indogulf Cropsciences Limited	603.02	34.62	5.48	20.26	1.60	69.36	10	111.00	701.54

***Peer companies financials are TTM based**
"** Indogulf Cropsciences Limited is based on TTM"**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.111, the stock is priced at pre issue P/E of 15.64 x on TTM EPS of Rs.7.10. Post issue, the stock is priced at a P/E of 20.26x on its EPS of Rs. 5.48. Looking at the P/B ratio at Rs. 111 pre issue, book value of Rs. 57.06 of P/Bvx 1.95x. Post issue, book value of Rs.69.36 of P/Bvx 1.60x.

Considering the P/E valuation, on the lower end of the price band of Rs.105, the stock is priced at pre issue P/E of 14.80 x on TTM EPS of Rs. 7.10. Post issue, the stock is priced at a P/E of 19.17x on its EPS of Rs. 5.48. Looking at the P/B ratio at Rs. 105 pre issue, book value of Rs. 57.06 of P/Bvx 1.84x. Post issue, book value of Rs.69.36 of P/Bvx 1.51x.

Industry Outlook

The global pesticide industry is dominated by the herbicides segment followed by the fungicides and insecticides segments. Of the global market size of around USD 69,044 million, herbicides accounts for nearly half of the crop protection industry globally, however it is on the lower side for India which is around 17% of the total consumption. Apart from the crop market, another segment that has contributed to the global pesticides market includes the non-crop market. This segment had a market size of about USD 11 billion in 2023. These pesticides find their application in homes & gardens, turfs & ornamentals, pest control operations, industrial vegetation management, forestry, public health, and aquatic, among others. They are used for control of weeds, diseases, insects, and other pests. Also, they are used for plant growth regulation. With the expected increase in the application of these pesticides on account of the benefits offered by them, the crop market is estimated to grow at a faster CAGR compared to that of global non-crop. Accordingly, the global non-crop market is expected to rise at a CAGR of about 4.1%-5% by 2028 and is estimated to reach the level of approximately USD 14 billion.

Outlook

Indogulf Cropsciences Limited is well-positioned for sustained growth, driven by its diversified product portfolio, backward-integrated manufacturing, robust R&D capabilities, and widespread domestic and international distribution network. Strategic initiatives to expand production capacity, introduce innovative formulations, strengthen global registrations, and reduce costs through automation and in-house integration enhance its competitive edge. However, risks related to regulatory scrutiny, brand perception, and underutilization of capacity remain. Continued focus on quality, operational efficiency, and strategic expansion in emerging markets will be critical to mitigating these risks and maintaining long-term profitability and market leadership in the agrochemical sector.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	26-June-25
BID/ISSUE CLOSES ON	30-June-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	01-July-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	02-July-25
Credit of Equity Shares to Demat Accounts of Allottees	02-July-25
Commencement of trading of the Equity Shares on the Stock Exchanges	03-July-25

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Dec-24 (9 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	464.19	552.23	549.66
Total expenditure	420.75	492.83	500.78
Operating Profit	**43.44**	**59.41**	**48.88**
OPM%	9.36	10.76	8.89
Other Income	2.12	3.55	2.53
Total Net Income	**45.56**	**62.96**	**51.41**
Interest	10.37	12.95	11.65
PBDT	**35.18**	**50.01**	**39.76**
Depreciation	7.14	10.31	9.61
Profit exceptional Items and Before Tax	**28.05**	**39.71**	**30.15**
Exceptional items	1.34	-3.67	0.16
PBT	**29.38**	**36.04**	**30.31**
Tax	7.71	7.81	7.81
Profit & Loss	**21.68**	**28.23**	**22.50**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-24	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	37.37	39.01	62.63
Capital work-in-progress	48.41	22.22	7.38
Intangible assets	4.03	4.42	1.01
Intangible assets Under Development	1.46	0.85	1.92
Right of Use Asset	3.37	4.08	5.31
Financial Assets			
Investmets	0.74	0.58	0.66
Other financial assets	8.03	7.21	6.53
Other non-current assets	7.62	10.90	10.72
Current tax assets			
Total non-current assets	**111.03**	**89.26**	**96.15**
Current asset			
Inventories	210.22	195.21	209.08
Financial Assets			
Trade receivables	228.25	221.37	176.47
Cash and cash equivalents	7.15	2.92	3.69
Other financial assets	10.16	7.07	0.56
Other current assets	30.21	25.63	30.77
Total current assets	**485.99**	**452.20**	**420.57**
Asset Held for Sale	**0.80**	**0.80**	**0.80**
Total Assets	**597.82**	**542.25**	**517.51**
Non-current liabilities			
Financial liabilities			
Borrowings	30.31	18.56	21.92
Lease liabilities	3.15	3.59	4.46
Other Finacial Liabilities	8.41	7.34	6.35
Provisions	2.31	2.11	2.03
Deferred tax liabilities (net)	-1.96	-2.15	-1.03
Total Non- Financial liabilities	**42.21**	**29.45**	**33.74**
Current liabilities			
Financial Liabilities			
Borrowings	176.00	136.01	167.30
Lease liabilities	0.61	0.92	1.25
Trade payables- Total outstanding dues of micro and small enterprises	25.30	27.95	5.07
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	58.10	81.78	76.76
Other financial liabilities	19.51	20.81	19.92
Other current Tax liabilities	7.52	10.81	7.99
Other Current liabilities (net)	2.04	1.95	1.38
Provisions	1.10	0.93	0.86
Total - Current Liabilities	**290.17**	**281.15**	**280.52**
Total Liabilities	**332.38**	**310.60**	**314.26**
Net worth represented by:			
Equity share capital	48.79	23.52	23.52
Preference share capital	0.00	0.13	0.13
Other equity	216.64	208.01	179.60
Net Worth	**265.43**	**231.65**	**203.25**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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