

Company Business

- ✦ The company, Indogulf Cropsciences Limited, is primarily engaged in the manufacturing of crop protection products, plant nutrients, and biologicals in India.
- ✦ Specifically, the company manufactures **Spiromesifen technical** (with a minimum purity of 96.5%) and is noted as one of the first indigenous manufacturers of **Pyrazosulfuron Ethyl technical** (with a minimum purity of 97%).
- ✦ The company's business operations are divided into three distinct verticals: Plant Nutrients, Crop Protection Products, and Biologicals.

Segment wise Revenue:

Product segments	9M FY2025	FY 2023-24	FY 2022-23	FY 2021-22
Crop protection	90.15%	91.55%	91.86%	93.23%
Plant nutrients	3.93%	3.40%	3.23%	3.02%
Biologicals	5.92%	5.05%	4.91%	3.75%

Geographical wise Revenue:

Particulars	9M FY2025	FY 2023-24	FY 2022-23	FY 2021-22
Domestic Sales	89.54%	86.83%	87.89%	79.48%
Export	10.46%	13.17%	12.11%	20.52%

Short Summary of the Industry

- ✦ **Global Market** : From 2019 to 2024, the global crop protection and nutrition industry grew at a **6.2% CAGR**. Despite a dip in 2023, growth is expected in 2024. **Herbicides** dominate the pesticide segment, followed by fungicides and insecticides. Asia-Pacific, Europe, and North America are the top markets. The biostimulants segment is also set for continued growth.
- ✦ **Indian Market** : The Indian pesticides market grew at a **CAGR of 10.9% from 2019 to 2024**, with projections for continued strong growth. It is dominated by **generics**, which constitute 75%-80% of the market. India's agrochemical industry benefits from **low labor costs and chemical clusters**, supporting increased production and export.
- ✦ **Industry Challenges and Risks** : The sector faces challenges including **regulatory compliance** for product registrations and approvals, **high entry barriers** due to costs, complex approvals, and R&D, and **intense competition** from domestic and multinational players. Other risks include product obsolescence due to rapid technological advancements, reliance on climatic conditions, and volatility in raw material prices.
- ✦ **Indogulf Cropsciences' Position** : The company has a diversified product portfolio of 262 products as of December 31, 2024, across its three verticals. It operates four ISO-certified manufacturing facilities in India, enabling backward integration. Indogulf also has a pan-India sales and dealer presence in 22 states and 3 Union Territories, along with 143 overseas business partners in over 34 countries

IPO Details

- ✦ Total Issue Size : 1,80,18,017 Shares (Rs. 200 Cr.)
- ✦ Fresh issue : 1,44,14,414 shares (Rs. 160 Cr.)
- ✦ OFS : 36,03,603 Shares (Rs. 40 Cr.)
- ✦ Issue Price Band : ₹105 to 111 per share
- ✦ Lot Size : 135 shares
- ✦ IPO Date : June 26-30, 2025
- ✦ Pre IPO Promoters Holding : 96.87%
- ✦ Post IPO Promoters Holding : 69.07%

Objects of the issue

- ✦ Funding working capital requirements : **Rs.65 Cr.**
- ✦ Repayment/ prepayment, in full or in part, of certain outstanding borrowings : **Rs.34.11 Cr.**
- ✦ Capital expenditure for setting up an in-house dry flowable (DF) plant at Barwasni, District Sonipat, Haryana : **Rs. 14 Cr.**
- ✦ General Corporate Purposes

Financials of the company

(Fig. in Cr)

Particulars	9MFY2025	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	464.18	552.23	549.65	487.21
EBITDA	44.77	55.74	49.04	47.24
EBITDA Margins	9.65%	10.09%	8.92%	9.70%
PAT	21.67	28.23	22.42	26.36
PAT Margins	4.67%	5.11%	4.08%	5.41%
ROCE	8.07%	11.93%	10.12%	13.81%
Debt to Equity Ratio	0.78	0.67	0.93	0.56
Operating Cash Flows	-18.79	53.34	-57.01	-7

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	ROCE	MCap	P/E
Indogulf Cropsciences (FY 2024)	552.23 Cr.	10.09%	5.11%	0.67	11.93%	701.54 Cr.	24.85*
Aries Agro (FY 2025)	627 Cr.	12%	5.26%	0.17	18.50%	424 Cr.	12.70
Basant Agro Tech (FY 2025)	463 Cr.	6%	0.86%	0.72	6.55%	139 Cr.	33.40
Best Agrolife (FY 2025)	1,814 Cr.	11%	3.85%	0.63	12.90%	755 Cr.	10.80
Bhagiradha Chemicals & Industries (FY 2025)	440 Cr.	8%	3.18%	0.13	5.19%	3,833 Cr.	277
Heranba Industries (FY 2025)	1,410 Cr.	7%	0.14%	0.41	4.41%	1,180 Cr.	525
India Pesticides (FY 2025)	829 Cr.	15%	10.13%	0.06	13.10%	2,500 Cr.	29.60
Dharmaj Crop Guard (FY 2025)	951 Cr.	8%	3.68%	0.29	12%	1,091 Cr.	31.30

*Forward PE is 24.28 on the basis of FY 25 PAT.

Risks

Pros (Advantages & Strengths)

✦ Diversified Product Portfolio & Specialized Products:

- Indogulf Cropsciences is engaged in the manufacturing of **crop protection products, plant nutrients, and biologicals** in India.
- They have a **diversified product portfolio of 262 products**.
- The company is one of the **first indigenous manufacturers of Pyrazosulfuron Ethyl technical** (with minimum purity of 97%) and also produces Spiromesifen technical (with minimum purity of 96.5%).
- Their products include a variety of insecticides, fungicides, herbicides, plant growth regulators, and efficacy enhancers, with notable brands like Farrate, Dominator, Corsa-808, Alkazar, and Bound Off.
- They also offer biostimulants (e.g., Breeza, Apache, Root-o-Max Gold, Empire) which contribute to resilient and sustainable agricultural practices.

✦ Established Distribution Network & Export Capabilities:

- The company boasts a **pan-India sales and dealer presence in 22 states and three Union Territories**.
- They export products to **over 34 countries** located in Asia, Africa, Europe, and the United States of America.

✦ Backward Integrated Manufacturing Infrastructure:

- They operate **four ISO-certified manufacturing facilities** (ISO 9001:2015 and ISO 14001:2015 certified) in Samba, Jammu & Kashmir, Nathupur-I, Nathupur-II, and Barwasni, Haryana, spanning approximately twenty acres.
- This backward integration enhances control over the supply chain and improves cost efficiency.

Cons (Challenges & Risks)

✦ Operational & Industry-Specific Risks:

- The sector faces **intense competition** from both domestic and multinational players, which could lead to loss of customers and market share.
- There are **high entry barriers** in the agrochemicals industry due to costs, complex regulatory approvals, R&D expenditure, and the need to build customer confidence.

✦ Financial & Funding Risks:

- A **substantial portion of the Net Proceeds (₹650.00 million)** is intended for working capital, based on certain assumptions that may change, potentially affecting profitability.
- The company **will not receive any proceeds from the Offer for Sale** component of the IPO, as these proceeds go directly to the Promoter Group Selling Shareholders.
- The company has significant **contingent liabilities**, totaling ₹38.11 crores as of December 31, 2024, including those for contracts, bank guarantees, and various tax matters.
- The Debt-to-Equity ratio, while fluctuating, was **0.78 as of 9MFY25**, higher than some listed peers.

✦ Legal & Compliance Risks:

- The company is subject to **outstanding litigation**.

✦ Low Capacity Utilization



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