

## Indogulf Cropsciences Ltd.

### Company Overview:

**Indogulf Cropsciences Ltd.**, established in 1993, operates across three key verticals: a) crop protection products; b) plant nutrients; and c) biologicals. It is among the first Indian manufacturers of Pyrazosulfuron Ethyl technical and began producing Spiromesifen technical in 2019. With a diverse portfolio of formulations catering to various crop types, the company exports to over 34 countries and is recognized as ‘Two Star Export House’ by Indian Government.

### Key Highlights:

**1. Comprehensive product ecosystem with strong IP and growth pipeline:** Indogulf has expanded its product portfolio from 198 products to 262 products in nearly two years across crop protection, plant nutrients, and biologicals, leveraging its in-house innovation and patented packaging. With 225 trademarks and 138 products in the registration pipeline (17 under manufacturing), the company demonstrates strong scalability, customization, and long-term growth potential.

**2. Extensive Distribution Network:** Indogulf has established a robust distribution network across India—covering 22 states and 3 UTs—and internationally in 34 countries. This network includes 192 B2B partners, 6,916 domestic B2C distributors, and 143 overseas distributors, supported by 17 depots and 6 sales offices. The company with 293-member strong marketing team, use of digital tools, and strong export capabilities (contributing 13.17% of FY24 revenue) helps it to enhance its market reach. Additionally, two subsidiaries in Australia supports product registration in countries which required OECD registered products. Recognition as a Two-Star Export House by the Ministry of Commerce further strengthens Indogulf’s global presence and operational control.

**3. Backward Integration:** Indogulf operates four ISO-certified manufacturing facilities with backward integration, enabling in-house formulation of key active ingredients such as Bifenthrin, Cloquintocet safener (for Clodinafop), and Lambdachloride. This strategic approach enhances supply chain control, reduces dependency on third-party vendors, and improves cost efficiency. In FY24, the company produced 217 MT of active ingredients through backward integration, with 17% used for captive consumption in its own formulations—underscoring its focus on cost optimization and self-reliant production.

**Industry Outlook:** The global crop protection and nutrition market is projected grow at a CAGR of 6.3% between CY24 to CY29F to USD 138.7 bn while the production of Indian Agri-inputs (Bio-Fertilizers, Pesticides, Bio stimulants) is expected to grow at a CAGR of 6.9% between FY23-29F to 1.9 mn. MT.

**Key Risks:** The credit-oriented business leads to higher receivables as dues are cleared post end of Kharif or Rabi season. Receivable days jumped from 106 in FY22 to 146 in FY24. Concentration of manufacturing in northern India, and potential supply chain disruptions or cost escalations in raw materials and components are other key risks for the business.

**Valuation:** At the upper price band of Rs 111, Indogulf is valued at 9MFY25 annualized P/E and EV/EBITDA multiples of 25.9x and 12.8x respectively on post issued capital. The Revenue/EBITDA/Adj. PAT has grown at a CAGR of 6.5%/12.2%/10.2% to Rs 552 cr/Rs 59 cr/Rs 32 cr respectively during FY22-FY24. While comparing the IPO with its closely listed peers, the issue appears to be fairly priced across different valuation and financial parameters. We maintain a NEUTRAL view on the issue and would prefer to review the company’s financial and operating performance post listing.

Issue Details	
Date of Opening	26 <sup>th</sup> June 2025
Date of Closing	30 <sup>th</sup> June 2025
Price Band (Rs)	105-111
Fresh Issue (Rs cr)	160
Offer for Sales (shares)	3,603,603
Issue Size (Rs cr)	198 – 200
Issue Size (No. of shares)	1,88,41,698 – 1,80,18,017
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	672 – 702
BRLMs	Systematix Corporate Services
Registrar	Bigshare Services Private Ltd.
Bid Lot	135 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding working capital requirements of Company	65.0
Repayment/ prepayment in full or in part, of certain outstanding borrowings availed by Company	34.1
Capital expenditure of Company for setting up an in-house dry flowable (DF) plant at Barwasni, District Sonipat, Haryana	14.0
General corporate purposes*	-
<b>Total proceeds from fresh issue</b>	<b>160.0</b>

\*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	4,72,59,688	96.9
Public & Others	15,27,768	3.1
<b>Total</b>	<b>4,87,87,456</b>	<b>100.0</b>

Post Issue @Lower Price Band	No. of Shares	%
Promoter & Promoter Group	4,36,56,085	68.2
Public & Others	2,03,69,466	31.8
<b>Total</b>	<b>6,40,25,551</b>	<b>100.0</b>

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	4,36,56,085	69.1
Public & Others	1,95,45,785	30.9
<b>Total</b>	<b>6,32,01,870</b>	<b>100.0</b>

Source: RHP, SSL Research

## Financial Overview

Particulars (Rs cr)	FY22	FY23	FY24	9MFY25	FY22-FY24 CAGR (%)
Revenue	487.2	549.7	552.2	464.2	6.5
YoY (%)	-	12.8	0.5	-	-
EBITDA	47.2	48.9	59.4	43.4	12.2
YoY (%)	-	3.6	21.6	-	-
Adj. PAT	26.3	22.3	31.9	20.3	10.2
YoY (%)	-	-15.3	43.3	-	-
EBITDA (%)	9.7	8.9	10.8	9.4	-
Adj. PAT (%)	5.4	4.0	5.8	4.4	-
ROE (%)	14.6	11.0	13.8	-	-
ROCE (%)	13.7	10.0	12.7	-	-
D/E (x)	0.6	0.9	0.7	-	-
P/E (x)*	26.7	31.5	22.0	-	-
EV/EBITDA*	16.9	18.1	14.4	-	-
CFO	(7.0)	(57.0)	53.3	(18.8)	-
CFI	(10.0)	(19.3)	(5.2)	(29.6)	-
CFF	16.1	75.2	(48.9)	52.6	-
FCF	(20.2)	(77.2)	28.5	(50.4)	-

\*Note: P/E (x) and EV/EBITDA (x) are based on post-issue share capital @ upper price band

## Peer Comparison – FY25

Particulars (Rs cr)	Indogulf Cropsciences Ltd	Dharmaj Crop Guard Ltd	Heranba Industries Ltd	Aries Agro Ltd	Best Agrolife Ltd	Bhagiradha Chemicals & Industries Ltd
CMP (Rs)	111	299	301	309	323	294
Market Cap	702	1,011	1,203	402	763	3,806
Revenue	619	951	1,410	627	1,814	440
EBITDA	58	75	98	72	200	37
PAT	27	35	2	33	70	14
EBITDA Margin (%)	9.4	7.9	7.0	11.5	11.0	8.4
PAT Margin (%)	4.4	3.7	0.1	5.3	3.9	3.2
RoE (%)	6.4	8.9	0.2	11.4	9.2	2.1
P/E (x)	25.9	28.9	601.5	12.2	10.9	271.9
EV/EBITDA (x)	12.8	15.0	15.2	5.7	5.7	104.3

- For Indogulf Cropscience Ltd., financials are annualized, based on 9MFY25 data and the Market Cap, EV/EBITDA (x) & P/E (x) are calculated on post-issue equity capital at the upper price band.
- CMP of peer companies is as of 24<sup>th</sup> June, 2025.
- Source: RHP, SSL Research.

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