

Rating: Neutral

Issue Offer

Fresh Issue of 1,44,14,414 shares up to INR 1,600 Mn & OFS issue of 36,03,603 shares up to INR 400 Mn by Promoters group taking the total issue size of 1,80,18,017 shares at INR 2,000 Mn.

Issue Summary

Price Band (INR)	105-111
Face Value (INR)	10
Implied Market Cap (INR mn)	7,015
Market Lot	135
Issue Opens on	June 26, 2025
Issue Close on	June 30, 2025
No. of share pre-issue	48,787,454
No. of share post issue	63,201,868
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Systematix Corporate Services Ltd

Registrar

Bigshare Services Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	77.61%	53.88%
Public & Others	22.39%	46.12%

Objects of the issue

Exp. Amt (INR Mn.)

Funding working capital requirements	650
Repayment/prepayment in full or in part, of certain outstanding borrowings	341.2
Capex for setting up an in-house dry flowable (DF) plant at Barwasni, District Sonapat, Haryana	140

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Indogulf Cropsciences is an Indian company engaged in the manufacturing of crop protection products, plant nutrients and biologicals aimed at improving agricultural productivity. The company also has a growing presence in the international market, exporting to over 34 countries and has been recognized by the Government of India as a Two Star Export House. They offer a wide range of products in various forms such as powders, granules and liquids using advanced formulations like WDG, SC, CS, ULV, EW, SG and FS. In 2018, they became one of the first few Indian companies to indigenously manufacture Pyrazosulfuron Ethyl technical with 97% purity. Their associated company, M & B Engineering, began operations in 1993 and entered the technical manufacturing space in 2019 by producing Spiromesifen with a minimum purity of 96.5%. Like Indogulf, M & B Engineering operates in the segments of crop protection, plant nutrients and biologicals catering to both retail and institutional customers.

Investment Rationale

Diverse and Scalable Product Portfolio: Indogulf has built a comprehensive range of 259 registered agrochemical products across the three key verticals: crop protection, plant nutrition and biologicals. The product portfolio includes insecticides, herbicides, fungicides and a growing number of eco-friendly and organic offerings. This diversity allows the company to cater to a broad spectrum of crops and geographies, reducing dependency on any single segment and offering resilience in volatile market conditions.

Strong Manufacturing Capabilities with Backward Integration Advantage: The company operates four manufacturing facilities located in India with modern infrastructure and ISO certifications. These units are involved in both formulation and technical production, offering them a backward integration advantage. This enables better control over quality, cost structures, and supply chain reliability—especially critical in an industry where raw material volatility can affect margins.

Focus on Innovation and IP-Driven Growth Strategy: Indogulf places strong emphasis on R&D with an in-house NABL-accredited laboratory and a strong team of scientists. As of FY24, the company had six patents granted and more in the pipeline. Their IP-driven approach has resulted in product differentiation and higher value offerings, especially in niche and eco-friendly agrochemical segments. This enhances entry barriers and supports sustainable long-term growth.

Robust Export Presence Enhancing Margin Profile: With exports to over 34 countries, they are tapping into the global demand for affordable crop protection solutions. Exports contribute to a healthy portion of revenues and offer higher gross margins compared to domestic sales. The company has established partnerships across Latin America, Africa, and the Middle East, positioning itself to benefit from the ongoing global shift towards "China +1" sourcing alternatives.

Valuation & Outlook: Indogulf Cropsciences has established a presence across crop protection, plant nutrition and biological segments, with a growing product portfolio and backward-integrated operations. Its focus on R&D, supported by a NABL-accredited lab and patent filings may aid future product development. While the company stands to benefit from long-term growth in the agrochemical sector, near-term performance will depend on execution of expansion plans and efficient utilization of IPO proceeds. At the upper band of INR 111, the issue is valued at a P/E ratio of 24.27x, based on PAT of annualized 9MFY25 EPS of INR 4.6. We are recommending a "Neutral" rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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