

DHARMAJ CROP GUARD LIMITED

Issue highlights

- ❑ Incorporated on January 19, 2015, Dharmaj Crop Guard Ltd (“Dharmaj”) is an agrochemical company engaged in the business of manufacturing, distributing, and marketing of a wide range of agrochemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers, and antibiotic to the B2C and B2B customers. They also engage in the marketing and distribution of agrochemical products under brands in-licensed by them, owned by them and through generic brands, to Indian farmers.
- ❑ As of September 30, 2022, they had more than 154 institutional products that they sold to more than 600 customers based in India and in the international markets. As of September 30, 2022, they exported their products to more than 66 customers across 25 countries in Latin America, East African Countries, Middle East and Far East Asia.
- ❑ Company’s manufacturing facility is located at Kerala, Taluka Bavla, Ahmedabad. Currently, the aggregate installed capacity of their manufacturing facility for agro-chemical formulations was 25,500 MT. As a part of their expansion plans and to achieve backward integration for their operations, they have acquired land at Saykha Industrial Estate, Bharuch, Gujarat.
- ❑ Company’s branded products are sold in 17 states through network comprising over 4,362 dealers having access to 16 stock depots in India supporting the distribution of their branded products, as of September 30, 2022.
- ❑ Currently, they have obtained 464 registrations for agrochemical formulations from the CIB&RC, out of which 269 agrochemical formulations are for sale in India as well as for export and 195 agrochemical formulations are exclusively for exports.
- ❑ Dharmaj has over 157 trademark registrations including their branded products. As of September 30, 2022, they had over 118 branded formulations that are sold to farmers.

Brief Financial Details*

(₹ In Cr)

	As at Jul’ 31,		As at Mar’ 31,	
	2022(04)	2022(12)	2021(12)	2020(12)
Equity Share Capital	24.68	24.68	16.46	16.46
Reserves	78.57	60.24	39.89	18.97
Net worth as stated	101.17	82.82	56.14	35.22
Revenue from Operations	220.94	394.21	302.41	198.22
Revenue Growth (%)	-	30.36%	52.56%	-
EBITDA	26.85	46.19	32.04	18.58
EBITDA Margin (%)	12.15%	11.72%	10.59%	9.37%
Profit before Tax	24.57	38.53	28.19	14.46
Net Profit for the period	18.36	28.69	20.96	10.76
Net Profit Margin (%)	8.31%	7.28%	6.93%	5.43%
EPS – Basic & Diluted (₹)	7.44^	11.62	8.49	5.75
RoNW (%)	18.15%^	34.64%	37.33%	30.55%
Net Asset Value (₹)	40.99	33.55	22.75	18.82
ROCE (%)	15.96%	32.87%	34.50%	28.76%
ROE(%)	18.15%	34.64%	37.33%	30.55%
Current Ratio	1.43	1.44	1.50	1.22

Source: RHP *Restated Statement, ^ not annualised

Issue Details

Fresh Issue of Equity shares aggregating upto ₹ 216 Cr and offer for sale of 1,483,000 Equity Shares

Issue size: ₹ 248 - 251 Cr
No. of shares: 11,483,000 – 10,596,924
Face value: ₹ 10/-
Employee Reservation: 55,000 Shares

Price Band: ₹ 216 - 237
Bid Lot: 60 Shares and in multiple thereof
Employee Discount: 5% to the offer price

Post Issue Implied Market Cap = ₹ 749 – 801 Cr

BRLMs: Elara Capital, Monarch Network Capital

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Monday, 28th Nov’2022

Issue closes on: Wednesday, 30th Nov’2022

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	05-12-2022
Refunds/Unblocking ASBA Fund	06-12-2022
Credit of equity shares to DP A/c	06-12-2022
Trading commences	08-12-2022

Issue break-up

	No. of Shares*		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	5,714,000	5,270,963	123.42	124.92	50%
NIB	1,714,200	1,581,288	37.03	37.48	15%
-NIB1	571,400	527,096	12.34	12.49	-
-NIB2	1,142,800	1,054,192	24.68	24.98	-
RET	3,999,800	3,689,673	86.40	87.45	35%
Emp	55,000	55,000	1.12	1.24	-
Total	11,483,000	10,596,924	247.97	251.08	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

*Shares are rounded/adjusted to the nearest

Listing: BSE & NSE

Shareholding (No. of Shares)

	Pre issue	Post issue~	Post issue^
	24,683,372	34,683,372	33,797,296

~Lower price Band ^Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	77.20%	56.38%
Promoters Group	22.80%	12.26%
Public - Others	0.00%	31.35%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated on January 19, 2015, at Ahmedabad. Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya, and Vishal Domadia are the promoters of the company. Currently, the promoters, hold 19,055,942 Equity Shares, representing 77.20% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Rameshbhai Ravajibhai Talavia is the Promoter, Chairman and Managing Director of the company. Previously, he was working with E.I.D. Parry (India) Ltd and Crop Life Science Ltd. He has over 28 years of experience in various aspects of agrochemical industry.

Jamankumar Hansarajbhai Talavia is the Promoter and the Whole-time Director of the company. Previously, he was working with E.I.D. Parry (India) Ltd, Coromandel Fertilizers Ltd and Crop Life Science Ltd. He has been associated with the company since its incorporation. He has over 22 years of experience in agrochemical industry.

Jagdishbhai Ravajibhai Savaliya is the Promoter, the Whole-time Director of the company. Previously, he was working with Sunrise Pharmaceuticals, Crop Life Science Ltd, Sabero Organics Gujarat Ltd and Cratus Life Care. He has over 21 years of experience in various aspects of agrochemical industry.

Deepak Bachubhai Kanparia is the Independent Director of the company. Previously, he was working with Netafim Irrigation India Pvt Ltd. He is also associated with Dharmajivan Greentech Pvt Ltd. He has over 23 years of experience in various aspects of agrochemical industry.

Bhaveshkumar Jayantibhai Ponkiya is the Independent Director of the company. He has over 8 years of experience in audit and taxation.

Amisha Fenil Shah is the Additional Independent Director of the company. She has over 6 years of experience in secretarial matters.

Key Management Personnel

Vishal Domadia is the Chief Financial Officer of the company with effect from October 1, 2019. Prior to joining the company, he was working with Cheminova India Ltd, Crop Life Science Ltd, Sumitoma Chemical India Pvt Ltd and Excel Crop Care Ltd.

Malvika Bhadreshbhai Kapasi is the Company Secretary and Compliance Officer of the company with effect from October 19, 2021.

OBJECTS OF THE ISSUE

Objects	(₹ In Cr)
• Funding capital expenditure towards setting up of a manufacturing facility at Saykha, Bharuch;	104.97
• Funding incremental working capital requirements of the company;	45.00
• Repayment and/or pre-payment, in full and/or part, of certain borrowings of the company;	10.00
• General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue	No. of Shares	Average Cost of Acquisition (₹)
Fresh Issue (₹ 216 Cr)	Upto 10,000,000~ - 9,113,924^ Equity Shares	-
The Offer for Sale by the Promoter Selling Shareholder	Upto 1,483,000 Equity Shares	
Manjulaben Rameshbhai Talavia	Upto 709,500 Equity Shares	7.52
Muktaben Jamankumar Talavia	Upto 656,000 Equity Shares	7.19
Domadia Artiben	Upto 87,500 Equity Shares	1.98
Ilaben Jagdishbhai Savalia	Upto 30,000 Equity Shares	1.98

~ at lower price band and ^ upper price band

SHAREHOLDING PATTERN

Shareholders	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	19,055,942	77.20%		19,055,942	56.38%
Promoters Group	5,627,430	22.80%	1,483,000	4,144,430	12.26%
Total for Promoter and Promoter Group	24,683,372	100.00%	1,483,000	23,200,372	68.65%
Public	0	0.00%		10,596,924	31.35%
Total for Public Shareholder	0	0.00%		10,596,924	31.35%
Total Equity Share Capital	24,683,372	100.00%	1,483,000	33,797,296	100.00%

BUSINESS OVERVIEW

Dharmaj Crop Guard Ltd (“**Dharmaj**”) is an agrochemical company engaged in the business of manufacturing, distributing, and marketing of a wide range of agrochemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers, and antibiotic to the B2C and B2B customers. They also engage in the marketing and distribution of agrochemical products under brands in-licensed by them, owned by them and through generic brands, to Indian farmers through their distribution network. They provide crop protection solutions to the farmer to assist them to maximize productivity and profitability. They export their products to more than 25 countries in Latin America, East African Countries, Middle East and Far East Asia. They sell their agrochemical products in granules, powder and liquid forms their customers. Additionally, they manufacture and sell general insect and pest control chemicals for Public Health and Animal Health protection.

With an aim to offer a wide product portfolio across the agri-value chain, they continue to expand their product portfolio by introducing new products. They manufacture and sell various formulations of insecticides, fungicide and herbicides, plant growth regulators, micro fertilizers and antibiotics.

Product Category	Product Description
<ul style="list-style-type: none"> Insecticides 	<p>Dharmaj manufactures a wide range of insecticides to suit the requirement of farmers in preventing and curating different crops from being damaged by insects. They develop effective, safe, and sustainable range of insecticides to help farmers and prevent the crops from damage.</p> <p>The top branded insecticides products are Padgham, Lubrio, Nilaayan, Dahaad, Prudhar and Remora amongst others.</p>
<ul style="list-style-type: none"> Fungicides 	<p>Dharmaj manufactures a wide range of fungicides that protect the crop from the diseases caused by pathogenic organisms. Fungicide is a specific type of pesticide that is responsible for controlling fungal diseases by inhibiting the fungal growth and killing the fungus.</p> <p>The top branded fungicides products are Gagandip, Sajaag, Lokraj, Rishmat and Kaviraj amongst others.</p>
<ul style="list-style-type: none"> Herbicides 	<p>Herbicides effectively eliminate weeds and thus reduce mechanical and manual weeding. It also prevents soil erosion and the wastage of resources, ensuring optimum consumption of the resources by the desired plants.</p> <p>The top branded herbicides products are Dharozar, Aatmaj, Rodular, Dharolik, Kohha, Kawayat Super and Sadavirum amongst others.</p>
<ul style="list-style-type: none"> Plant growth regulator 	<p>Dharmaj also manufactures plant growth regulator which are also known as plant hormones and helps in increasing the crop yield and improving its quality.</p> <p>The top branded plant growth regulator products are Rujuta, Greenoka, and Stabilizer amongst others.</p>
<ul style="list-style-type: none"> Micro Fertilizers 	<p>To increase the production of crops and to make the soil more fertile, Dharmaj manufactures micro fertilizers such as sulphur, zinc, boron and ferrous. Micro fertilizers are required for crops to reap the maximum yield from crops.</p> <p>Under this category they sell branded products such as Zeekasulf, Aakuko, Thandaj and Zusta amongst others.</p>
<ul style="list-style-type: none"> Antibiotic 	<p>Antibiotic is a major tool to treat the bacterial issues of plants and tree fruits. Antibiotic boost and develop immune system of plants. Under this category dharmaj sell brand product namely Retardo.</p>

RESEARCH & DEVELOPMENT

Dharmaj has a research and development (“R&D”) centre at their manufacturing facility. They also have a quality control laboratory at their manufacturing facility, which primarily monitors the quality of their raw materials and finished goods. Further, their quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“NABL”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017.

As a part of their expansion plans and in order to achieve backward integration for their operations, they have also acquired around 33,489.73 sq. mtrs of land at Saykha Industrial Estate, Bharuch, Gujarat, India on leasehold basis for 99 years from GIDC to set up a manufacturing facility for Agrochemical Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market. The company has already obtained registrations of 6 agrochemical technicals and have applied for registration of 18 agrochemical technicals from the CIB&RC, which will be manufactured in this new manufacturing facility.

PAN INDIA PRESENCE

Dharmaj has established an extensive, pan-India distribution network for their domestic branded products business. Their branded products are sold in 17 states through network comprising over 4,362 dealers having access to 16 stock depots in India supporting the distribution of their branded products, as of September 30, 2022. They also carry out institutional sales of agrochemical products across India and international markets.

INTELLECTUAL PROPERTIES

Currently, they have obtained 464 registrations for agrochemical formulations from the CIB&RC, out of which 269 agrochemical formulations are for sale in India as well as for export and 195 agrochemical formulations are exclusively for exports. Additionally, they have also applied for registrations of 18 agrochemical formulations and 17 agrochemical technicals from the CIB&RC, which are pending at various stages.

Dharmaj has over 157 trademark registrations including their branded products. Their formulations are sold as branded products to customers. As of September 30, 2022, they had over 118 branded formulations that are sold to farmers. They sell bulk products to their institutional customers domestically and in the international markets. Further, as of September 30, 2022, they had more than 154 institutional products that they sold to more than 600 customers based in India and in the international markets. As of September 30, 2022, they exported their products to more than 66 customers across 25 countries.

Among their Promoters, Rameshbhai Talavia has over 28 years of experience in the agrochemical industry. The management team is backed by a core technical team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products which the company is catering to. As of September 30, 2022, they had a total workforce of 314 and hire contract workers as and when required.

COMPANY PRODUCTS

Insecticides

Insecticides enable protection of the crops from insects by either preventing their attack or destroying them. They help in controlling the pest population below a desired threshold level. They can be further classified based on their mode of action:

- **Contact insecticides:** Insects gets killed on direct contact of these insecticides and they leave marginal residual activity which affects environment minimally.
- **Systemic insecticides:** Plant tissues absorbs these insecticides and destroys insects when the insects feed on plants. These are generally related with long term residual activity.

They have a broad range of insecticides that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. These products are applied either to the soil or sprayed onto the foliage.

Certain of their insecticides are as below:

Products	Product description
• Padgham	Padgham is a combination insecticide which is able to control jassids, thrips and bollworm in cotton. It acts as a quick stomach and contact insecticide and has advance ZC formulation.
• Lubrio	Lubrio is recommended for control of bollworms in cotton. The affected larve becomes paralysed and stop feeding shortly after exposure to emamectin benzoate EC and the larve subsequently dies after 2 – 4 days.
• Nilaayan	Nilaayan is an improved, seed treatment formulation containing systematic insecticide, thiametoxam. It provides protection to the crop against highly damaging sucking pests from day 1 up to 30 – 40 days, thus eliminating the need of repeated sprays and is also very effective against white grub.
• Prudhar	Prudhar has synergistic power with powerful stomach and contact action. It has a quick knock down and control on hard to kill boll – worm. It is economic to use with much higher and quality produce. It controls sucking pests as well as bollworm. It has a strong translaminar and ovicidal action and control of trips, ballworms, aspid, jassid, mealybug etc. in agriculture crop like cotton, chillies, turmeric etc.
• Remora	Remora is a modern insecticide and is a multipurpose soluble granular insecticide which gives effective control of caterpillars by its contact and stomach poison action. The caterpillars stop causing damage to crop after 2 hours of the application of Remora. It is a suitable insecticide for Integrated Pest Management (IPM) system.

Fungicides

Fungicides find their application in fruits, vegetables and rice and they are vital to contract post-harvest losses in vegetables and fruits. Fungicides are used to prevent fungi attack on crops and to handle diseases on crops.

Protectants and eradicants are two types of fungicides. Protectants protects or hinders fungal growth and eradicants destroys the diseases on usage. This thus results in better productivity, contraction in crop blemishes and raises storage life.

Dharmaj has a broad range of fungicides that are used to prevent and cure fungal plant diseases that affect crop yield and quality. Certain of their fungicides are as below:

Products	Product description
• Gagandip	Gagandip is a scientific combination of mancozeb which is a contact fungicide of dithiocarbamate group and carbendazim, a systematic fungicide of benzimidazole carbamate group which effectively controls the fungal diseases like rice blast by its systematic and contact action. It helps in increasing the production of field crops and vegetables and is a suitable fungicide for Integrated Pest Management (IPM). It is compatible with commonly used insecticides and fungicides.
• Sajaag	Sajaag is a combination of systematic and contact fungicide and has a WDG formulation. It is an effective fungicide with protecting, curative and eradicative action. It controls powdery mildew, fruit rot diseases of chilli and also controls leaf spot, pod blight diseases of soyabean.
• Lokraj	Lokraj is a effective systemic fungicide with protective, curative and eradicative action. It controls wide range of disease. Due to the translaminar action, it is quickly absorbed and translocated within the leaf and plant system resulting in quick and effective disease control. It gives phytotonic effect and improves the plant visible characteristics, yield and quality of the produce.
• Rishmat	Rishmat is a suspensible concentrate fungicide for control of fruit rot, die back and powdery mildew in chilli, purple blotch on onion and sheath blight on rice crop. It is recommended to control early blight in tomato and potato, late blight in potato. It has a preventive and curative properties which provide flexibility and broad window of application. It has a dual mode of action, hence it works at multiple stages of fungal development. It impacts positively on the physiological activity of the applied crop by improving the yield and quality of the produce thus fetching better price.
• Kaviraj	Kaviraj is systematic fungicide. Mancozeb acts by its contact action which inactivates the sulphhydryl (SH) groups in enzymes of fungi and metalaxyl inhibits protein synthesis, growth and reproduction in fungi and is used to control downy mildew and rust in all crops, black, shank and pythium damping off in tobacco, late blight of potato. It cannot be used with copper and

strong alkaline reagent.

Herbicides

Herbicides also known as weedicides are used to destroy unwanted plants. Unavailability of cheap labour leads to major usage of herbicides in rice and wheat crops. The demand for herbicides is seasonal as they develop in damp, warm climate and perishes in cold spells. They are of two types depending on the way of action, selective and non-selective. Selective herbicides destroy specific plants not harming the desired crop and non-selective herbicides are used for widespread ground clearance to handle weeds pre-crop planting.

Based on the usage, there are 3 types of herbicides:

1. Application prior to sowing of the crop (pre-emergence)
2. Application post developing of weeds (post-emergence)
3. Application right away subsequent to sowing (early post-emergence).

Dharmaj has a broad range of herbicides that eliminate, prevent the growth of or reduce weeds that compete with crops for nutrients, light and water.

Certain of their fungicides are as below:

Products	Product description
<ul style="list-style-type: none"> • Dharozar 	Dharozar is an aminophosphonic analogue of the natural amino acid glycine in soluble granules formulation. Due to its non – selective action, it kills all types of weed. It stops a specific enzyme, EPSP synthase, which is required for plant growth and this enzyme is found only in plants and many bacteria. It does not affect the germination of ensuing crops and any crop can be grown after its application.
<ul style="list-style-type: none"> • Aatmaj 	Aatmaj is a selective, post emergence systematic herbicide. Its active ingredients are absorbed through in the leaves and shoots actively growing plants. They are rapidly translocated in the plants and accumulate in the meristematic tissues. Within 48 hours after its application, susceptible grass species cease to grow. Weed completely dries up in 3 weeks.
<ul style="list-style-type: none"> • Rodular 	Rodular is non-selective contact herbicide, it only controls the foliage part of weeds, thus promoting intact roots and preventing soil erosion. Paraquat acts in the presence of light to desiccate the green parts of all plants with which it comes into contact. The leaves become dry, yellow or brown within hours of its application. Light, oxygen and chlorophyll are therefore all required for the rapid and characteristic herbicidal effects of Rodular Herbicide.
<ul style="list-style-type: none"> • Mohak 	Metsulfuron – methyl is a residual sulfonylurea compound used as a selective pre- emergency and post emergency herbicide for broad leaf weeds and some annual grasses especially in wheat crop. It is a systematic compound with foliar and soil activity, and it works rapidly after it's taken up by the plant and its mode of action is by inhibiting cell division in the shoots and roots.
<ul style="list-style-type: none"> • Sadavirum 	Sadavirum is a selective systematic post-emergence Grassy herbicide which has a high selectivity between grass weeds and dicotyledons crops i.e. safe for board leaves. Weeds internode and growth point destroyed and lose reproductivity. Weed leaves turn purplish/ red within 5 -8 days and within 2 weeks are completely killed.

Plant growth regulator

Plant growth regulators are substances that are applied to crops with the aim to enhance nutrition efficiency, abiotic stress tolerance and crop quality traits.

Details of plant growth regulators:

Products	Product description
<ul style="list-style-type: none"> • Rujuta 	Rujuta consists of amino acid, vitamins and proteins which helps increasing flowing and stop dropping of flower. It increases the quality of fruit like size, weight and colour. It gives more strength against abiotic stress like high temperature, more water and deficiency of water.
<ul style="list-style-type: none"> • Greenoka 	Greenoka is an effective plant growth regulator which increases the yield and quality of the crop produce. It acts synergistically with plant metabolism and accelerates the growth functions of the plant. It improves the physiological efficiency of crop by stimulating the hormonal and enzymatic activities.
<ul style="list-style-type: none"> • Surisva 	Surisva increases efficacy and efficiency of the molecule used with it and works well as adjuvant, as adhesion for spray material and covers large surface area. It can be used with herbicides, weedicides, insecticides, fungicides, miticides, as a spreading, depositing and sticking agent.
<ul style="list-style-type: none"> • Stabilizer 	Stabilizer develops root zone of plants. It improves plant health in stress conditions and increase soil health condition, flowers, fruits and in turn yield of crop.

Micro Fertilizers

Details of Micro Fertilisers:

Products	Product description
<ul style="list-style-type: none"> • Zeekasulf 	Zeekasulf is bi-nutrient fertilizer with a unique combination of Sulphur and Zinc, it is available in granular form and can be mixed with any other fertilizer for ease application. Zeekasulf improves sulphur levels in the soil and replenishes Sulphur loss associated with soluble print nutrients, this fertilizer is ideal for all crops and is highly essential for crops with high Zinc requirements.
<ul style="list-style-type: none"> • Aakuko 	Aakuko is one of the most important micro-nutrients 'Boron' for different crop stages. It contains 20% pure form of Boron. It efficiently improves vegetative and reproductive growth of plants, resulting in cell expansion, improves functionality of meristem thus improves fertility. It is essential for the growth of higher plants and provides structural integrity to the cell wall in plants. It avoids fruit spots on Brinjal and other vegetables and also improves quality of fruits and reduces cracks in fruits.
<ul style="list-style-type: none"> • Thandaj 	Thandaj keeps the plant green and avoid the plant to become pale yellow due to zinc deficiency. It helps in heavy flowering and reduces dropping of flowers. It increases plant growth and quality of produce from crops. It is easily translocated within plants as it is partly systematic. It increases phosphorous uptake and the phosphorous content of the shoots in plants. It is versatile since it can be used for all crops, at any stage and all kinds of soil, also with any fungicide or pesticide.
<ul style="list-style-type: none"> • Zusta 	Zinc is an essential trace element of zusta and plays a key role. Zusta contains 7 to 8 times more zinc than a typical liquid chelated. Zusta improves ZN nutritional status of crop plants for human consumption and is essential for cell growth and division (Plant Growth), immune function, enzyme reactions, DNA synthesis and protein production, boosts plant immune system, accelerates healing of damage done by Pest or disease. It is suitable for almost any tank mix and gives greater flexibility in field recommendations. It enhances DNA replication and construction.

Anti-biotic

Detail of the anti-biotic product:

Products	Product description
<ul style="list-style-type: none"> • Retardo 	Retardo is an antibiotic formulation, used to treat infections caused by bacteria and other organisms like parasites and fungi. It causes abnormal branching of the tips of pathogen, followed by cessation of further development. It is curative in action, it helps to control diseases very fast. It is cost effective and helps to fight against diseases like blight. It boosts immune system of plants by removing bacterial problems.

Institutional products

Company's institutional business is one of their key business areas. As of September 30, 2022, they have more than 600 institutional customers, which includes multi-national corporations, large Indian companies and medium to small Indian companies.

As of September 30, 2022, they had more than 269 products which they offer to their institutional clients.

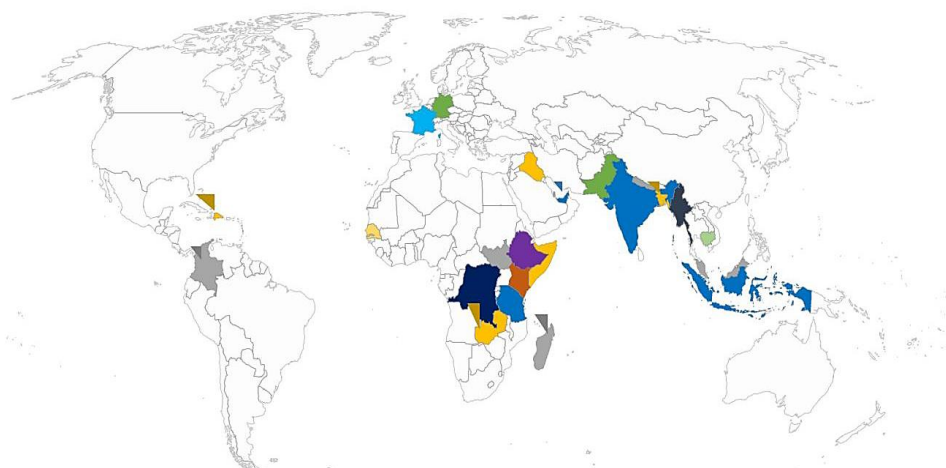
MARQUE CLIENTELE

The company is not reliant on a single 'anchor' customer and this protects them from the risk on revenue owing to loss of any customer account on occurrence of any adverse event. This diverse set of customers also establishes their credentials in the industry, and they leverages this to obtain more customers and increase their sales volume.

Some of the institutional customers for their products:

<ul style="list-style-type: none"> • Atul Ltd., • Heranba Industries Ltd., • Innovative Agritech Pvt Ltd., • Meghmani Industries Ltd., • Bharat Rasayan Ltd., • Oasis Ltd., • United Insecticides Pvt Ltd., • Sadik Agrochemicals Co Ltd. 	<ul style="list-style-type: none"> •
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GEOGRAPHICAL SPREAD



To cater to the spread of their branded products, as of September 30, 2022, Dharmaj has more than 4,362 dealers supported by their 16 stock depots in the India such as Gujarat, Madhya Pradesh, Chattisgarh, West Bengal, Rajasthan and Assam, in order to meet the demand of their branded products from farmers. In addition to the strong retail distribution network, they also have 190 members in their sales team. Their widespread domestic and global presence not only mitigates the risk of dependence on certain regions, but also helps them to leverage their brand value.

REVENUE FROM OPERATIONS

Particulars	4 months ended July 30,	Fiscal		
	2022	2022	2021	2020
	Amount (₹ Cr)	Amount (₹ Cr)	Amount (₹ Cr)	Amount (₹ Cr)
Revenue from Operations	220.04	391.77	300.24	196.84
- Sales of products	219.75	391.32	299.90	196.44
- Sale of Services	0.29	0.45	0.34	0.40
Other Operating Revenue	0.90	2.44	2.17	1.38
Total revenue from operations	220.94	394.21	302.41	198.22

Revenue by Geography

Particulars	4 months ended July 30,	Fiscal		
	2022	2022	2021	2020
	Amount (₹ Cr)	Amount (₹ Cr)	Amount (₹ Cr)	Amount (₹ Cr)
India	211.85	352.93	264.25	167.31
International	8.19	38.84	35.99	29.53
Total revenue from operations	220.03	391.77	300.24	196.84

MANUFACTURING FACILITIES

Company's manufacturing facility is located at Kerala, Taluka Bavla, Ahmedabad. Currently, the aggregate installed capacity of their manufacturing facility for agro-chemical formulations was 25,500 MT. Their manufacturing facility are equipped with modern plant and machinery capable of producing quality agrochemical products and have received quality control certifications such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations such as insecticides, herbicides, fungicides, micro fertilizers and plant growth regulators. They have installed a soil bio reactor at their manufacturing facility which is used to treat waste/ sewage water and to remove pollutants. They have also installed solar power panels at their manufacturing facility to generate green power in order to optimally use the electricity which is sourced from third party during the manufacturing process. The aggregate capacity of their installed solar power panels is 85,320 KW p.a. which caters to their electricity requirements at their manufacturing facility and helps them to reduce their dependency on third party electricity requirements.

In addition, they are currently in the process of setting up a manufacturing facility at Bharuch, Gujarat for manufacturing Technicals and its intermediates which will be used for internal consumption as well as for sales in domestic and international market.

Capacity Production and Utilization

Product	Annual Installed Capacity (in MT)				Actual Production (in MT)				Capacity utilisation (%)*			
	2022-23	2021-22	2020-21	2019-20	Apr'2022 to Aug'2022	2021-22	2020-21	2019-20	Apr'2022 to Aug'2022	2021-22	2020-21	2019-20
Agro Chemical Formulations	25,500	25,500	11,400	9,150	4,032.48	8,891.90	7,577.21	6,004.20	37.95%	34.87%	66.47%	65.62%

*Capacity utilisation is calculated based on installed capacity for the specified period

COMPETITIVE STRENGTHS

- **Diversified portfolio of the products and consistent focus on quality and innovation**

Dharmaj has developed a niche portfolio of agro-chemical products. They have diversified their product portfolio since incorporation and have grown into a multi-product manufacturer of agrochemical products such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers, and antibiotic. This diversification across products and categories has allowed them to de-risk their business operations.

Additionally, they manufacture and sell general insect and pest control chemicals for Public Health and Animal Health protection. They provide crop protection solutions to the farmer to maximize productivity and profitability.

- **Strong R&D capabilities with focus on innovation and sustainability**

The company has a research and development (“R&D”) centre and quality control laboratory at their manufacturing facility which primarily monitors the quality of their raw materials and finished goods. Further, their quality control laboratory has received certificate of accreditation from National Accreditation Board for Testing and Calibration Laboratories (“NABL”) which has assessed and accredited in accordance with the standard ISO/IEC 17025:2017. They have been able to diversify their products range mainly due to their technological capabilities. As at September 30, 2022, they employed 9 researchers.

Company’s analytical capabilities include critical quality control measures, stability studies, method validation and method development. Their strong R&D capabilities allow them to discover new mixtures and register new formulations for their agrochemical business.

- **Established distribution network with strong branded products and stable relationship with the institutional Customers**

The company has a pan-India sales and dealer presence in 17 states with a dedicated sales force that provides customer service and undertakes product promotion. As of September 30, 2022, their network comprised over 4,362 dealers having access to 16 stock depots supporting the distribution of their branded products in 17 states of India. As of September 30, 2022, they exported their products to approximately 66 customers across 25 countries. They had a sales team of 195 employees, who are responsible for managing institutional sales and branded sales, the distribution channel and product promotion at the farmer level.

- **Experienced Promoters and management team**

Company’s promoters and their management team have significant experience in the agrochemical industry. Their management team is backed by a core technical team that has vast experience in manufacturing and also has the required technical know-how to manufacture the products.

- **Track record of strong operational and financial performance**

The company has built their business organically and have demonstrated consistent growth in terms of revenues and profitability. From Fiscal 2020 to Fiscal 2022, their revenue from operations, EBITDA and profit after tax for the year has grown at a CAGR of 41.02%, 57.68% and 63.30%, respectively.

KEY BUSINESS STRATEGIES

- **Enhance the manufacturing capabilities through backward integration and expand the product portfolio**

As a part of their expansion plans and in order to achieve backward integration for their operations, they have acquired land at Saykha Industrial Estate, Bharuch to set up a manufacturing facility for Agrochemical Technicals and its intermediates. They have also obtained certain regulatory approvals such as environment clearance for their new manufacturing facility. They have obtained registration of 6 agrochemical technicals from CIB&RC and applied for registration of 17 agrochemical technicals to CIB&RC for manufacturing and sales in India as well as for exports. By setting up the Technicals manufacturing facility they will augment their manufacturing capabilities to produce domestic grade agrochemicals, which, along with their export registrations, will allow them to complement their formulations business.

- **Targeting new customers, expanding existing customer business and increase the market share in domestic and international markets**

Dharmaj has increased their market share in India for agrochemical products in recent years through increasing their product portfolio organically and they intend to continue to evaluate opportunities to capitalize on industry consolidation and acquire other products and brands to grow their portfolio. They identify new generic products that have significant volume in the market and evaluate whether they ought to register such products u/s.9(4) of the Insecticides Act. Also, they plan to actively pursue and enhance their R&D capabilities to develop new production techniques and products in addition to improving production efficiency.

- **Expanding the Public Health and Animal Health product segment**

The global pyrethroids market is supported by public health and animal health needs. **Increase in the pyrethroids market is backed by agricultural requirements as the use of pyrethroids help improves crop yield. They are also safer compared to organophosphate pesticides.**

Dharmaj intends to increase manufacturing and sales in the public health and animal health products segment. On the public health and animal health side, their products include general insect control, termiticide, larvicide, indoor residual spray, rodenticide and cockroach gels which are formulations of synthetic pyrethroids which are currently procured from third parties. They intend to supply their public health and animal health products on retail basis for purposes like controlling the spread of malaria, filaria, dengue, chikungunya and such other parasitic diseases.

- **Strengthening up the business through effective branding, promotional and digital activities**

One of company's strengths is their ability to develop brands. Product launches require significant investment and planning as they entail farmer education, dealers' training, field demonstrations, product promotion, generating contemporary educational content and engaging in brand associations. As their business requires them to reach out to individual farmers as well as distribution partners, the effort and the exercise around product development is logistically challenging and requires significant time and effort to make sure they are reaching their target audience.

With a vision to create their brand awareness and promote sales of their branded products through digital platform, they have made a strategic investment in an agritech company 'Khetipoint Pvt Ltd' which has developed an online digital marketplace platform "Khetipoint" which aims to connect Farmers from across India to their retailers and company experts.

COMPETITION

India is company's primary market and the company faces competition in the agrochemical market from domestic as well as from overseas. Their competition varies by market, geographic area and type of product. As their product categories are voluminous in nature, the relevant competition from companies such as **Bharat Rasayan Ltd, India Pesticides Ltd, Heranba Industries Ltd, Punjab Chemicals and Crop Protection Ltd and Rallis India Ltd** amongst other, in India.

	Bharat Rasayan	Dhanuka Agritech	Dharmaj Crop Guard	Heranba Industries	India Pesticides	Punjab Chemical & Protection	Rallis India	Sumitomo Chemical India
Year of incorporation	1989	1980	2015	1996	1984	1975	1948	2000
Number of products in portfolio	200+	100+	190+	290	151+	7	NA	200+
Infrastructure								
Total manufacturing sites	2	3	1	3	2	3	4	5

	Bharat Rasayan	Dhanuka Agritech	Dharmaj Crop Guard	Heranba Industries	India Pesticides	Punjab Chemical & Protection	Rallis India	Sumitomo Chemical India
Capacity (MT)	33,000	NA	25,500	14,024	19,500	23,502	27,780	NA
Network								
Distributors	NA	6,500	3,700+	9,400	NA	NA	3,879	14,000
Depots	NA	NA	8	21	20	NA	28	65
Countries	65	NA	20	60	20	NA	31	60

Parameters	Bharat Rasayan	Dhanuka Agritech	Dharmaj Crop Guard	Heranba Industries	India Pesticides	Punjab Chemical & Protection	Rallis India	Sumitomo Chemical India
Revenue FY22 (₹ Cr)	1,311.2	1,477.8	394.21	1,450.4	716.1	930.6	2,603.4	3,063.6
PBIDT FY22 (₹ Cr)	271.0	280.1	32.3	264.3	218.7	139.1	244.3	638.5
Net profit FY22 (₹ Cr)	177.1	196.7	21.1	179.0	152.6	80.8	132.3	433.7
Revenue CAGR % (FY19-FY22)	9.5%	13.7%	46.9%	13.0%	28.0%	13.3%	9.6%	11.0%
PBIDT CAGR % (FY19-FY22)	12.6%	18.7%	70.1%	23.9%	45.8%	22.2%	(3.6)%	29.0%
Net profit CAGR % (FY19-FY22)	16.7%	20.5%	103.6%	33.4%	51.5%	58.6%	(5.0)%	37.5%

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2022)

Name of the Company	Consolidated/ Standalone	Face Value	Total Income Fiscal 2022 (₹ Cr)	Closing Price# (₹)	EPS		NAV (₹)	P/E#	RoNW (%)
					Basic	Diluted			
Dharmaj Crop Guard Ltd#	Standalone	10	220.94	-	7.44	7.44	40.99	[●]	18.15%
Peer Group									
Rallis India	Consolidated	1	2,603.93	231.70	8.44	8.44	87.25	27.45	9.68%
India Pesticides	Consolidated	1	716.14	255.35	13.78	13.78	55.39	18.53	24.76%
Punjab Chemical & Crop Protection	Consolidated	10	933.46	1,191.60	68.07	68.07	184.00	17.51	36.99%
Bharat Rasayan	Consolidated	10	1,301.16	10,164.45	423.52	423.52	1853.11	24.00	22.85%
Astec Lifesciences	Consolidated	10	676.57	2,106.55	45.87	45.85	202.33	45.92	22.665
Heranba Industries	Consolidated	10	1,450.37	510.25	47.25	47.25	178.55	10.80	26.46%
Industry composite		-	-	-	-	-		24.04	

Source: RHP, # P/E Ratio has been computed based on the closing market price of equity shares on the website of NSE as of November 18, 2022

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