

India Pesticides Ltd.
Sector Chemicals
Issue Highlights

Issue Open	June 23, 2021
Issue Close	June 25, 2021
Issue Price	Rs. 290 - Rs. 296 /Share
Total Issue Size	Rs. 800 Cr
Of which	
Offer for Sale	Rs. 700 Cr
Fresh Issue	Rs. 100 Cr
Face Value	Rs. 1/share
Market Lot	50 Equity Shares
Issue Type	Book Built Issue

Offer Structure

QIB Category	50%
Retail category	35%
Non-Institutional	15%

Lead Book Running Managers

- Axis Capital Ltd.
- JM Financial Ltd.

Registrar To The Offer

- KFin Technologies Private Ltd

About the Company

Incorporated in 1984, India Pesticides is one of the leading and one of the fastest-growing agro-chemicals companies in India. The company has two distinct verticals i) Technicals and ii) Formulations. It is the sole Indian manufacturer of five technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity. It has diversified into manufacturing herbicide and fungicide technicals and active pharmaceutical ingredients. It also manufactures herbicide, insecticide and fungicide formulations. Its technicals are primarily exported and contribute 56.1% of its revenue. Its technicals are exported to over 25 countries including Australia and other countries in North and South America, Europe, Asia and Africa. Its formulation products are primarily sold domestically through its extensive network of dealers and distributors. It has two manufacturing facilities located at UPSIDC Industrial Area at Dewa Road, Lucknow and Sandila, Hardoi in Uttar Pradesh, India that are spread across over 25 acres. As of March 31, 2021, the aggregate installed capacity of its manufacturing facilities for agro-chemical technicals was 19,500 MT and formulations was 6,500 MT.

Objects of the Issue

- Funding working capital requirements of the company
- General corporate purposes

Valuation

The global agrochemicals market was valued at USD 62.5 billion in 2019 and is forecasted to reach USD 86 billion by 2024 growing at a CAGR of 6.6%. The key growth drivers include rising population, limited growth in farm acreage, and increase in purchasing power of farmers. The Indian crop protection chemicals market is valued at USD 2.1 billion which is anticipated to grow at 4% in the next five years to USD 2.6 billion by 2024. The recent border issues with China have triggered the self-reliant India initiative, reducing the sourcing dependence on China by the Indian agrochemical industry. Besides, several multinationals under the 'China plus one' strategy, are taking proactive steps to reduce dependence on China for their manufacturing operations and looking at India as an alternative option.

India Pesticide is well placed on the back of its strong R&D and product development capabilities. Its diversified portfolio of niche and quality specialized products and its long term relationship with its customers bodes well for the growth prospects of the company. The financial track record is also quite encouraging with strong growth in revenue and profitability. Going forward, the company intends to expand its product portfolio, focus on cost optimization, and expand its geographical footprint through inorganic growth. Considering positive industry growth prospects and India Pesticide's strong presence, we have a positive view on the company for the long term.

Key risks: i) Slowdown in global agrochemical industry, ii) Any loss of its key customers.

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S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

.....

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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