
India Pesticide Limited

IPO Analysis
by



NISHKAERA



Price Range
Rs. 290 – Rs 296

Issue Period
23-Jun-2021 to 25-Jun-2021

Issue Size
Fresh Issue of Rs 1000 Million and an Offer
for Sale of Rs 7000 Million

Details of Anchor Investors – issued at Rs 296

S. No.	Name of Anchor Investor	No. of Equity Shares allocated	Bid price (INR)	Percentage of the Anchor Investor Portion (%)	Total Amount Allocated (₹)
1	SBI FLEXICAP FUND	16,89,200	296	20.83%	50,00,03,200
2	SBI MAGNUM COMMA FUND	3,37,800	296	4.17%	9,99,88,800
3	SBI MAGNUM CHILDREN'S BENEFIT FUND - INVESTMENT PLAN	1,68,900	296	2.08%	4,99,94,400
4	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA TAX SAVER (ELSS) FUND	9,45,950	296	11.67%	28,00,01,200
5	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA EQUITY HYBRID FUND	4,05,400	296	5.00%	11,99,98,400
6	ABU DHABI INVESTMENT AUTHORITY - BEHAVE	10,13,500	296	12.50%	29,99,96,000
7	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	5,06,750	296	6.25%	14,99,98,000
8	OPTIMIX WHOLESALE GLOBAL EMERGING MARKETS SHARE TRUST	4,72,950	296	5.83%	13,99,93,200
9	WINRO COMMERCIAL (INDIA) LTD	10,30,472	296	12.71%	30,50,19,712
10	TATA MULTI ASSET OPPORTUNITIES FUND	1,68,650	296	2.08%	4,99,20,400
11	TATA RESOURCES & ENERGY FUND	67,800	296	0.84%	2,00,68,800
12	KUBER INDIA FUND	3,37,850	296	4.17%	10,00,03,600
13	BHARTI AXA LIFE INSURANCE COMPANY LTD	3,37,850	296	4.17%	10,00,03,600
14	INTEGRATED CORE STRATEGIES ASIA PTE LTD	2,53,350	296	3.12%	7,49,91,600
15	TARA EMERGING ASIA LIQUID FUND	2,02,735	296	2.50%	6,00,09,560
16	BNP PARIBAS ARBITRAGE	1,68,950	296	2.08%	5,00,09,200
	TOTAL	81,08,107			239,99,99,672

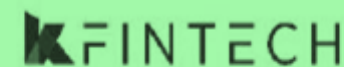
Object of the issue

1. Funding working capital requirement of the company Rs. 800 mn
2. Other corporate purpose
3. Expense of the issue

BOOK RUNNING LEAD MANAGERS TO THE OFFER



REGISTRAR TO THE OFFER



Shareholding Pattern

List of Major shareholders holding more than 1%

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre- Offer Equity Share capital (%)
1.	Anand Swarup Agarwal*	44,789,850	40.07
2.	PSA Family Trust ⁽¹⁾	12,422,242	11.11
3.	Mahendra Swarup Agarwal*	11,069,375	9.90
4.	ASA Family Trust ⁽²⁾	7,717,117	6.90
5.	MSA Family Trust ⁽³⁾	5,695,875	5.10
6.	Virendra Swarup Agarwal*	4,621,750	4.13
7.	Asha Agarwal*	4,621,050	4.13
8.	Sugandha Swarup Agarwal*	3,080,000	2.76
9.	Nupur Goyal*	3,080,000	2.76
10.	VSA Family Trust ⁽⁴⁾	2,200,000	1.97
11.	Sneh Lata Agarwal*	1,891,800	1.69
12.	Sudha Agarwal*	1,743,800	1.56
13.	Shalini Pawan Agarwal*	1,492,500	1.34
14.	Saurabh Swarup Agarwal*	1,440,000	1.29
15.	Pramod Swarup Agarwal*	1,220,508	1.09
	Total	107,085,867	95.80

*Also participating in the Offer for Sale as a Selling Shareholder

⁽¹⁾ Acting through its trustees, Anand Swarup Agarwal and Pramod Swarup Agarwal. For further details in relation to the PSA Family Trust, see "Our Promoters and Promoter Group -

⁽²⁾ Acting through its trustee, Anand Swarup Agarwal. For further details in relation to the ASA Family Trust, see "Our Promoters and Promoter Group -

⁽³⁾ Acting through its trustees, Anand Swarup Agarwal and Mahendra Swarup Agarwal. For further details in relation to the MSA Family Trust, see "Our Promoters and Promoter Group -

⁽⁴⁾ Acting through its trustees, Anand Swarup Agarwal and Virendra Swarup Agarwal. For further details in relation to the VSA Family Trust, see "Our Promoters and Promoter Group

Current Share holding pattern

Promoters shareholding	82.68%
Public Shareholding	17.32%
TOTAL	100%

Details of shareholders offered share sale

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (in ₹ million)	Date of consent letter
Promoter Selling Shareholder				
1.	Anand Swarup Agarwal	Up to [●] Equity Shares	Up to 2,814	February 8, 2021
Other Selling Shareholders				
1.	Sanju Agarwal	Up to [●] Equity Shares	Up to 227	February 8, 2021
2.	Mahendra Swarup Agarwal	Up to [●] Equity Shares	Up to 734	February 8, 2021
3.	Virendra Swarup Agarwal	Up to [●] Equity Shares	Up to 290	February 8, 2021
4.	Pramod Swarup Agarwal	Up to [●] Equity Shares	Up to 329	February 8, 2021
5.	Vishwas Swarup Agarwal	Up to [●] Equity Shares	Up to 189	February 8, 2021
6.	Vishal Swarup Agarwal	Up to [●] Equity Shares	Up to 217	February 8, 2021
7.	Sudha Agarwal	Up to [●] Equity Shares	Up to 383	February 8, 2021
8.	Komal Swarup Agarwal	Up to [●] Equity Shares	Up to 27	February 8, 2021
9.	Saurabh Swarup Agarwal	Up to [●] Equity Shares	Up to 317	February 8, 2021
10.	Aparna Gupta	Up to [●] Equity Shares	Up to 194	February 8, 2021
11.	Kajaree Swarup Agarwal	Up to [●] Equity Shares	Up to 27	February 8, 2021
12.	Anurag Swarup Agarwal	Up to [●] Equity Shares	Up to 59	February 8, 2021
13.	Sneh Lata Agarwal	Up to [●] Equity Shares	Up to 416	February 8, 2021
14.	Asha Agarwal	Up to [●] Equity Shares	Up to 290	February 8, 2021
15.	Nupur Goyal	Up to [●] Equity Shares	Up to 194	February 8, 2021
16.	Shalini Pawan Agarwal	Up to [●] Equity Shares	Up to 99	February 8, 2021
17.	Sugandha Swarup Arora	Up to [●] Equity Shares	Up to 194	February 8, 2021

Financial Highlights

Selected Financial Highlights

(₹ in million, except per share data)

Particulars	As at March 31		
	2021 (consolidated)	2020 (unconsolidated)	2019 (unconsolidated)
(A) Equity Share Capital	111.79	31.83	31.83
(B) Net Worth	3,894.79	2,568.39	1,870.20
(C) Revenue	6,553.77	4,897.27	3,460.42
(D) Profit After Tax	1,348.89	705.85	4,38.71
(E) Earnings per share	12.07	6.35	3.94
(F) Net asset value per share	34.94	23.05	16.79
(G) Total borrowings	302.95	280.39	610.59

Few Highlights

- Good Revenue Growth
- High EPS growth
- Reduction in total borrowing

Details of litigation Cases

Against Company

Criminal cases	8
Taxes	1
Action by statutory authority	5

Against Director

Criminal cases	6
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Current asset in no of days

Particulars	No of days for the Fiscal ended March 31, 2019 (Actual)	No of days for the Fiscal ended March 31, 2020 (Actual)	No of days for the Fiscal ended March 31, 2021 (Actual)
A. Current Assets			
(a) Inventory			
Raw Material	27	18	26
Work-in-progress	3	3	2
Finished Goods	28	22	43
Packing material, stores spares and Consumables	4	4	6
(b) Trade Receivables	191	140	120
(c) Other current Assets	18	19	22

Inventory days gone up but collection has improved

Business Profile

We are an R&D driven agro-chemical manufacturer of Technicals with a growing Formulations business. We are one of the fastest growing agro-chemicals company in terms of volume of Technicals manufactured. We have recorded 37.17% year-on year growth in Technicals manufacturing (by volume) between Fiscal 2020 and Fiscal 2021, reaching more than 75% plant operating rate. (*Source: F&S Reports*). Our Company manufactured 15,003 MT of Technicals in Fiscal 2021. We are the sole Indian manufacturer of five Technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity (*Source: F&S Reports*). Since commencing our operations in 1984, we have **diversified into manufacturing herbicide and fungicide Technicals and active pharmaceutical ingredients (“APIs”). We also manufacture herbicide, insecticide and fungicide Formulations.**

We have a strategic focus on R&D and our R&D capabilities include two well-equipped in-house laboratories registered with the DSIR. Our efforts are led by a dedicated R&D team that comprises PhDs, masters graduates in chemistry and a biotechnological engineer. Our R&D efforts have led to development of processes to manufacture three generic off-patent Technicals since Fiscal 2018 and ***we are currently in the process of developing processes for certain Technicals, including two fungicides, two herbicides, two insecticides and two intermediates.***

Our Technicals are primarily exported to over 25 countries and our revenue generated from exports contributed to 56.71% of our revenue from operations in Fiscal 2021.

Our core focus is on quality and sustainability and none of our key Technicals are classified as ‘red triangle’ or highly toxic products

Risk Factors

1. *subject to strict technical specifications, quality requirements, regular inspections and audits by our customers including various multinational corporations*
2. *Regulatory Risk: We are required to comply with the applicable regulations of the international markets where we export our products as well as obtain registrations from international agencies through our customers to enable exports of our products to other jurisdictions.*
3. *We are required to comply with certain restrictive covenants under our financing agreements. Any noncompliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.*
4. *Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.*

Peer Comparison

Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
India Pesticides Limited*	6,553.77	1	[●]	12.07	12.07	34.54	34.94
Listed Peers							
Dhanuka Agritech Limited	11,451.59	2.00	31.70	29.71	29.71	19.45	148.72
Bharat Rasayan Limited	12,318.70	10.00	36.12	371.03	371.03	27.83	1,327.73
UPL Limited	3,58,600.00	2.00	35.06	23.24	23.24	9.95	252.37
Rallis India Limited	22,861.50	1.00	32.90	9.51	9.51	12.90	72.48
PI Industries Limited	34,154.00	1.00	79.15	33.08	33.08	15.31	189.64
Sumitomo Chemical India Limited	24,354.57	10.00	78.90	4.10	4.10	16.34	24.48
Atul Ltd	41,711.00	10.00	38.23	224.69	224.69	19.26	1,063.63

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on unconsolidated basis) and is sourced from the annual reports as available of the respective company for the year ended March 31, 2020 submitted to stock exchanges

*Financial information for India Pesticides Limited is derived from the Restated Consolidated Financial Information for the year ended March 31, 2021.

Thank You



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