



IPO INSIGHTS



Dharmaj Crop Guard Ltd

Issue Dates - Opens: 28-11-2022 | Closes: 30-11-2022

IPO Note	<ol style="list-style-type: none"> 1. Gujarat based Agrochemical company engaged in the business of manufacturing, distributing and marketing of wide range of agro-chemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers, anti-biotic to the B2C and B2B Customers 2. Low Debt to Equity Ratio 3. Fairly-Priced 4. Certain Risks mentioned in RHP raises concern with regards to borrowings and financial indebtness
Rating	★★★ (GOOD)

IPO SNAPSHOT

Issue Size	₹ 251.15 Crores
Issue Type	Fresh Issue & Offer for sale
Fresh Issue	₹ 216 Crores
Offer for Sale	₹ 35.15 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 216 - ₹ 237
Minimum Lot Size	60 shares
Listing On	BSE, NSE
Registrar to the Issue	Link Intime India Private Ltd

IPO SNAPSHOT – Dharmaj Crop Guard Ltd

About the Company	<ul style="list-style-type: none"> ▪ Incorporated on January 19, 2015 ▪ Agrochemical company engaged in the business of manufacturing, distributing and marketing of wide range of agro-chemical formulations such as insecticides, fungicides, herbicides, plant growth regulator, micro fertilizers, anti-biotic to the B2C and B2B Customers ▪ Also engaged in marketing and distribution of agrochemical products under brands in-licensed and owned by the company and through generic brands, to Indian farmers through their distribution network. ▪ Provide crop protection solutions to the farmers to assist them in maximizing productivity and profitability ▪ Exports products to more than 25 countries in Latin America, East Africa, Middle-East and Far-East Asian Countries ▪ Sell agro-chemical products in granules, powder and liquid forms ▪ As on date of RHP, obtained 464 registrations for agro-chemical formulations from the CIB&RC out of which 269 agrochemical formulations are for sale in India and for exports while 195 are exclusively for exports ▪ Also applied for registration of 18 agrochemical formulations and 17 agro-chemical technical from CIB&RC which are pending at various stages ▪ Have 157 trademark registrations including own branded products ▪ As on Sept. 30, 2022, have 118 branded formulations sold to farmers, more than 154 institutional products sold to more than 600 customers based in India and International markets, exported products to more than 66 customers across 25 countries ▪ Manufactured 7,577.21 MT of agrochemical formulations in Fiscal 2021 ▪ ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified well-equipped manufacturing facility ▪ Installed soil bio reactor at mfg facility to treat waste, sewage water and remove pollutants ▪ Installed solar power panels to generate green power to optimally use the electricity sourced from third party 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Diversified portfolio of our products and consistent focus on quality and innovation ▪ Strong R&D capabilities with focus on innovation and sustainability. ▪ Established distribution network with strong branded products and stable relationship with institutional customers ▪ Experienced Promoters and management team ▪ Track record of strong operational and financial performance. 																														
Financials (₹ in Crores)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2020</th> <th>31-3-2021</th> <th>31-3-2022</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>198.22</td> <td>302.41</td> <td>394.28</td> <td>30.37%</td> </tr> <tr> <td>EBITDA</td> <td>18.58</td> <td>32.04</td> <td>46.19</td> <td>44.16%</td> </tr> <tr> <td>EBITDA Margin</td> <td>9.37%</td> <td>10.59%</td> <td>11.72%</td> <td></td> </tr> <tr> <td>Profit After Tax</td> <td>10.76</td> <td>20.96</td> <td>28.69</td> <td>36.88%</td> </tr> <tr> <td>Profit After Tax Margin</td> <td>5.43%</td> <td>6.93%</td> <td>7.28%</td> <td></td> </tr> </tbody> </table> <p>Debt to Equity Ratio = 0.43</p>	Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y	Revenue from Operations	198.22	302.41	394.28	30.37%	EBITDA	18.58	32.04	46.19	44.16%	EBITDA Margin	9.37%	10.59%	11.72%		Profit After Tax	10.76	20.96	28.69	36.88%	Profit After Tax Margin	5.43%	6.93%	7.28%	
Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y																											
Revenue from Operations	198.22	302.41	394.28	30.37%																											
EBITDA	18.58	32.04	46.19	44.16%																											
EBITDA Margin	9.37%	10.59%	11.72%																												
Profit After Tax	10.76	20.96	28.69	36.88%																											
Profit After Tax Margin	5.43%	6.93%	7.28%																												
Valuation	<ul style="list-style-type: none"> ▪ Based on Annualized FY22 Earnings, Asking P/E = 20.39 at upper price band 																														
Peers	<table border="1"> <thead> <tr> <th>Peers</th> <th>TTM P/E</th> </tr> </thead> <tbody> <tr> <td>Rallis India Ltd</td> <td>27.45</td> </tr> <tr> <td>India Pesticides Ltd</td> <td>18.53</td> </tr> <tr> <td>Punjab Chemical & Crop Protection</td> <td>17.51</td> </tr> <tr> <td>Bharat Rasayan</td> <td>24.00</td> </tr> <tr> <td>Astec Lifesciences</td> <td>45.92</td> </tr> <tr> <td>Heranba Industries</td> <td>10.80</td> </tr> </tbody> </table>	Peers	TTM P/E	Rallis India Ltd	27.45	India Pesticides Ltd	18.53	Punjab Chemical & Crop Protection	17.51	Bharat Rasayan	24.00	Astec Lifesciences	45.92	Heranba Industries	10.80																
Peers	TTM P/E																														
Rallis India Ltd	27.45																														
India Pesticides Ltd	18.53																														
Punjab Chemical & Crop Protection	17.51																														
Bharat Rasayan	24.00																														
Astec Lifesciences	45.92																														
Heranba Industries	10.80																														
Promoters	<ul style="list-style-type: none"> ▪ Rameshbhai Ravjibhai Talavia, Jamankumar Hansrajbhai Talavia, Jagdishbhai Ravjibhai Savaliya, Vishal Domadia 																														
Objects	<ul style="list-style-type: none"> ▪ Funding Capex and Working Capital Requirements, Repay/Prepay Borrowings, OFS 																														

DISCLAIMER

The information provided by or in this newsletter is generally from the press reports, electronic media, research websites and other media. It also includes information from interviews conducted, analysis, views expressed by our research team. Investors should not rely solely on the information contained in this publication and must make their own investment decision based on their specific objectives and financial positions and using such independent advisor as they believe necessary. The material and the information provided herein are not and should not be construed as an advice to buy or sell any of the securities named in this newsletter. SIHL may or may not hold positions in any of the securities named in this newsletter as a part of its business. Past performance is not necessarily an indication of future performance. SIHL does not assure for accuracy and correctness of information of reports in this newsletter.

