GEPL

IPO Note

ADVANCE AGROLIFE LIMITED

Sep 30th, 2025

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Details of the Issue	
Price Band	₹ 95 - ₹ 100
Issue Size	₹ 192.86 Cr
Face Value	₹ 10
Bid Lot	150
Listing on	BSE,NSE
Post Issue Mcap	₹ 642.86 Cr
Investment Range	₹ 14,250 - ₹ 15,000

Important Indicative Dates (2025)	
Opening	30 - Sep
Closing	03 - Oct
Basis of Allotment	06 - Oct
Refund Initiation	07 - Oct
Credit to Demat	07 - Oct
Listing Date	08 - Oct

Lead Manager
Choice Capital Advisor Pvt Ltd

Offer Details	
Offer Size	₹ 192.86 Cr
Fresh Issue	₹ 192.86 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	96	9.64	10.15	50
NII	29	2.89	3.05	15
Retail	68	6.75	7.11	35
Employ.	-	-	-	-
Total	193	19.29	20.38	100

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Company Profile

Incorporated in 2002, Advance Agrolife Limited manufactures a broad range of agrochemical products, including insecticides, herbicides, fungicides, plant growth regulators, micro-nutrient and bio-fertilizers, and technical-grade raw ingredients for agrochemical formulations, supporting the full lifecycle of crops across Kharif and Rabi seasons. Operating primarily on a B2B model, the company serves clients across 19 Indian states and 3 union territories, with exports to UAE, Bangladesh, China (including Hong Kong), Turkey, Egypt, Kenya, and Nepal. Its operations are anchored by three manufacturing facilities in Jaipur, Rajasthan (Bagru and Dahami Khurd), and as of July 2025, it employed 543 permanent staff, including skilled and unskilled workers.

GEPL's Insights & Investment Thesis:

- Advance Agrolife Limited is a vertically integrated agrochemical manufacturer of agrochemical products, including insecticides, herbicides, fungicides, plant growth regulators, micro-nutrient and bio-fertilizers, and technical-grade raw ingredients.
- Changes in government agricultural policies or cuts in farmer subsidies and incentives could negatively impact the company's business.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 25.07x. We believe that the company faces risks of changes in government agricultural policies and high clientele concentration risk. Therefore, we recommend a **"Avoid"** rating for the issue.

Business Highlights & Services

Advance Agrolife Limited is a vertically integrated agrochemical manufacturer with a diversified portfolio of Technical and Formulation Grade products, including insecticides, herbicides, fungicides, plant growth regulators, and micro-nutrient and bio-fertilizers, serving the full crop lifecycle across Kharif and Rabi seasons. With three strategically located manufacturing facilities in Jaipur, Rajasthan, spanning 49,543.35 sq.m and an annual installed capacity of 89,900 MTPA, the company leverages advanced automation and technology to enhance operational efficiency, quality, and cost-effectiveness. Recent backward integration, including the transition of Facility I to Technical Grade production, strengthens in-house raw material supply, reduces dependency on external vendors, and opens new revenue streams, while the integrated setup allows flexible, customized production to meet market demand.

The company's strong regulatory approvals, with 410 generic registrations across 13 states, support product diversification and market expansion. Its presence in high-demand agricultural regions, combined with proximity to major transport networks, enhances distribution efficiency, reduces logistics costs, and strengthens margins. Over the last three fiscal years, the company has demonstrated steady growth in revenue, reaching ₹5,019.18 million in FY25 from ₹3,970.62 million in FY23, driven by strong Formulation Grade production and long-term customer relationships, which ensure stable revenue streams. With a diversified domestic and export footprint across seven countries, robust quality systems, and a scalable manufacturing ecosystem, Advance Agrolife is well-positioned to drive profitable growth, strengthen market leadership, and capitalize on emerging opportunities in the agrochemical sector.

Advance Agrolife Limited leverages long-standing relationships with a diversified customer base, including leading agrochemical companies such as DCM Shriram, IFFCO MC CropScience, Indogulf Cropsciences, Crystal Crop Protection, Mankind Agritech, HPM Chemicals & Fertilizers, and ULink AgriTech, several of whom have partnered with the company for over a decade, providing stable recurring revenue and margin visibility. Over Fiscals 2023–2025, the company served 849–1,194 domestic customers and established an international presence across UAE, Bangladesh, Hong Kong, China, Turkey, Egypt, Kenya, and Nepal, with product samples supplied to Indonesia, Bangladesh, and Turkey, laying the foundation for future export growth. The company's strategic focus is on expanding wallet share with existing customers, acquiring new domestic and international clients, and broadening its product portfolio, supported by integrated manufacturing capabilities and upcoming facility expansions. This approach enhances operational efficiency, scalability, and cost optimization, enabling responsive production, improved margins, and higher profitability. By combining strong customer loyalty, diversified domestic and international market reach, and a robust, flexible manufacturing ecosystem, Advance Agrolife is well-positioned to drive sustainable revenue growth, strengthen market leadership, and capitalize on emerging opportunities in the agrochemical sector.

Advance Agrolife Limited is strategically expanding its technical-grade manufacturing capabilities through the proposed facility in Gidhani, Jaipur, Rajasthan, as part of its backward integration strategy. This facility will primarily produce technical-grade agrochemicals to meet in-house formulation requirements while enabling third-party sales of surplus output, strengthening supply chain control, improving cost efficiency, and reducing dependency on external suppliers. Located within 30 km of existing operations, the Proposed Facility complements the company's three Jaipur-based units with a combined installed capacity of 89,900 MTPA, adding significant operational scale and enhancing its position as a fully integrated agrochemical manufacturer. The acquisition of land and securing of environmental approvals under the EIA Notification 2006 ensure compliance with sustainable development standards, aligning with the company's long-term growth and operational excellence goals.In parallel, Advance Agrolife continues to focus on product registration and development to expand its domestic and international market presence. By leveraging in-house laboratory, testing, and manufacturing expertise, the company aims to efficiently register high-volume generic products under Section 9(4) of the Insecticides Act, enabling in-house production of new molecules and derivatives with full quality and cost control. The company also plans to pursue export registrations in developed and high-margin markets such as Europe, broadening its global footprint and revenue potential. Furthermore, the proposed acquisition of HOK Agrichem Private Limited, the promoter group entity managing B2C marketing, will consolidate marketing operations, improve coordination between production and sales, enhance operational efficiency, streamline product launches, and leverage market feedback for product innovation. Collectively, these initiatives are designed to drive revenue growth, improve margins through operational efficiency and cost control, expand customer reach, and strengthen long-term profitability while positioning Advance Agrolife as a scalable, integrated, and globally competitive agrochemical player.

Advance Agrolife Limited prioritizes cost optimization and operational efficiency as core drivers of profitability. Through rigorous monthly assessments of business operations, processes, and expenses, the company identifies inefficiencies, underutilized resources, and high-cost areas, enabling targeted strategic initiatives to enhance process efficiency and benefit from economies of scale. The proposed expansion of its technical-grade manufacturing facility will further optimize resource utilization, increase production capacity, and strengthen supplier negotiations, enhancing margins and overall profitability. Complementing this, the company is investing in a dedicated R&D facility with modern infrastructure and NABL accreditation to drive product innovation, improve production methods, and diversify its portfolio. By integrating R&D into manufacturing, Advance Agrolife aims to develop new and improved agrochemical solutions, enhance operational efficiency, maintain cost competitiveness, and strengthen its market position, supporting sustainable revenue and profit growth in the long term.

Segmental Wise Revenue breakup

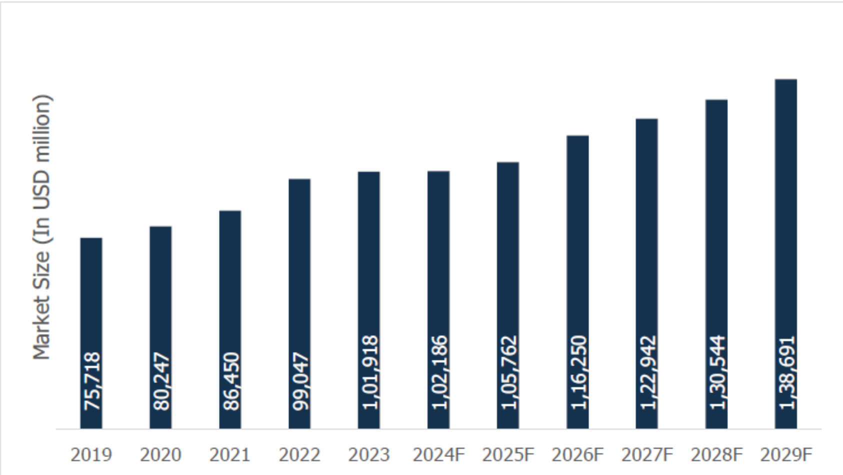
Particular	FY25		FY24		FY23	
	Amount (in Cr)	%	Amount (in Cr)	%	Amount (in Cr)	%
Insecticides	147	32.20%	133	33.33%	90	36.04%
Herbicides	141	31.03%	80	20.01%	49	19.54%
Fungicides	151	33.07%	155	39.02%	96	38.41%
Plant growth regulators	2	0.35%	5	1.21%	1	0.36%
Other	15	3.35%	26	6.43%	14	5.64%
Total	**456**	**100%**	**398**	**100%**	**251**	**100%**

Domestic vs Export Revenue breakup

Particular	FY25		FY24		FY23	
	Amount (in Cr)	%	Amount (in Cr)	%	Amount (in Cr)	%
Domestic Revenue	292	97.45%	430	94.36%	235	93.59%
Export Revenue	7	2.49%	25	5.52%	16	6.41%
Other	0.19	0.06%	0.56	0.12%	-	
Total	**299**	**100%**	**456**	**100%**	**251**	**100%**

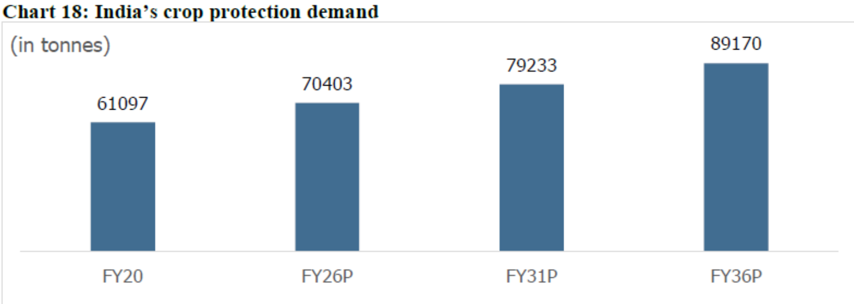
Industry Outlook

Chart 16: Global Crop Protection & Nutrition Industry Market Size



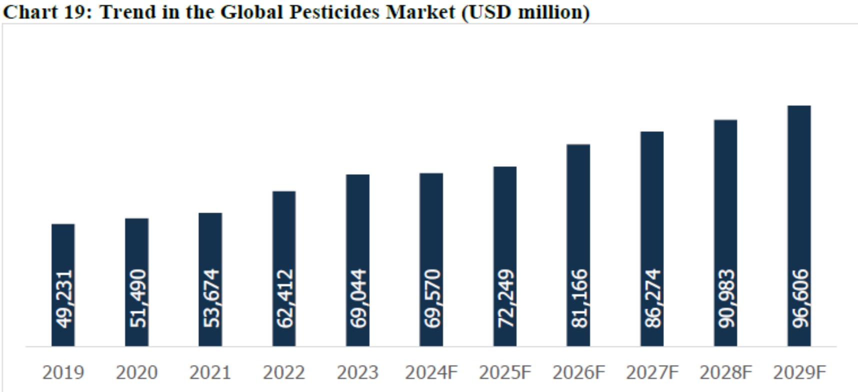
Source: CareEdge Research, Maia Research

Chart 18: India's crop protection demand



Source: NITI Aayog, CareEdge Research; P: Projected

Chart 19: Trend in the Global Pesticides Market (USD million)



Source: CareEdge Research, Maia Research

Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	RoNW(%)
Advance Agrolife Ltd	**10**	**456**	**5.50**	**NA**	**39.30**
Peers Group					
Dharmaj Corp Guard	10	654	13.13	13.92	13.16
Insecticides India Ltd	10	1,966	34.59	17.57	10.60
Heranba Industries Ltd	10	1,257	8.72	24.29	4.14

Company's Competitive Strength

- Established, integrated manufacturing setup at strategic location.
- Diversified product portfolio of agrochemical products.
- Established customer base and strong relationships.
- Strong Promoters and experienced management team.
- Track Record of healthy growth.

Key Strategies Implemented by Company

- Strengthening the foothold in our existing markets and expanding our customer base.
- Augmenting capacity by setting up a new manufacturing facility.
- Continue to obtain registrations to increase the portfolio of products.
- Proposed acquisition to streamline business operations.
- Focus on cost optimization.
- Strategic Focus on Research & Development.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	5	5	5
Reserves and Surplus	71	46	31
Net Worth	75	51	36
Revenue	456	398	251
Growth (%)	15%	59%	
EBITDA	39	25	14
EBITDAM (%)	8.5%	6.3%	6%
PAT	25	15	9
PATM (%)	5.4%	3.7%	3.6%
ROE (%)	14%	7%	22%
ROCE (%)	16%	10%	35%

Notes

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