

26 September 2025

India | Equity Research | Initiating Coverage

Godrej Agrovet

Agriculture

Feed, farm, flourish: Multi-pronged momentum ahead

Godrej Agrovet (GOAGRO) has exhibited a pronounced and sustained recovery across its metrics over the last 12–18 months, as cost and margin gains prevailed over soft volume growth. We envisage growth gathering a stronger pace over the next 2–3 years, buoyed by: 1) steady recovery in Astec/CDMO performance, where weakness has likely bottomed out; 2) strong rainfall and reservoir levels bolstering the planting season for FY26E; 3) continued growth in the dairy segment; and 4) structural demand growth for agrochemicals (agro-chem) in India, given usage/per hectare in the country remains less than a tenth of that in developed countries. The stock has dipped 11% in last 12 months, we see material upside ahead. We initiate coverage on GOAGRO with a **BUY** rating and target price of INR 980.

FY25 performance driven by margin improvements

GOAGRO, in FY25, witnessed less than stellar volume/revenue growth across segments, bogged down by a weak demand environment and tepid volumes for dairy/animal feed/vegetable oil segments. However, strong realisation growth and cost optimisation enriched EBITDA/PAT margins by 140bps/80bps. GOAGRO's Q1FY26 numbers too point to a welcome return of revenue growth in crop protection (Astec + domestic agri) and vegetable oil. Other segments should follow suit and catch up through the course of FY26.

Astec to gradually turn a corner over FY26–28E

Over the last two years, Astec has been a drag on GOAGRO's earnings amid global de-stocking post Covid-19; thus, denting the prospects of its enterprise and CDMO segments (46:54 FY25 revenue split). Even so, management notes stronger traction on both fronts. With reinvigorated demand for agri inputs globally and fresh interest from innovators for GOAGRO's CDMO capabilities, a turnaround is likely on the cards – EBIT should break even by FY28E.

Animal feed and vegetable oil segments to gain steam

Stronger FFB availability, aggressive focus on regional capacity and logistical expansion complemented by a recovery in demand prospects in the domestic market should help deliver strong growth in the animal feed and vegetable oil segments. We model ~10%/~7% revenue growth (FY26–28E) CAGR for the animal feed/ vegetable oil segments in our assumptions, with GOAGRO's new Palm Kernel Oil (PKO) facility (100 t/d) also supporting growth over the period.

Financial Summary

Y/E March (INR Mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	93,828	1,03,567	1,13,395	1,24,762
EBITDA	8,162	8,737	10,163	13,119
EBITDA Margin (%)	8.7	8.4	9.0	10.5
Net Profit	4,297	4,832	5,693	7,687
EPS (INR)	22.3	25.1	29.6	40.0
EPS % Chg YoY	19.5	12.5	17.8	35.0
P/E (x)	30.8	27.4	23.2	17.2
EV/EBITDA (x)	17.9	16.6	14.2	10.8
RoCE (Pre-tax) (%)	14.2	15.2	17.4	22.5
RoE (%)	17.5	19.5	21.2	26.0

Probal Sen

probal.sen@icicisecurities.com
+91 22 6807 7274

Hardik Solanki

solanki.hardik@icicisecurities.com

Market Data

Market Cap (INR)	132bn
Market Cap (USD)	1,491mn
Bloomberg Code	GOAGRO IN
Reuters Code	GODE BO
52-week Range (INR)	876 /654
Free Float (%)	23.0
ADTV-3M (mn) (USD)	2.5

Price Performance (%)	3m	6m	12m
Absolute	(10.1)	(11.3)	(11.1)
Relative to Sensex	(8.2)	(15.3)	(6.4)

ESG Score	2023	2024	Change
ESG score	67.8	64.5	(3.3)
Environment	51.8	54.1	2.3
Social	71.2	63.9	(7.3)
Governance	75.6	75.2	(0.4)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Domestic crop protection – stronger reservoir levels to buoy planting

We expect strong momentum over the next 12–18 months in this segment, due to the following: 1) Launch of Nissan's in-licensed product Gracia (insecticide) and Ashitaka (new herbicide) to help offset the gradual reduction of the Hitweed range, which saw the patent expire in CY23 and will likely see slower growth over the next 3–4 years. 2) Strong rainfall and healthy reservoir levels. 3) pipeline of 5–6 additional products; 4) Commissioning of a new plant at Dahej to augment capacity of both Hitweed and Gracia range and also help produce some new launches 5) Continued improvement in per capital usage of agri inputs. We expect a healthy 13% revenue CAGR over FY26–28E.

Branded products to see aggressive focus, boost foods/dairy segment

GOAGRO has been making concerted efforts to boost the share of branded products in both its dairy business (value added products [VAP] constitute ~37% of its revenue, as of FY25) and its food segment (branded share >65% in FY25 vs. ~61% in FY24). The company has more aggressive targets to grow the share of VAP in dairy and further reduce the share of live bird in the food segment – this would entail more investment in brand building and also in the company's cold chain. We estimate, over FY26–28E, 8.5% CAGR in dairy overall with stronger 18.7% growth in VAP; for the food business, we assume a 9% CAGR, in contrast to the 8% CAGR seen over FY21–25.

GST benefits to be additional driver of fortunes

The recent decision by India's government to reduce GST rates for a whole swath of commodities shall have a spillover benefit on agro-chem companies as well. The reduction of GST for bio-pesticides, micro nutrients, fertiliser precursors and farm machinery and irrigation, from 12–18% to now 5%, helps improve affordability, encourages mechanisation of farming and builds domestic agri input manufacturing. As per some reports ([link](#)), farmers can see cost savings of 7–13% for select agro-chemicals, saving INR 500–1,000 per hectare. This could have material impact on demand over the next few years.

Valuations underplay strong momentum over FY26–28E, material upside ahead

The stronger performance over FY24–25 (16%/19% PAT growth seen in FY24/FY25) has not really reflected in GOAGRO's stock price, with a ~11% dip in the stock price seen in the last 12 months. At current levels, the stock trades at the lower end of the five-year PER and EV/EBITDA bands.

Therefore, we see the robust 26% EPS growth over FY26–28E, coupled with the 600/700bps boost in RoE/ROCE (FY28E vs FY26E) not fully reflecting in valuations – Applying the average 1 year forward PEG range over FY22–25 (1.3–1.6x) to FY27E/FY28E EPS delivers TP of INR 843/1820 per share – implying 23–164% upside from CMP. Our SoTP-based valuation, basis EV/EBITDA multiples of 12–16x based on FY28E for its different business segments and factoring in ~30% of HoldCo discount for Astec on current market price, delivers a target price of INR 980, ~42% upside from CMP. We initiate coverage on GOAGRO with a **BUY** rating.

Key risks

- **Key upside risks:** Good monsoon; decline in competitive pressures; decrease in raw material prices; and higher number of new products.
- **Key downside risks:** Weaker-than-expected monsoon; steep increase in competitive pressures; increase in raw material prices; lower-than-expected offtake of new products; and an outbreak of disease could result in governmental restrictions on import/export/domestic sale of its fresh chicken or other products.

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Investment rationale: Building blocks in place

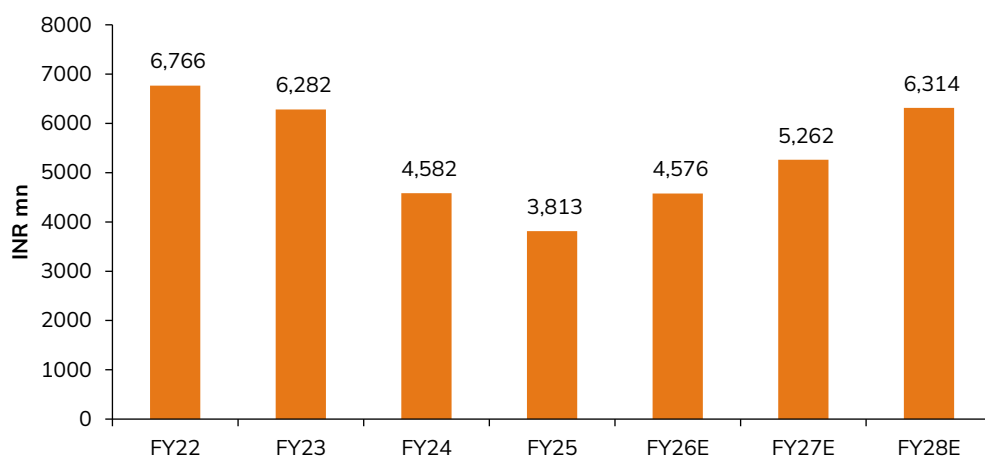
GOAGRO had seen its earnings trajectory over FY20–24 slow down to 3.4% (EPS CAGR) vs. a robust 11.7% over FY14–19 amid Covid-19, volatile rainfall patterns and the larger base (due to Astec acquisition in 2015) driving slower growth. FY25 has seen a welcome return to growth, with a 16% YoY jump in EBITDA and a 19% jump in net earnings, driven by a sharp improvement in realisations/margins and marginal improvements in revenues from the Vegetable oil and Dairy segments.

Going forward, GOAGRO's growth trajectory should see an uptick across segments over the next three years, driven by: i) renewed interest from global innovators in GOAGRO's CDMO capabilities, which have been augmented materially over the last few years; 2) expectation of a stronger planting season in the domestic market; 3) steady growth in the dairy & branded food segments; and 4) sustained momentum in the palm oil business, via aggressive capacity build and adverse import supply environment, due to aggressive domestic blending requirements in Malaysia and Indonesia, two of the biggest palm oil exporters in the world.

GOAGRO has set aggressive targets for Astec

GOAGRO holds 67.03% stake in Astec. At this juncture, we see Astec as well-placed to capitalise on opportunities arising in the domestic as well as the international markets with its well-established market credentials. Astec shall continue to focus on scaling up R&D projects, diversification into other molecules as well as chemistries and expanding its customer base for the contract manufacturing business. Astec's backward integration projects are also expected to aid in margin expansion.

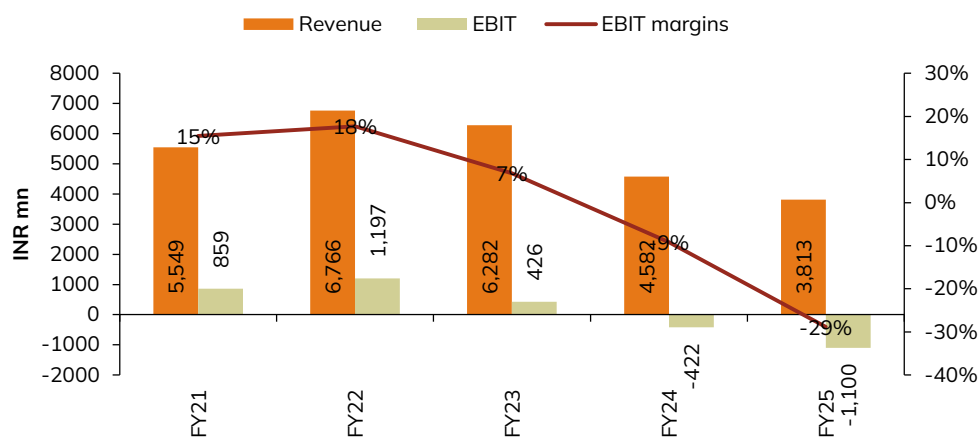
Exhibit 1: Astec revenue to improve sharply over FY26-28E



Source: I-Sec research, Company data

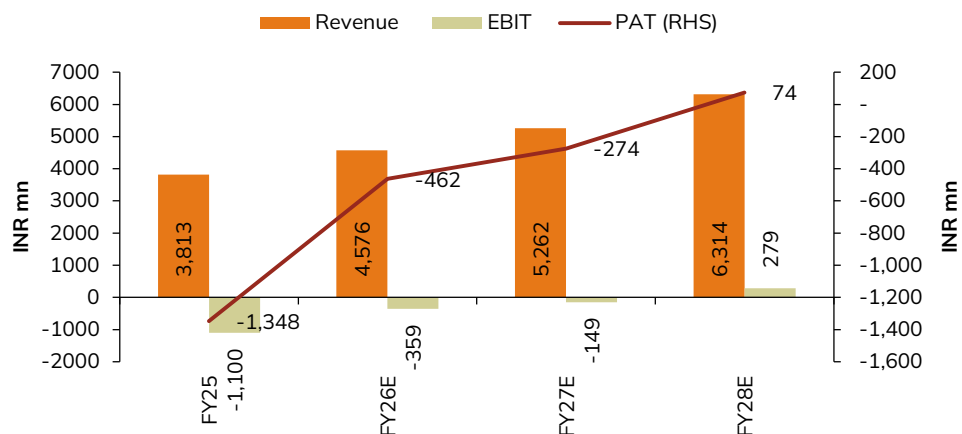
Over the last few years, Astec has seen volatile growth with a relatively stronger FY21 and FY22, followed by a tepid FY23–24, with margins seeing a sharper decline vs. revenue growth. The slowdown in momentum has been driven by:

- Volume headwinds and price corrections in both exports as well as domestic markets. In the export markets, a number of active ingredients and intermediaries witnessed a drop in volumes during the period, on account of high inventories, de-stocking strategies and a demand-supply imbalance driving ~17% YoY decline in revenue in FY25 on top of a 27% decline in FY24.
- The global overhang being observed in the agro-chem industry – high-cost inventory accumulating in the system due to over production and weaker demand – has pushed revenues from the segment lower over the last three years (FY25 revenue is now 56% of revenues earned in FY22).

Exhibit 2: Decline in Astec's revenue and margins over FY23–25


Source: I-Sec research, Company data

However, the company notes renewed interest from global innovators in the CDMO offerings from GOAGRO coupled with gradually improving enterprise sales. Astec has an aggressive development roadmap for new molecules (22 in development, as of now) and is also focusing on expanding capacity, with the commissioning of the Herbicide-II plant. Growth from this segment should, thus, be stronger over FY26–28E.

Exhibit 3: Astec – revenue and profitability to improve over FY25–28E


Source: I-Sec research, Company data

Long tail of monsoons, reservoir levels point to a strong sowing season in H1FY26E

Monsoons are a key barometer of success for Indian agro-chem companies and while GOAGRO does have a strong palm oil and export business, animal feeds (51% of overall revenue) and the Indian agri segment depends to a material extent on the state of rainfall and reservoir levels for their prospects.

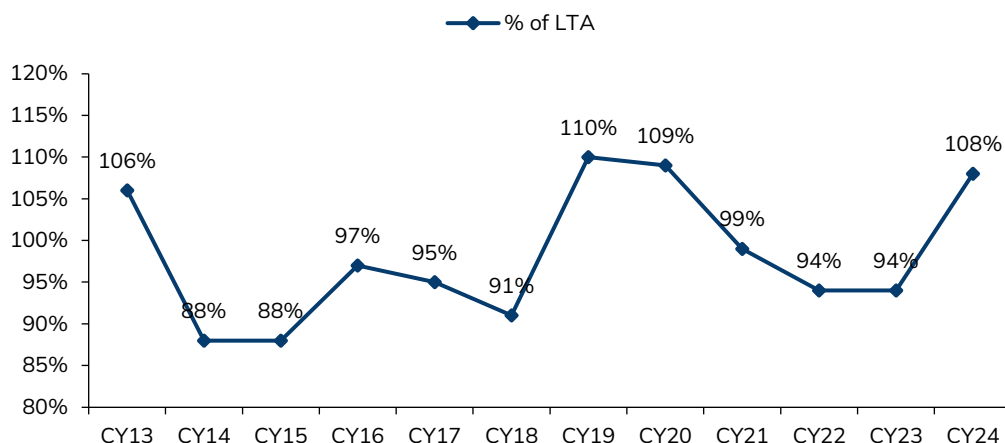
Exhibit 4: FY19–25 – average monsoon (% of LPA) vs. segment revenue growth (agri and animal feeds)

Revenue growth	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Average FY19-25
Animal feed	18%	22%	-17%	41%	14%	1%	-5%	11%
Crop protection standalone	9%	3%	1%	-6%	9%	37%	-6%	7%
Rainfall as % of LTA (RHS)	91%	110%	109%	99%	94%	94%	108%	101%

Source: I-Sec research, Company data; [Agriwelfare.gov.in](https://agriwelfare.gov.in); cumulative monsoon rainfall for the country as a whole during 1st June to 30th September

CY24 saw a relatively slower start to the monsoons, with Jun'24 rainfall at only 89% of the long period average (LPA); but it picked up over the year, with 109%/115%/112% of LPA for month of July/Aug/Sept'24 respectively. CY24 average rainfall was at 108% of LPA.

Exhibit 5: Rainfall trend, as a % of long-term average

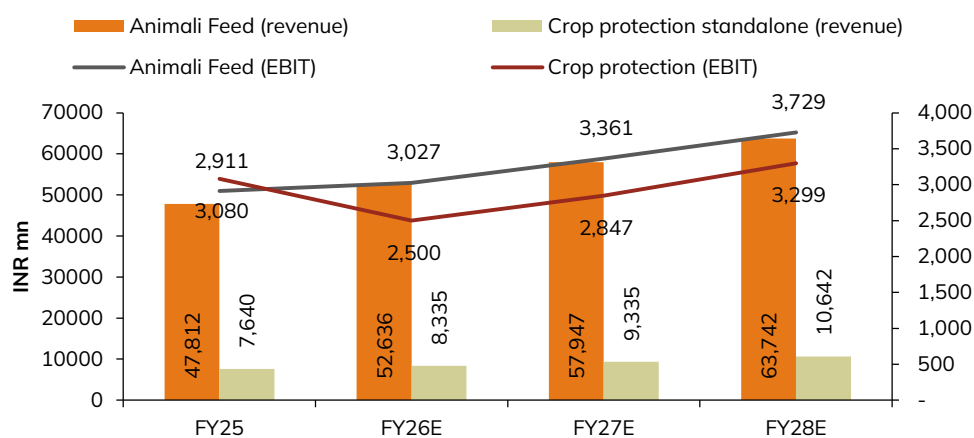


Source: I-Sec research, Agriwelfare.gov.in; cumulative monsoon rainfall for the country as a whole during 1st June to 30th September

Despite overall average being at 108%, the distribution and tail of the monsoon was unlike normal seasons – the longer tail meant that while early FY25 sowing season was impacted negatively, reservoir levels across India are at reasonably high levels, which augurs well for the sowing season in H1FY26E. Also, with forecasts for monsoons for CY25 as of now implying a normal year, FY26E overall can see strong traction from the agri and animal feeds businesses for GOAGRO.

According to the IMD, rainfall between 1 Jun'25 to 14 Sep'25 stood at 846mm, which is 107% above benchmark LPA. Rainfall in Jun/Jul/Aug'25 was 109%/105%/105% of LPA. The IMD forecast above-normal rainfall, at 106% of LPA, during Jun–Sep'25.

Exhibit 6: Agri and animal feed revenue/EBIT forecasts

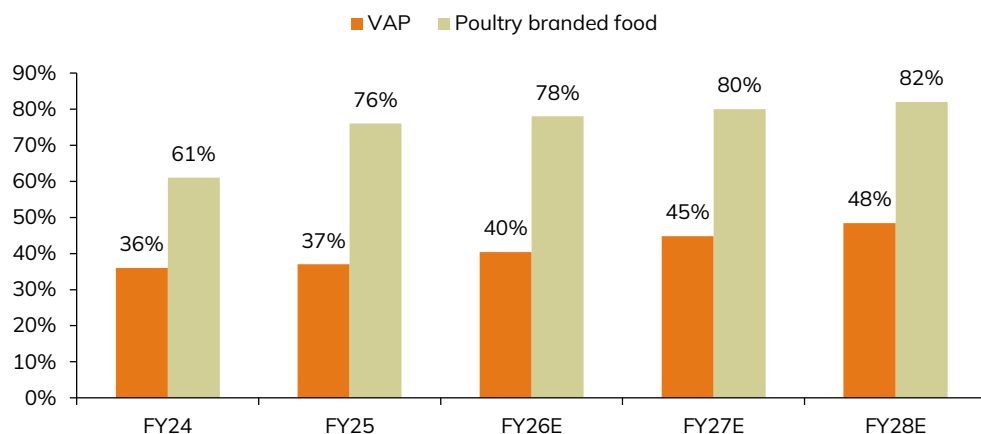


Source: I-Sec research, Company data

Branded product share in Foods segment sought to be increased materially

Management is focusing on taking branded products' revenue share in its foods business to 80% by FY27E, earlier than its previous target of FY28E, since there is good traction in the processed chicken business, which should drive growth in the segment. The company has also increased its stake in Godrej Foods to 100%, from earlier 49%. It continues to build on improving and sustaining operational efficiencies; and we believe, profitability should steadily expand in this segment over FY25–28E.

Exhibit 7: FY25–28E branded products' share in dairy and foods

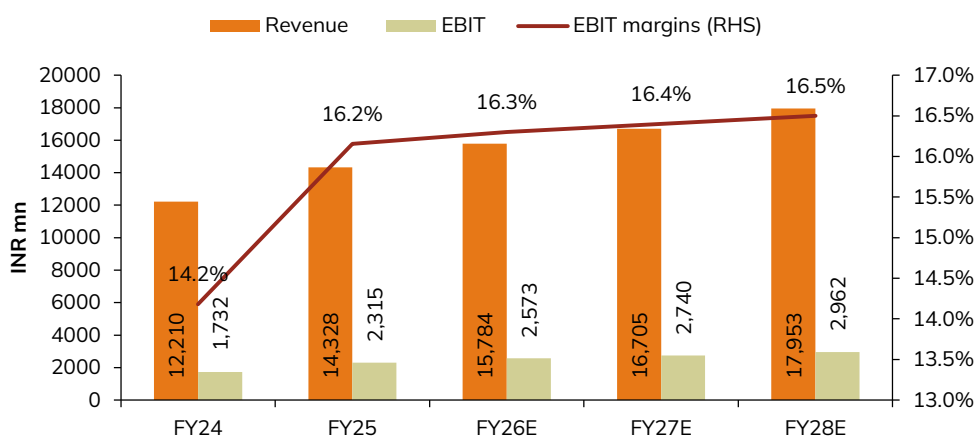


Source: I-Sec research, Company data

Aggressive palm oil blending measures, GOAGRO's capacity expansions drive better prospects

The company aims to add 60,000 hectares of additional oil palm plantations over the course of the next five years to support the long-term sustainable development of oil palm in India. It plans to establish 50 Samadhan centres across India by 2027 with each centre supporting ~2,000 hectares of area under oil palm – a one-stop solution centre that would provide a comprehensive package of knowledge, tools, services and solutions to oil palm farmers. Commissioning of refinery and solvent extraction plant shall help the company reduce the impact of volatility in prices of Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO).

Exhibit 8: FY24–28E vegetable oil revenue and margins



Source: I-Sec research, Company data

Steady pipeline of product launches support crop protection prospects

Deficient and unevenly distributed rainfall along with lower reservoir levels led to weak performance of domestic agrochemicals sector in FY25; however, the company's performance was resilient, thanks to in-house herbicide and in-licensing insecticide products, which have created a strong niche in the fiercely competitive Indian agro-chem sector. Going forward, along with the existing product portfolio, the company would also focus on new product development through its in-house R&D initiatives and in-licensing collaborations with innovators/large global players.

In addition to the product launch schedule, GOAGRO has aggressive plans to grow capacity with a new plant being commissioned at Dahej (by Q4FY26) at a capex of INR 5bn (excluding land acquisition costs). This plant will produce 6-7 products, including the existing Hitweed range, the new Gracia Range and also 1-2 new products to be launched over FY26-27E each. Existing capacity of Hitweed is constrained at their Jammu plant, hence this expansion is needed to augment and support volume growth.

Creamline Dairy – acquisition of minority stake aimed to consolidate operations

Creamline Dairy Products Limited (CDPL) focuses on two key levers for achieving sustainable growth in profitability – 1) volume growth led by VAP portfolio; and 2) margin expansion through procurement and supply chain efficiencies. GOAGRO is focusing on expansion of VAP products range and cold chain infra to drive growth in the segment with steady CAGR of 8-9% expected over FY26-28E revenues.

Animal feed: Steady growth ahead, driven by deepening distribution and product development initiatives

Despite some slowdown in revenues owing to lower volumes in FY25, margins expanded sharply in FY25, boosting profitability in this segment. The company will focus on gaining further share in its established markets while expanding into newer regions with new product development efforts backed by its R&D setup. New launches and initiatives should enhance brand visibility & customer loyalty, driving growth in the segment. Both the Cattle feed and fish feed markets are expected to grow in double-digits in the medium term.

Valuation

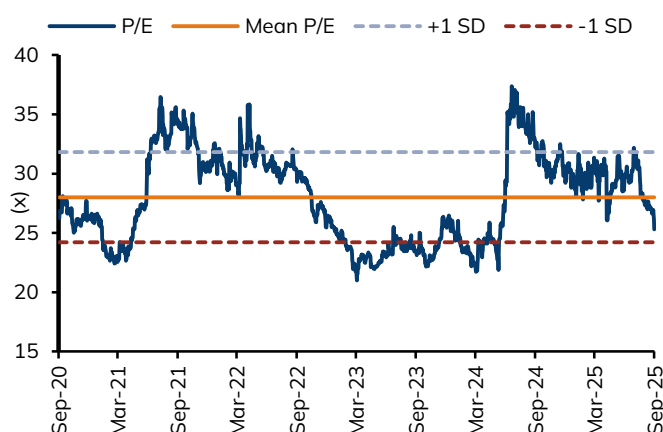
We value the company on an EV/EBITDA basis. The multiple varies between 11–15x on FY28E EBITDA, depending on the segment. We value Astec Lifesciences on the basis of EV derived from current market cap as on 25th Sept'25 with holding company discount of 30% – implied EV/EBITDA multiple of 32x (FY28E). ACI Godrej JV is valued by assigning 16x PE multiple on FY28E earnings. The resultant target price of INR 980 implies an upside of 42% from CMP.

Exhibit 9: Valuation summary

Entity- INR mn	Stake	Valuation methodology	Mar-28 Metric	Multiple	Company EV	Stake	Hold co discount	EV	GOAGRO Value per Share
Animal feeds	100%	14.5x EV/EBITDA	4,451	14.5	64,534	100%	0%	64,534	336
Crop protection (Standalone)	100%	12.5x EV/EBITDA	3,400	12.5	42,500	100%	0%	42,500	221
Astec	67%	On basis of CMP	758	32.0	24,280	67%	30%	11,393	59
Dairy	100%	12x EV/EBITDA	1,129	12.0	13,548	100%	0%	13,548	70
Vegetable oil business	100%	15x EV/EBITDA	3,433	15.0	51,492	100%	0%	51,492	268
Godrej Foods	100%	12.5x EV/EBITDA	773	12.5	9,657	100%	0%	9,657	50
ACI Godrej JV		16x PE	1,146	16.0	18,329	50%	0%	9,165	48
Unallocated expenses		1x of expenses	(2,047)	1.0	(2,047)	100%	0%	(2,047)	(11)
Enterprise value								2,00,242	1,041
Debt								13,960	73
Cash								2,180	11
Market value								1,88,462	980
No of shares (m)								192	
TP								980	
CMP								688	
Upside								42%	

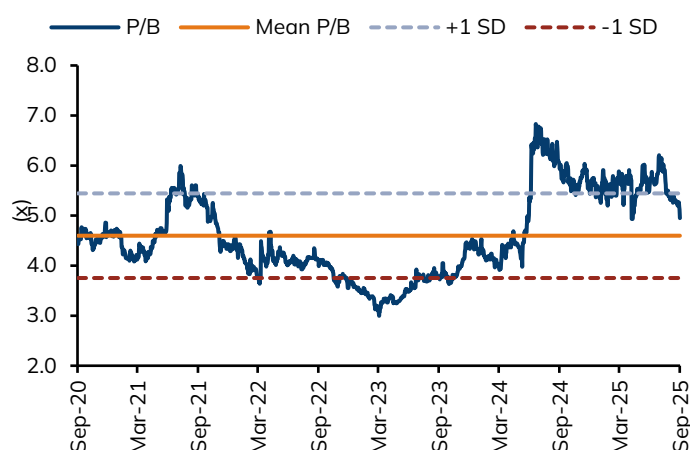
Source: Company data, I-Sec research

Exhibit 10: P/E band trading below 5-year average



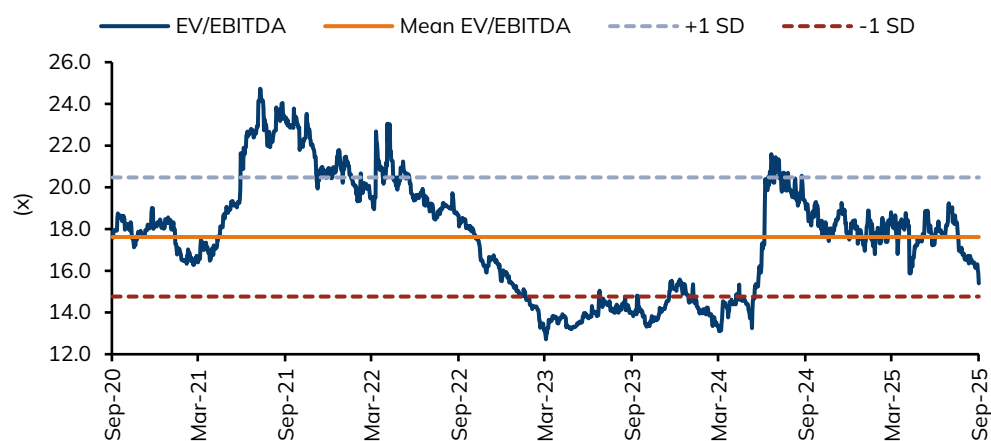
Source: Company data, I-Sec research

Exhibit 11: P/B band trading above 5-year average band



Source: Company data, I-Sec research

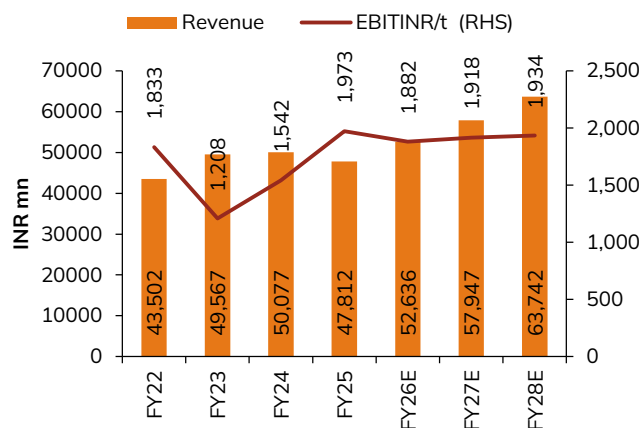
Exhibit 12: EV/EBITDA band trading below 5-year average



Source: Company data, I-Sec research

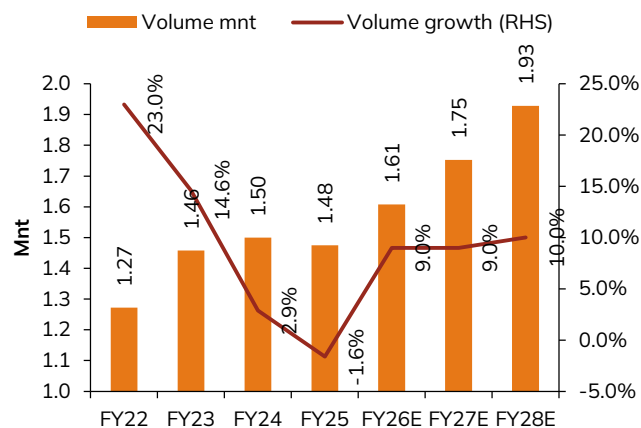
Focus charts - Multiple drivers of growth in prospect

Exhibit 13: Animal feed revenue and margins to improve over FY26–28E



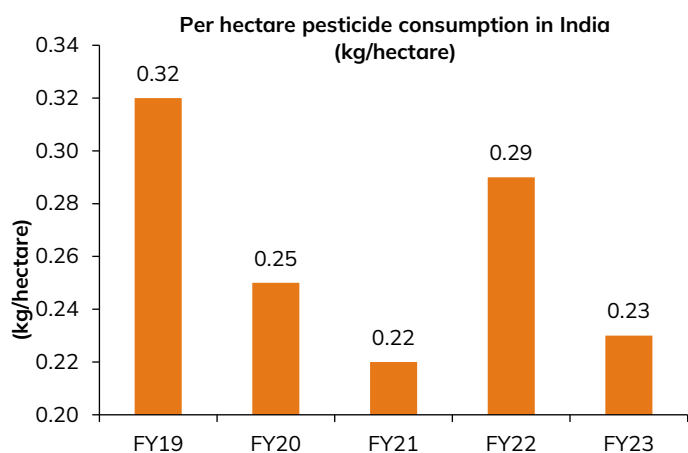
Source: I-Sec research, Company data

Exhibit 14: Animal feed volume to grow at 9% CAGR over FY26–28E



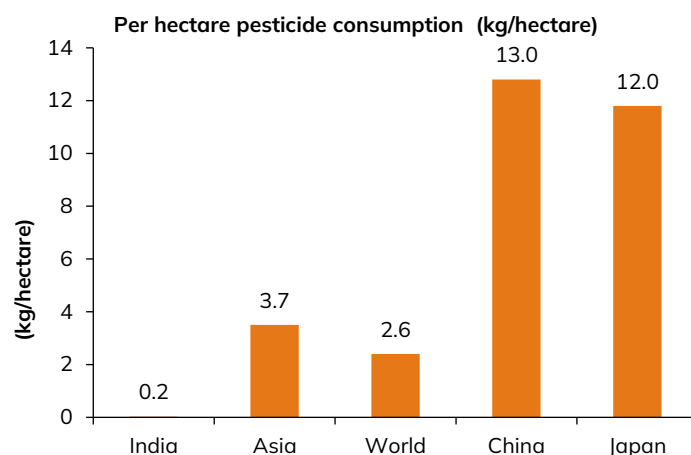
Source: I-Sec research, Company data

Exhibit 15: India pesticides consumptions remain below 0.3kg/hectare...



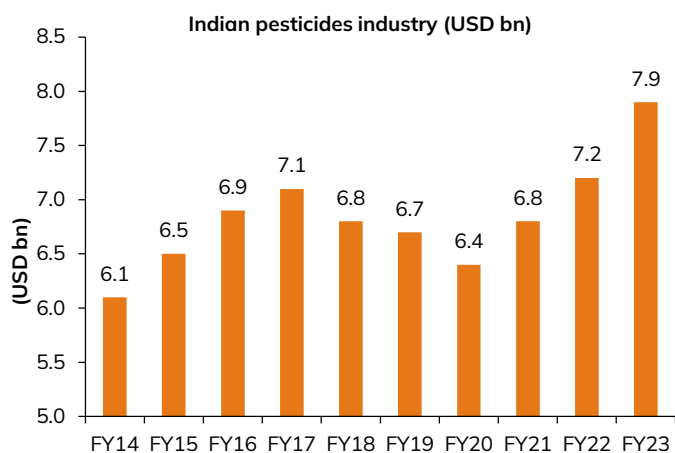
Source: I-Sec research, Source: Directorate of Plant Protection, Quarantine & Storage, RHP of peers

Exhibit 16: ...well below global average



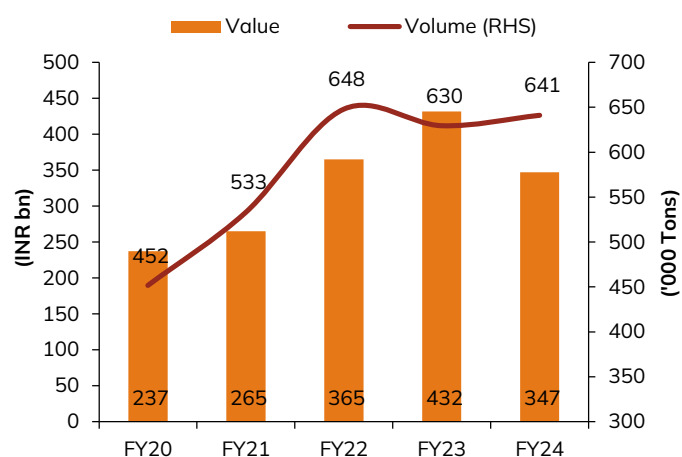
Source: I-Sec research, RHP of peers, Directorate of Plant Protection, Quarantine & Storage; Data as of CY17, FICCI - Overview of Agrochemicals Report 2021

Exhibit 17: Indian pesticides industry grew by 3% over FY18–23

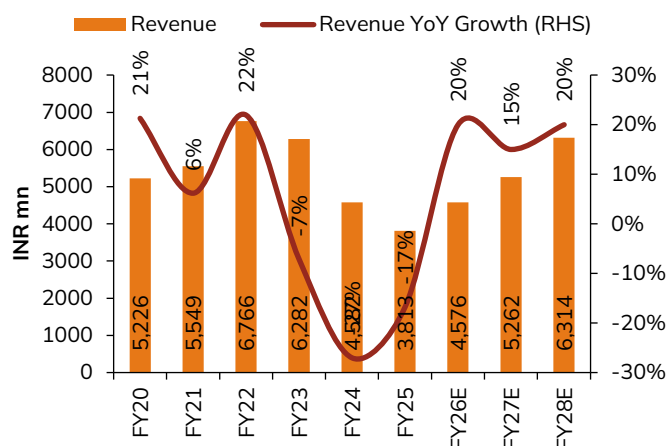


Source: I-Sec research, Department of Chemicals and Petrochemicals

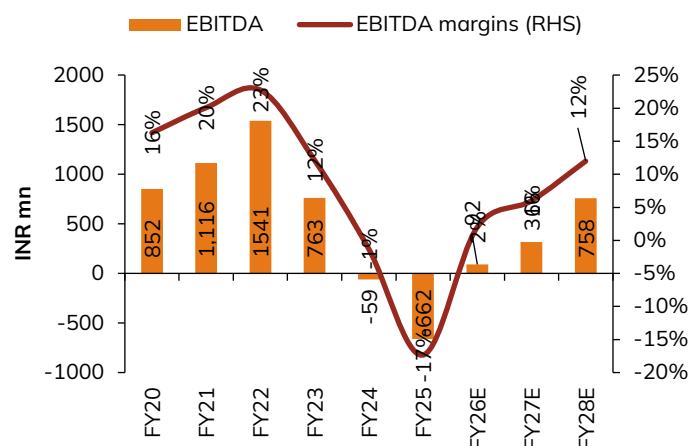
Exhibit 18: Export of pesticides by India grew by 9% over FY20–24



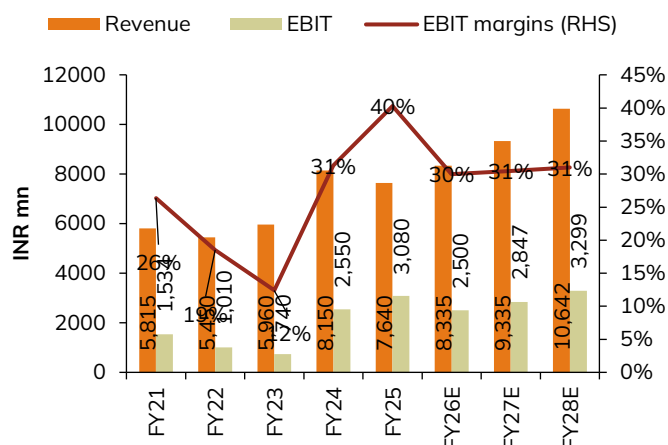
Source: I-Sec research, [PPQS.gov.in](https://ppqs.gov.in)

Exhibit 19: Astec – revenue likely to see sharp recovery over FY26–28E...

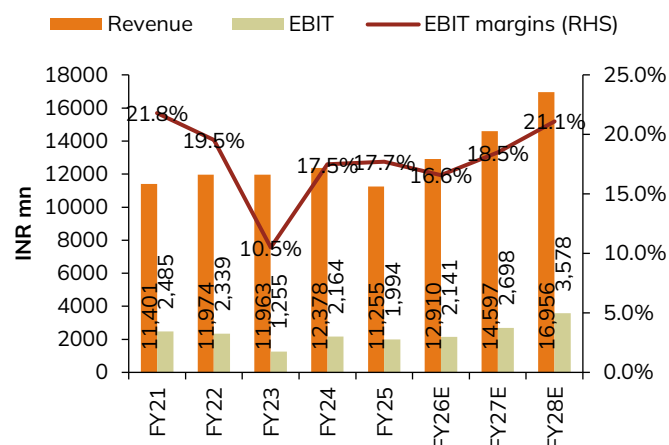
Source: I-Sec research, Company data

Exhibit 20: ...so shall margin

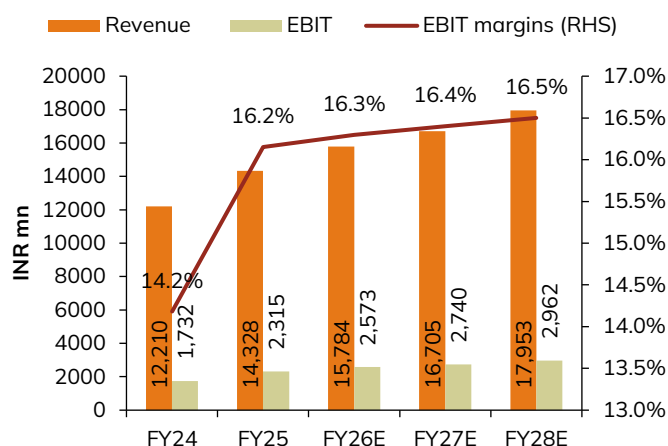
Source: I-Sec research, Company data

Exhibit 21: Standalone crop protection segment shall continue to grow, however margin to moderate over FY26–28E

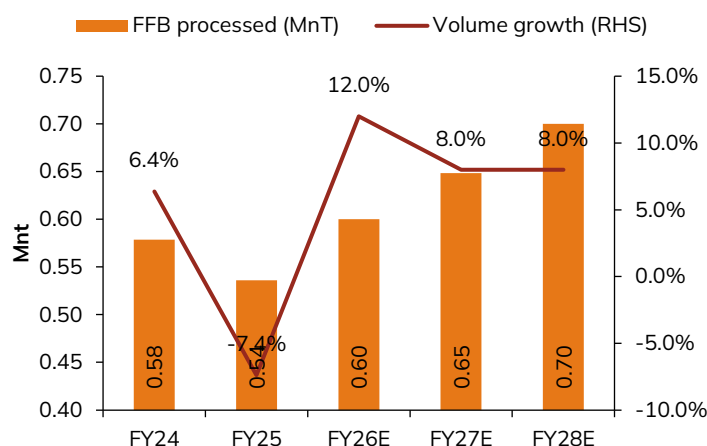
Source: I-Sec research, Company data

Exhibit 22: Overall, consolidated crop protection business to see sharp improvement over FY26–28E

Source: I-Sec research, Company data

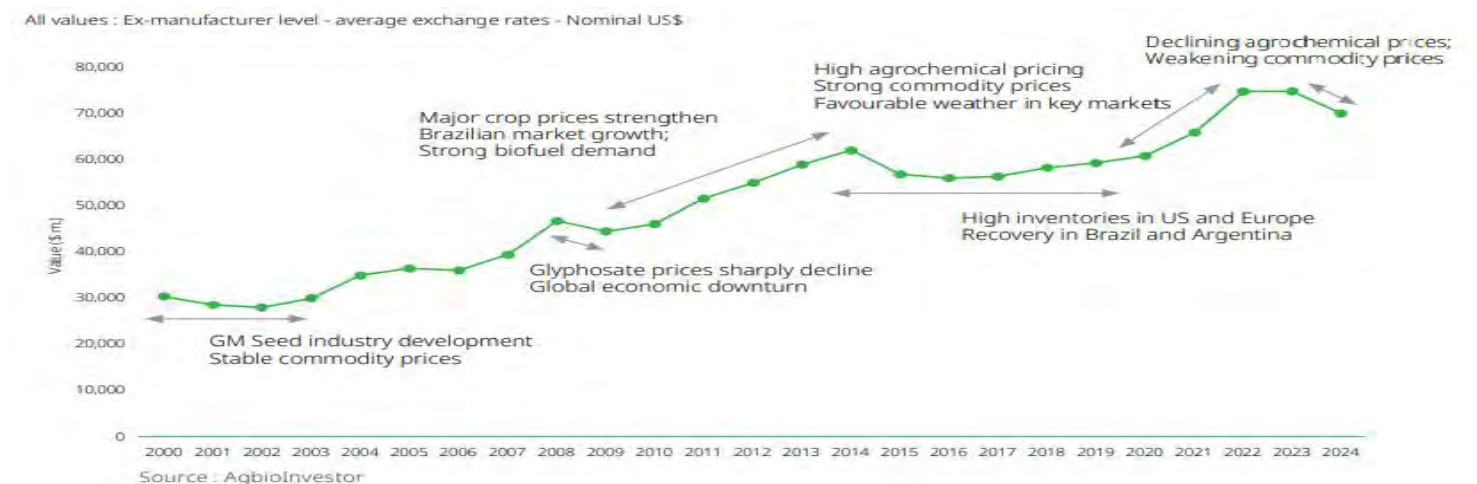
Exhibit 23: Vegetable oil revenue and margins to improve over FY26–28E

Source: I-Sec research, Company data

Exhibit 24: FFB volume to grow at 8% CAGR over FY26–28E

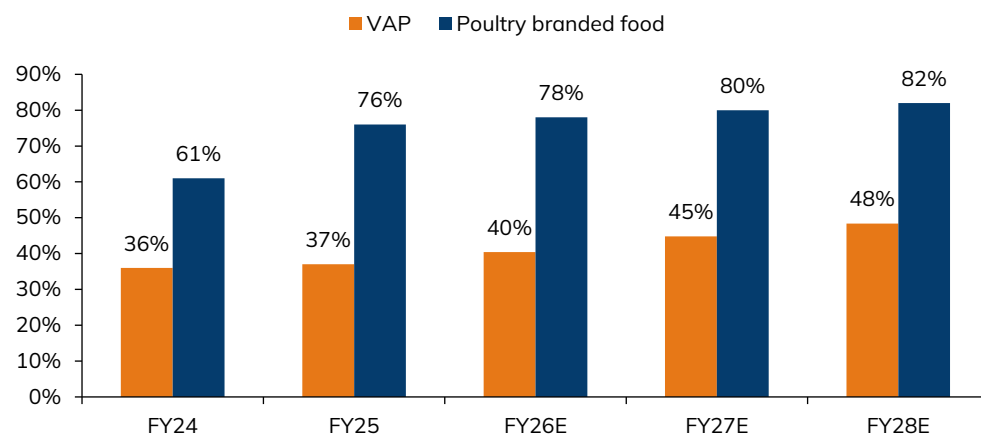
Source: I-Sec research, Company data

Exhibit 25: Crop protection industry development



Source: UPL annual report, I-Sec research

Exhibit 26: Share of VAP/branded in dairy/foods segment over FY25–28E



Source: I-Sec research, Company data

Exhibit 27: Even at conservative PEG assumptions, material upsides in store

PEG	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EPS INR/sh	21.6	15.7	18.7	22.3	25.1	29.6	40.0
CMP (end of year) INR/sh	415.0	395.0	475.0	744.0	688.0*	843.5	1,819.6
Implied PER	19.2	25.2	25.4	33.3	28.1	28.5	45.5
EPS growth (%)		(27.3)	19.1	19.5	12.5	17.8	35.0
PEG 12mth fwd	(0.7)	1.3	1.3	2.7	1.6	1.6	1.3

Source: I-Sec research, Company data *as of 25th Sep 2025

Building on multiple fronts

GOAGRO has had a commendable growth trajectory over the last decade – revenue CAGR of 13%, EBITDA at ~14% and net profits at 14.2% over FY14–24; albeit the momentum being stronger over FY14–19, before slowing over FY20–24 amid Covid-19 and then the last two-years' inventory-led pricing decline denting profitability.

However, FY25 has seen a welcome return to form with a recovery in most metrics for the year – specifically, in the vegetable oil and dairy segments; however, crop protection and animal feed remained muted for the year.

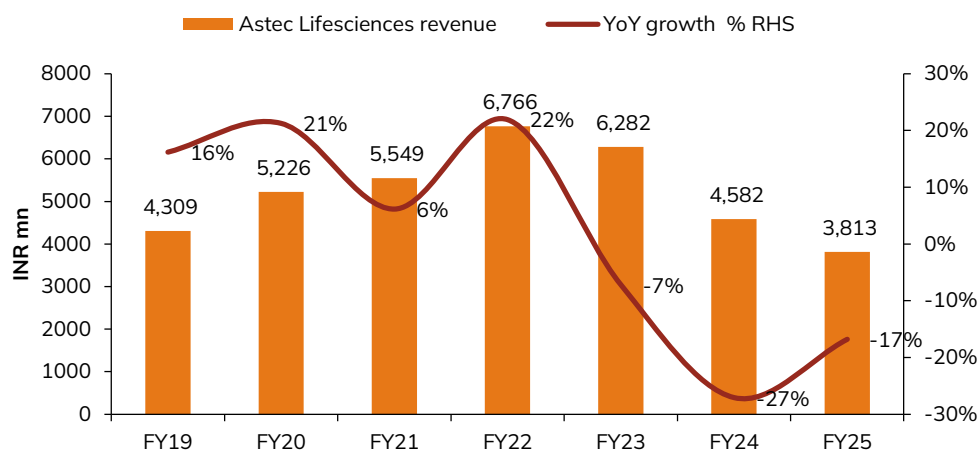
Within crop protection, the less-than-expected momentum in the performance of Astec (acquired in 2015) has been a material overhang on GOAGRO, driven by weak global demand for the CDMO offerings of Astec, dragging overall performance. However, the company has stated in its post-FY25 guidance that it is aggressively developing new molecules and also has a margin improvement program in place. This should lead to a steady revival in the fortunes of Astec. Coupled with normal or above normal rainfall expected in the domestic area and aggressive product launches, we see crop protection recovering steadily over the next 2–3 years.

Astec – weak global demand stymied growth, but prospects to improve

Astec LifeSciences (Astec) is a subsidiary of GOAGRO (67.03% stake). Astec is one of the leading players in triazole fungicides and is well placed to capitalise on opportunities arising in the domestic as well as international markets with its well-established market credentials. The company has four manufacturing facilities in Mahad, Maharashtra and has also commissioned a R&D centre in Apr'23 at Rabale, Maharashtra. Contract Manufacturing (CDMO) business contributed 54% of revenue for FY25 vs. 26% in FY23 and 60% in FY24.

Over the last two years, Astec has faced volume headwinds and price corrections in both exports as well as domestic markets. In the export markets, a number of active ingredients and intermediaries witnessed a drop in volumes during the period on account of high inventories, de-stocking strategies and demand-supply imbalance, driving ~17% YoY decline in revenue in FY25 on top of a 27% decline in FY24.

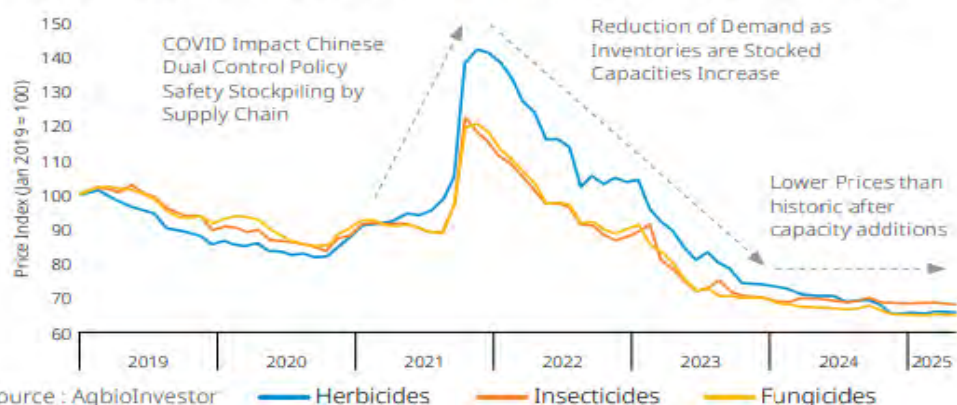
The global overhang in the agro-chem industry – with high-cost inventory accumulating in the system due to over production and weaker demand – has seen revenues from the segment decline for the last three years (FY25 revenue is now 56% of revenues earned in FY22).

Exhibit 28: Astec – revenues have fallen sharply

Source: I-Sec research, Company data

Exhibit 29: Agro-chem price Index

Prices represent spot pricing of technical material ex-factory in the Chinese agrochemical market



Source : AgbioInvestor

Source: I-Sec research, UPL annual report

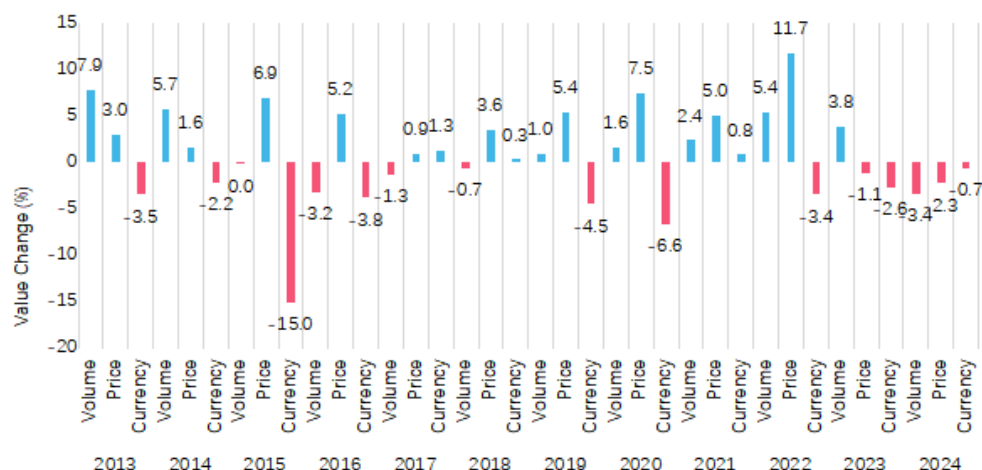
Exhibit 30: Crop protection industry development

All values : Ex-manufacturer level - average exchange rates - Nominal US\$



Source : AgbioInvestor

Source: UPL annual report, I-Sec research

Exhibit 31: Crop protection market development – volume/price/currency impacts


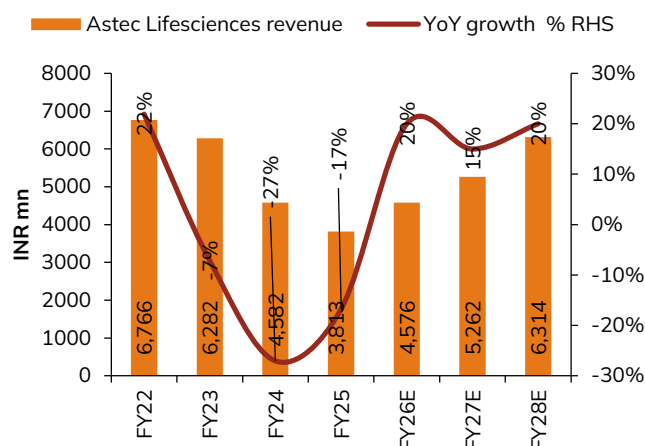
Source: UPL annual report, I-Sec research

The segment has seen multiple headwinds over the last few years. Even so, GOAGRO has indicated that they are seeing signs pointing to revival in this segment over the next few years –

- Most of the high-cost inventory in the system has been liquidated and the company now has fresh inventory at a lower cost – this should help margins recover and pricing has also been recovering steadily over the last few months.
- With global de-stocking mostly over and stronger demand being seen by the company from US and other geographies, prospects for the segment can improve materially over FY26-28E.
- As of now, ~60% of the segment's revenue comes via contract manufacturing, which the company aims to take to ~75% over the next 12 months. It has an aggressive schedule of 22 molecule launches to support this target.
- CDMO is expected to grow by 35% YoY over the next 2–3 years.
- The company commissioned its Herbicide-II plant in FY25 while plant 1 was commissioned in FY22 (Aug'21). This shall further enhance the company's ability to cater to the market demand in the CDMO segment.
- Potential turnover from the existing asset is ~INR 10bn, implying asset turnover of 1.7–1.8x.

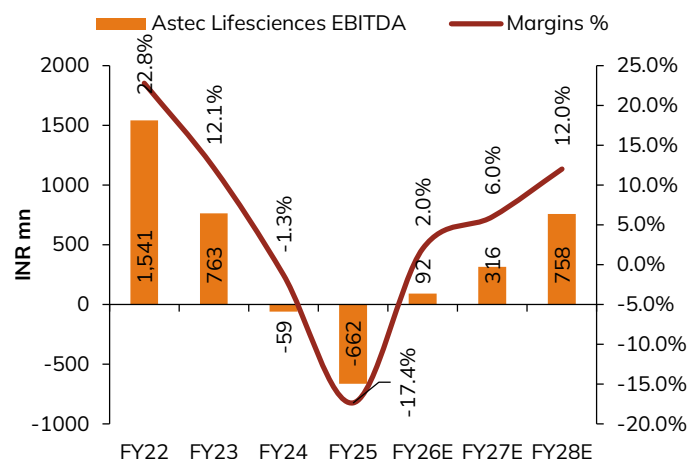
Overall, therefore, Astec should see a gradual recovery in fortunes over the next few years, driving a 17% CAGR in revenue over FY26–28E. We also build a steady improvement in margins over the next 2-3 years – EBITDA margins should expand to ~12% by FY28E vs 2% in FY26E and loss reported in FY24.

Exhibit 32: Revenue to recover



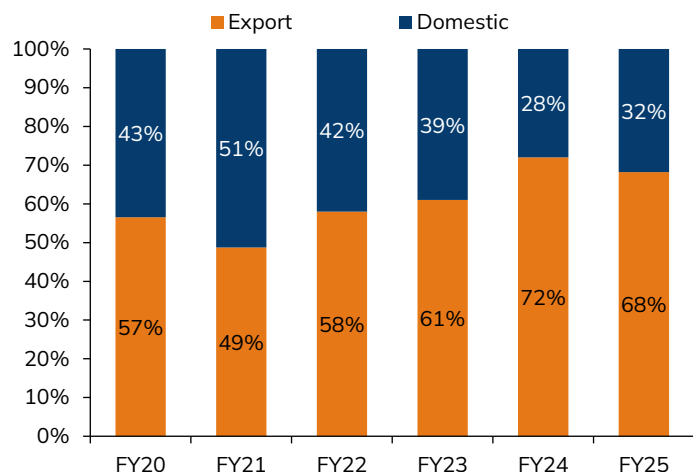
Source: Company data, I-Sec research

Exhibit 33: EBITDA to recover over FY26–28E



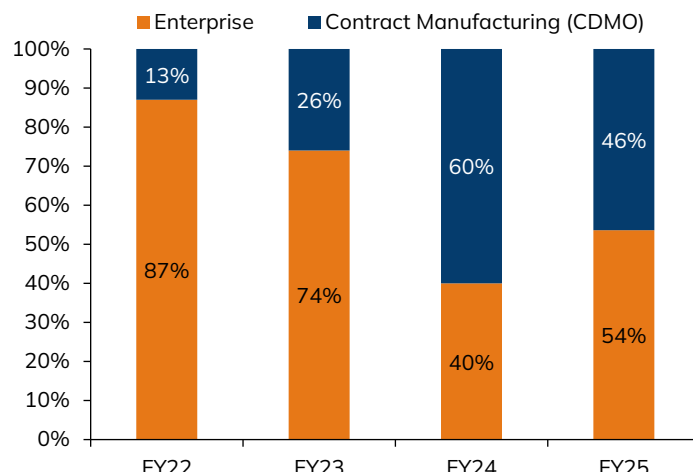
Source: Company data, I-Sec research

Exhibit 34: Export share surged substantially in last 6 years



Source: Company data, I-Sec research

Exhibit 35: CDMO business share has jumped sharply in last 4 years



Source: Company data, I-Sec research

Standalone crop protection business

Deficient and unevenly distributed rainfall along with lower reservoir levels led to weak performance of domestic agrochemicals sector in FY24. Despite this, GOAGRO standalone Crop Protection business (CPB) delivered 37% top line growth YoY in FY24 with a 3.4x jump in EBIT vs. FY23.

Sales growth was led by its in-house portfolio, comprising of the HITWEED range of herbicides coupled with in-licensed insecticides, GRACIA, which was launched in Feb'22. CPB team also achieved substantial improvement in the working capital cycle and collections driven by concerted efforts in maintaining credit hygiene.

In contrast, FY25 revenue decelerated by 6% YoY driven by erratic rainfall across key states, resulting in reduction in spraying opportunities by farmers and impacting volumes of the herbicides category. EBIT margin for FY25 was 40%, up 900bps YoY driven by a lower impact of de-stocking and pricing competitiveness.

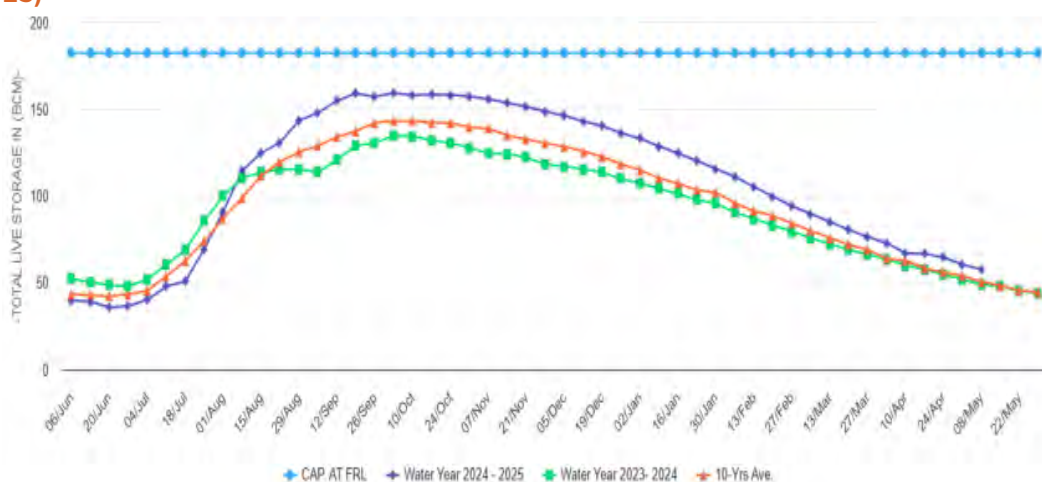
The company's in-house herbicide and in-licensing insecticide products, 70% of its segmental revenue, have created a strong niche. Going forward, along with its existing product portfolio, the company would also focus on new product development through in-house R&D initiatives and in-licensing collaborations with innovators/large global

players. The company plans to launch one product each year over the next few years. For the next 2–3 years, prospects for the standalone crop protection business should improve, driven by –

Improving rainfall and adequate storage

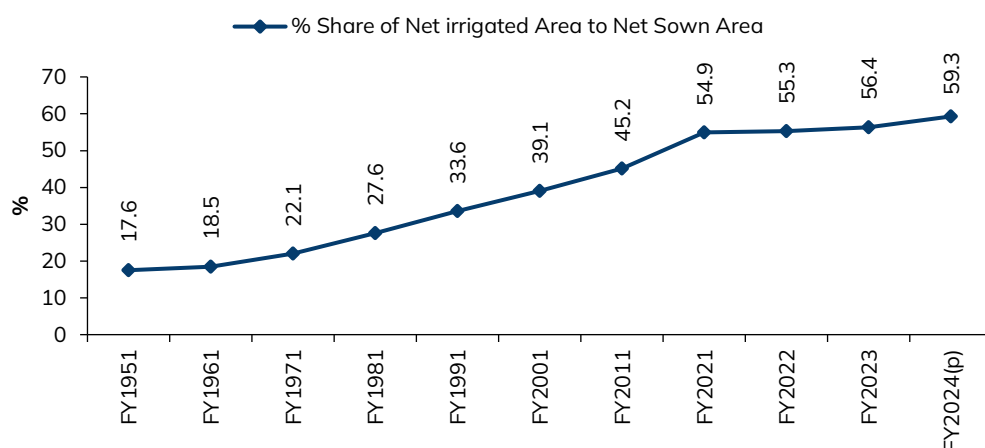
Rainfall estimates for FY26 and early signs point to average to above average trend for rainfall in the next 12 months. Coupled with the adequate reservoir levels across major regions in India, the macro should be favourable for growth in crop protection segment over the next 12- 18 months. Forecasts for rainfall beyond the immediate year are obviously fraught with risk, but assuming the rainfall stays in the 95-105 LPA range for the next 2-3 years, prospects for crop protection business should be supported by the broader macro over FY26-28E.

Exhibit 36: Storage position of 161 important reservoirs in India (water year 2024-25)



Source: I-Sec research, CWC.gov.in - As on 08.05.2025

Exhibit 37: ~41% of sowing area is still dependent on monsoon



Source: I-Sec research, Desagri.gov.in

Sustained product launch schedule to support growth

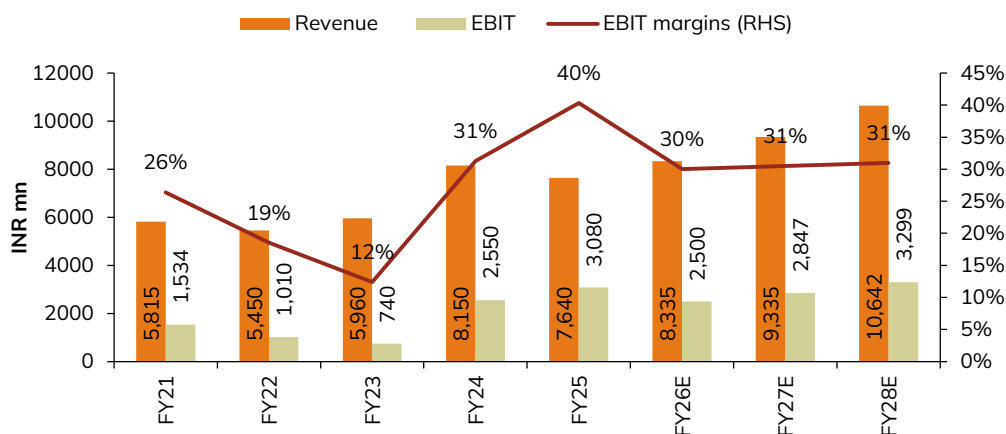
GOAGRO has guided to an aggressive product launch schedule across product categories for the next 12 months – The company has at least 5-6 molecules under active development, with 1-2 launches annually. Guidance for annual contribution from some of these molecules are USD 10-20mn each. Overall, the company has plans to launch 7 products, 2 in house mixtures and 5 products in the registration phase.

GOAGRO has already seen positive response to 2 products, the insecticide **Gracia**, licensed from Japanese Major Nissan which has a broad spectrum of application across crop types and the Herbicide **Ashitaka**, which is a maize focused herbicide and should see strong demand in the backdrop of stronger demand for corn in India over the next few years, given the ethanol production requirements in the country.

Margins to moderate

Margins from this segment have been strong, averaging 32% over H2FY24 and 40% in FY25 – there is some moderation expected from this segment, as in licensed products increase in proportion to captive products which tends to moderate the margin trends. We however believe that sustaining 30-31% EBIT margins should be reasonable to assume over the FY26-28E period.

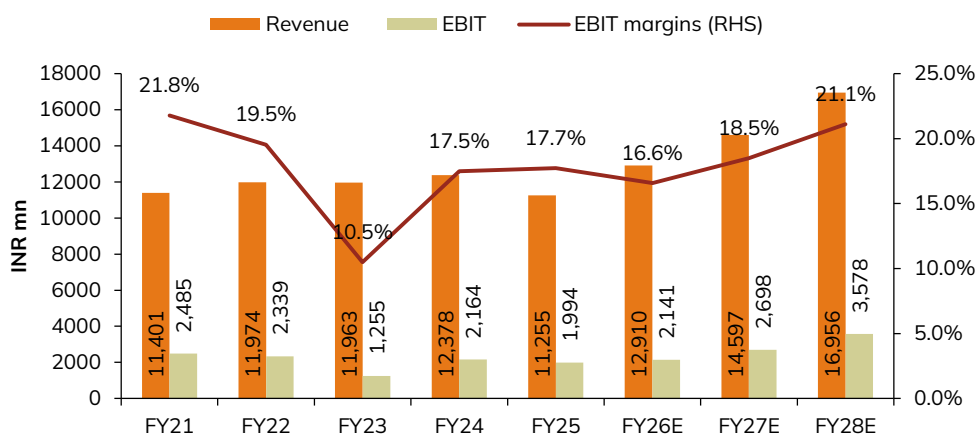
Exhibit 38: Standalone - Crop protection business performance



Source: Company data, I-Sec research

Overall, consol. crop protection revenue/EBIT CAGR of 15%/22% likely over FY25–28E

Exhibit 39: Consolidated crop protection

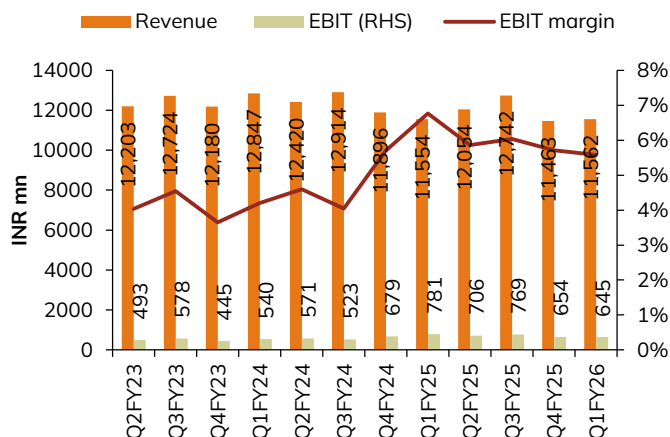


Source: Company data, I-Sec research

Animal feed business – strong growth ahead

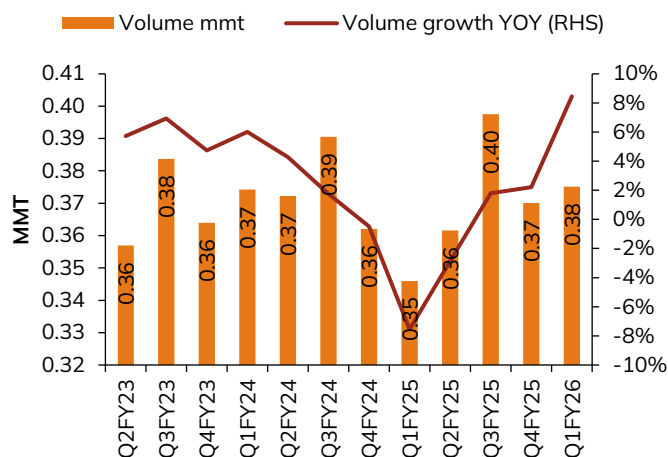
Animal feed margin for FY25 has improved sharply vs. FY24 (EBIT margins expanded by ~150bps YoY), driven by softer commodity prices and operational efficiencies. Volumes for the year, however, have seen a slight moderation for the year, with lower placement of inventory and lower product prices in H1.

Exhibit 40: Animal feed – Q1FY26 EBIT margin dips YoY



Source: I-Sec research, Company data

Exhibit 41: Animal feed – Q1FY26 volume improves QoQ/YoY



Source: I-Sec research, Company data

We see the following factors helping the segment's prospects over FY26–28E –

Volume growth to improve

Volumes in the animal feed division are expected to grow across the segment. Cattle feed and fish feed markets are material segments and both are expected to grow in double-digits in the medium term.

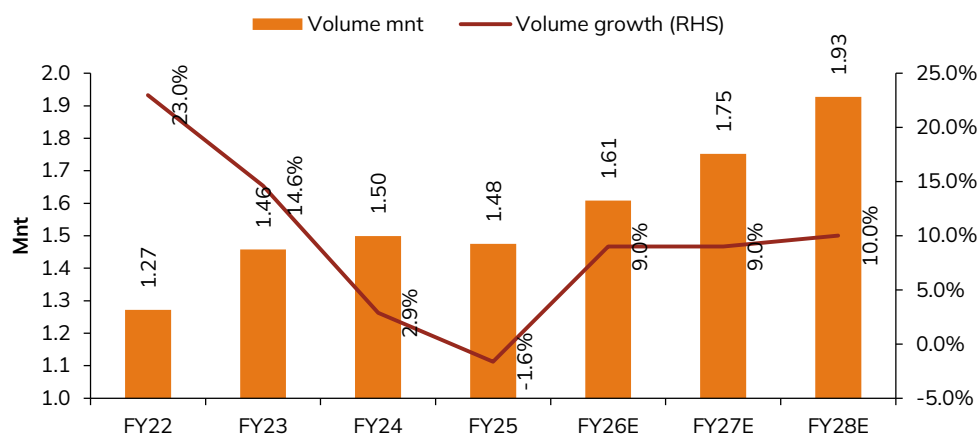
Investment in brand visibility; expansion

As per management commentary, animal feed business shall remain committed to gaining further share in its established markets while expanding into newer regions with new product development efforts backed by its R&D setup. It would also launch several new initiatives to build strong brand visibility and deeper customer loyalty in an otherwise unorganised market by fully integrating its digital initiatives.

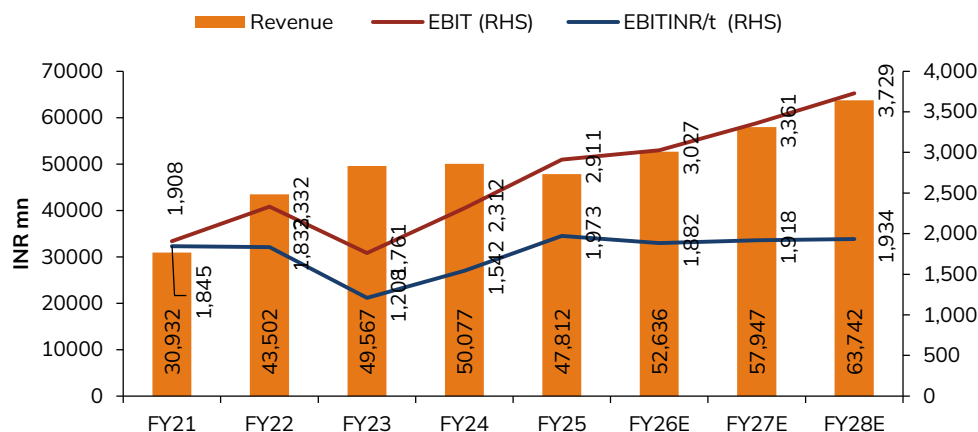
Capacity expansion

The company has announced setting up a new feed plant in Maharashtra for INR 1.1bn ([link](#)). It plans to manufacture pet feed from the plant for Godrej Pet Care, a 100% subsidiary of Godrej Consumer Products Limited ([link](#)).

Overall, we expect revenue/EBIT to see 10%/11% CAGRs over FY26–28E with volume likely expanding at 9% CAGR over the same period along with EBIT margins of 5.8–5.9%. Management expects EBIT margin of INR 1,800–2,000/t over FY26–28E. Our estimates imply EBIT margins to average INR 1,911/t over FY26–28E.

Exhibit 42: Animal feed volume likely to expand at 9% CAGR over FY26–28E

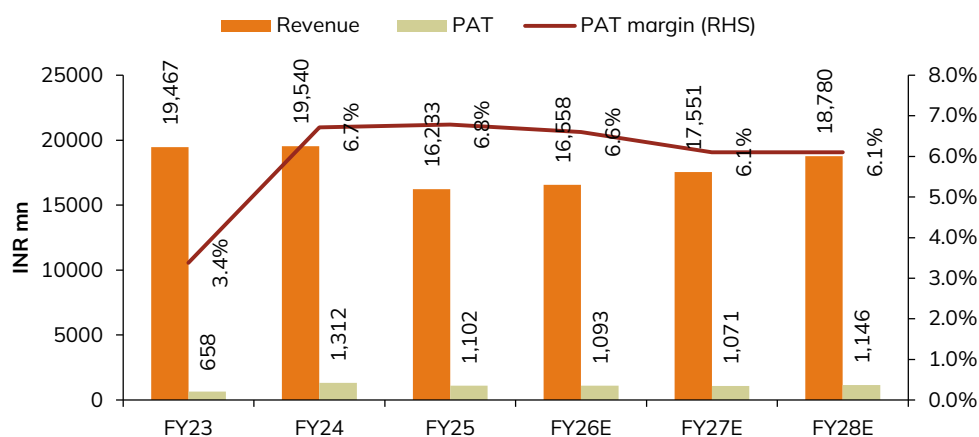
Source: Company data, I-Sec research

Exhibit 43: Margin improvement to drive profitability for animal feed segment

Source: Company data, I-Sec research

Godrej Agrovet ACI – Bangladesh animal feed segment

Godrej Agrovet's 50:50 joint venture with Advanced Chemical Industries Limited (ACI), Bangladesh, named ACI Godrej Agrovet Private Limited, achieved strong growth by increasing its market share in Bangladesh, with an 8% rise in top-line and 117% growth in the bottom line in FY24. However, revenue/PAT declined by 17%/16% in FY25 due to ongoing economic challenges and political instability in Bangladesh.

Exhibit 44: ACI Bangladesh – animal feed business to remain soft over FY24–28E


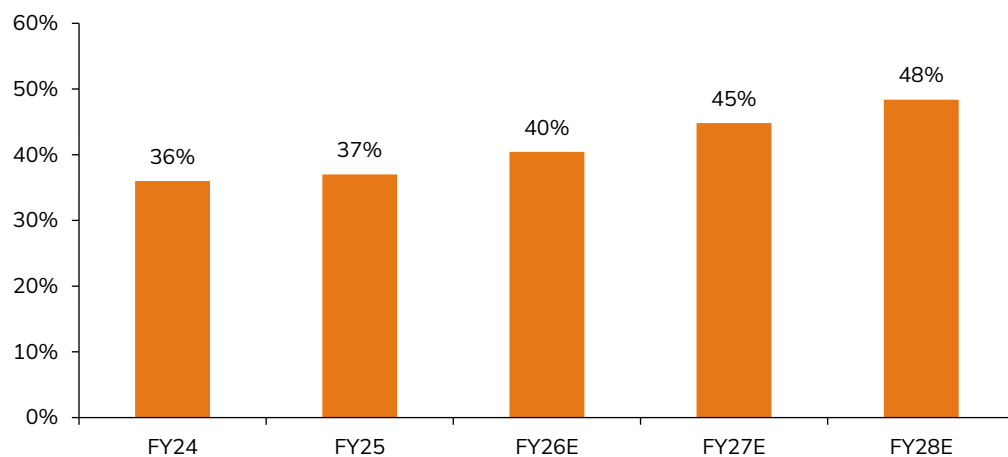
Source: I-Sec research, Company data

Dairy – VAP focus; distribution to be beefed up

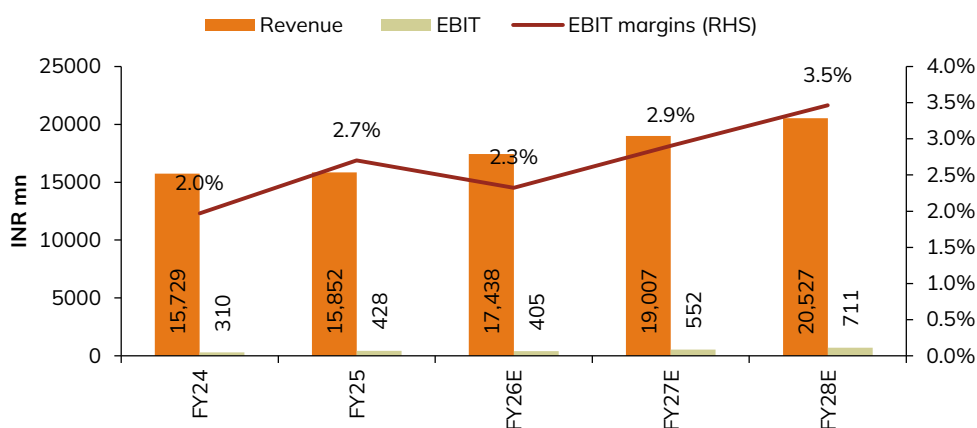
The dairy business was built on the back of the acquisition of Creamline Dairy (CDPL) in 2015 – the company has a substantial presence across product categories in this segment, concentrated in the southern part of India, spanning Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and with some presence in Maharashtra as well. Creamline has been in operation since CY86. The segment handles 6.6lakh litres of milk and products across 75k retail outlets and 3,500 channel partners.

CDPL shall be focussing on two key levers for achieving sustainable growth in profitability – 1) volume and margin growth led by VAP portfolio (VAP share at 37% currently; slated to grow to >50% by FY28E, as per management); and 2) procurement and supply chain efficiencies (direct farm procurement of milk has increased from 25% to 60% in the last 2–3 years, with a target of going to 70–75% by FY28E). While liquid milk volumes would continue to grow at a steady pace, rapid expansion of VAP portfolio would be a key priority in the coming year.

GOAGRO management has recently acquired the rest of outside stake in this business (48.1% for INR 9.3bn in Mar'25 [link](#))

Exhibit 45: VAP share to grow sharply over FY24–28E


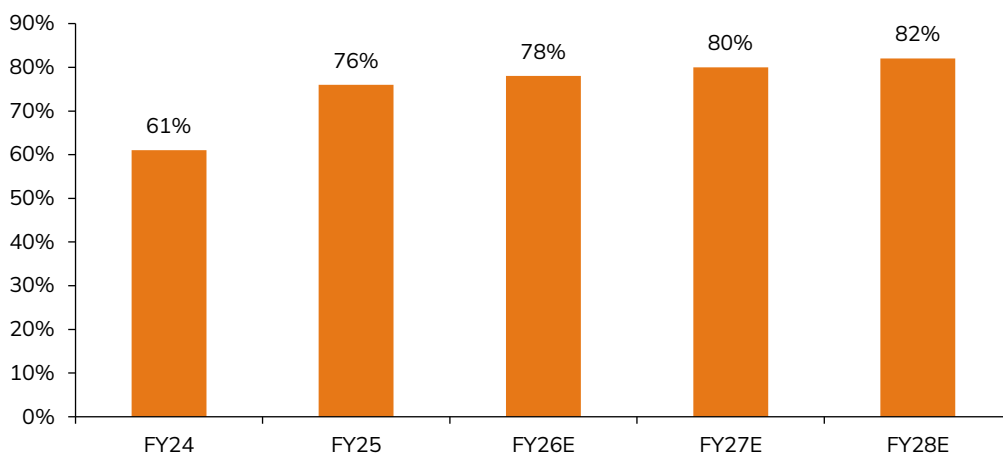
Source: I-Sec research, Company data

Exhibit 46: Dairy revenue and EBIT trends FY24–28E


Source: I-Sec research, Company data

Godrej Foods – improvement in brand share the key

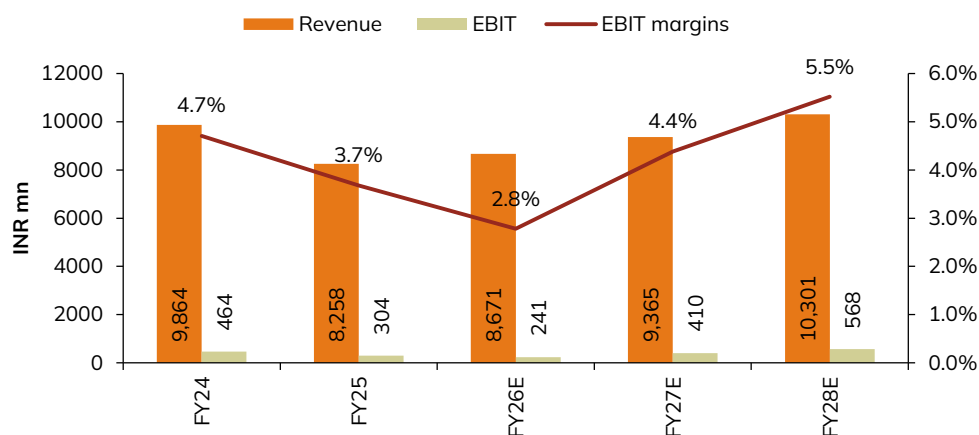
GOAGRO has made concerted efforts to reduce the share of live birds in the segment revenue mix – live birds inherently are a more volatile sub-segment, owing to seasonal trends, pricing fluctuations and are also impacted by cultural factors. Branded products (frozen foods, ready to eat as well as poultry and vegetarian products) have steadily grown as a share of overall revenue and the current percentage of live bird in revenue is steadily declining, from 39% in FY24 to ~24% in FY25, with target of <20% by FY28E. The increase of branded products creates a more stable visible revenue trend and is also margin accretive.

Exhibit 47: Share of branded food to cross 80% by FY28E


Source: Company data, I-Sec research

Having said that, the aggressive expansion of branded portfolio has to be met with a commensurate expansion of the cold chain and logistics infrastructure, with an increase in advertising and promotion expenses as well (has guidance for an increase in this expense by ~50% over the next 2–3 years).

Exhibit 48: Godrej Food revenue/EBIT trends



Source: I-Sec research, Company data

GOAGRO management recently acquired the rest of outside stake in this business (49% for INR 3.23 bn in Aug'24 [link](#)) to better focus on growth and aggressively invest in the branding initiatives of this segment and we see stronger growth over FY26–28E vs. previous years.

Vegetable oil – capacity expansions to drive growth

The vegetable (palm) oil business has seen a lot of margin volatility, with a decadal peak of 19.2% EBITDA margin seen in FY18 and again in FY23, but lows of 13% in FY20 and 14% in FY24 (FY25 margins improved 200bps to 16.2%). Seasonal variations in palm oil pricing and availability of Fresh Fruit Bunch (FFB), which are the key raw materials for the oil, do have notable impact on volumes and margins in this segment.

Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) prices witnessed a record high, primarily in FY22 and FY23, due to Covid-19-led supply chain disruptions and geopolitical tensions in the form of Russia-Ukraine war.

The average realisations of end-products returned to usual levels, but declined significantly in FY24 vs. FY23. In FY24, CPO/PKO prices declined by 20%/28% vs. FY23, resulting in a decline in revenues and margins for the segment.

The company's increased solvent extraction and refinery plant capacity exceeds its in-house FFB crushing needs. This has allowed for an expansion into trading revenues for the oil. Management expects the refining capacity to be fully used for captive crushing needs within the next 1–2 years.

Despite lower FFB arrival for FY25, pricing has improved and realisation improvement has driven the jump in margins for the year.

The company has continued to work aggressively over the last two years on area expansion in the newly allocated areas in states of Assam, Manipur, Tripura, Nagaland, Orissa and Telangana. It aims to add 60,000 hectares of additional oil palm plantations over the course of the next five years to support the long-term sustainable development of oil palm in India.

Godrej Agrovet Limited (GOAGRO) in Aug'24 ([link](#)) announced that it would be setting up an oil palm processing mill in Tripura. It shall be set up in the Dhalai district of the state, where the company currently operates a nursery with a capacity of 3 Lacs per year and plans to increase it to 5 Lacs per year.

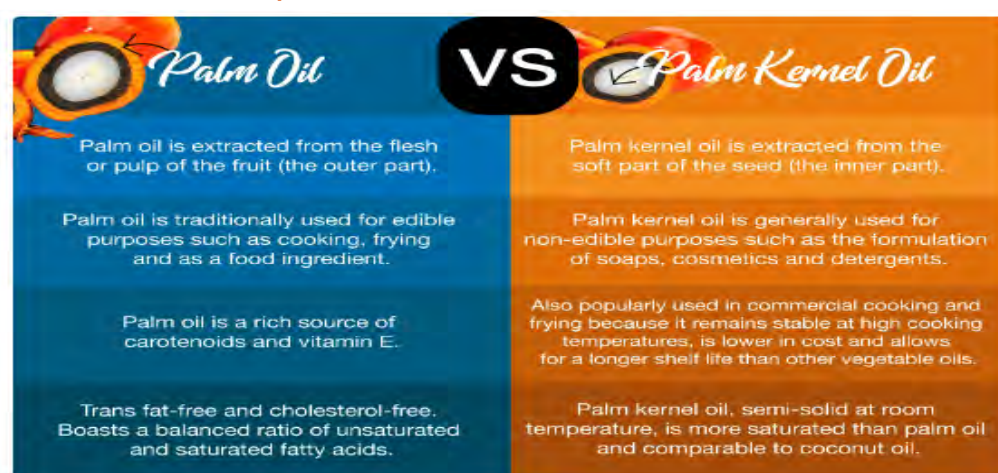
The company launched a unique initiative in FY24 called 'Samadhan' centres, a one-stop solution centre that would provide a comprehensive package of knowledge, tools,

services and solutions to oil palm farmers. It plans to establish 50 Samadhan centres across India by 2027. Each centre would support ~2,000 hectares of area under oil palm. It has operationalised 4 new centres in Andhra Pradesh, Telangana and Tamil Nadu in FY25. With this, the total count of Samadhan centres is 14 across all the states that it operates in.

It aims to establish Samadhan centres as a critical enabler in the Indian palm oil industry and assist oil palm farmers in optimising their yields by adopting latest agricultural techniques and boosting their productivity.

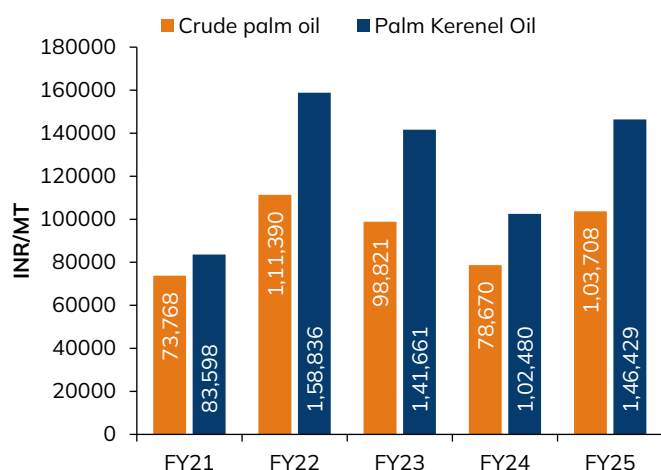
The company focuses on moving towards backward integration in palm oil refining, where the end product would reduce volatility in realisation and shall be margin lucrative.

Exhibit 49: Palm oil vs. palm kernel oil



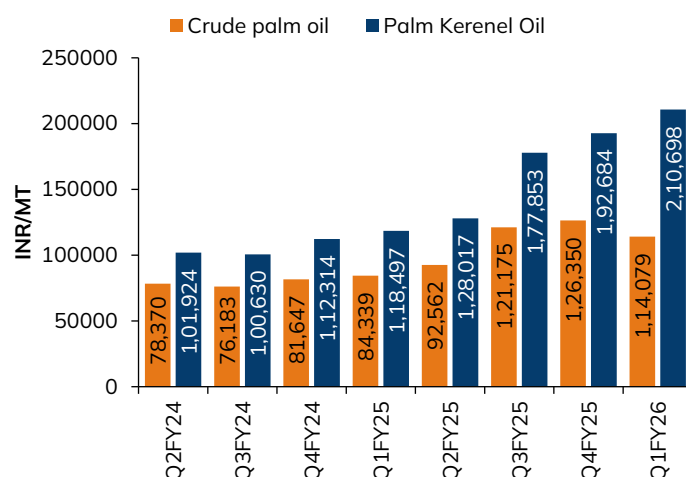
Source: www.malaysiakini.com | I-Sec research

Exhibit 50: CPO and PKO prices – annual trend

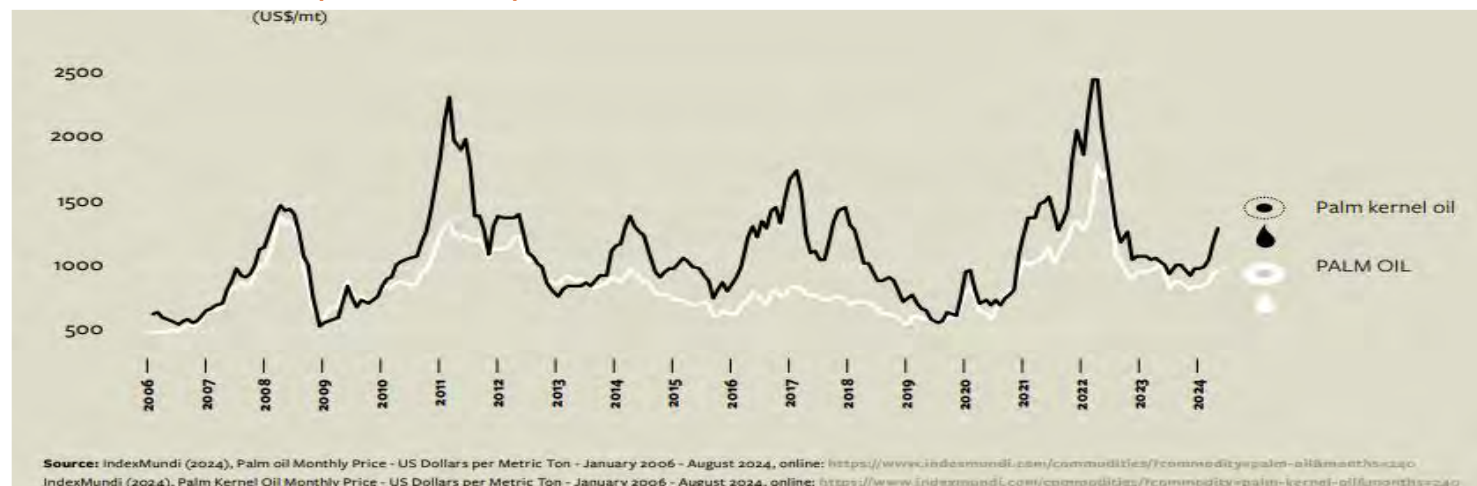
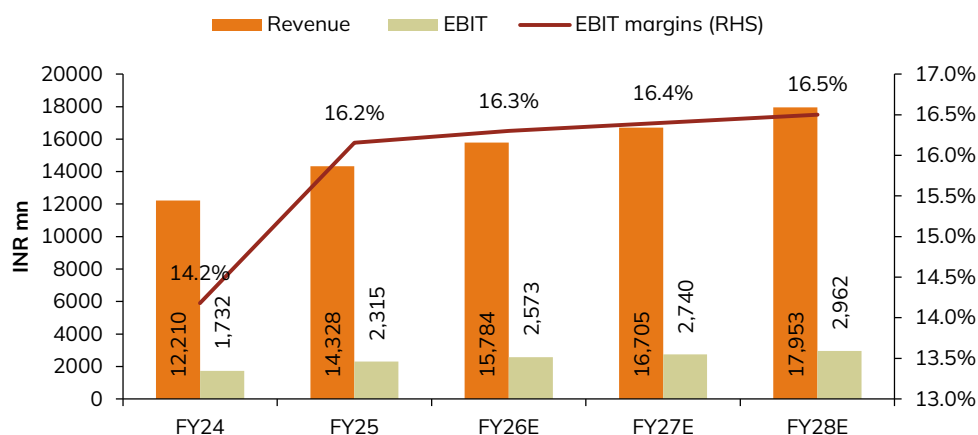


Source: Company data, I-Sec research

Exhibit 51: CPO and PKO prices – quarterly trend

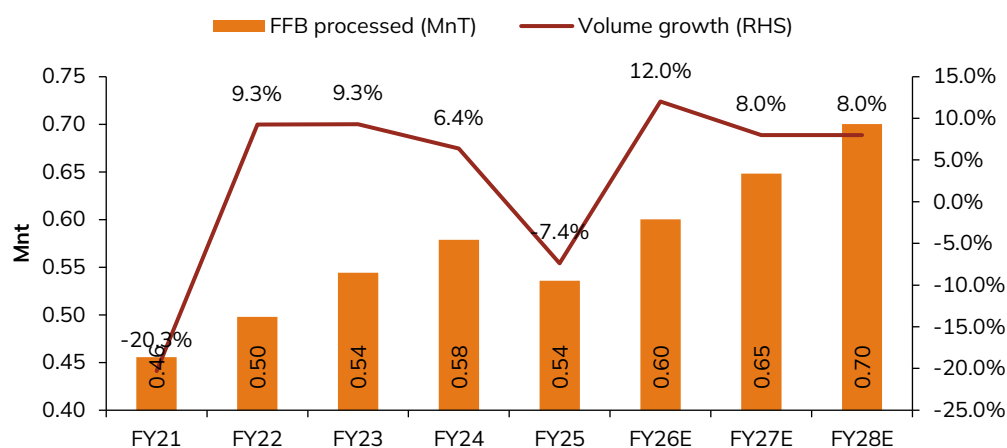


Source: Company data, I-Sec research

Exhibit 52: Palm oil and palm kernel oil prices over 2006–24Source: I-Sec research, www.solidaridadnetwork.org**Exhibit 53: Vegetable oil segment performance**

Source: Company data, I-Sec research

As per company's press release dated 14 Dec'24, Government of Gujarat has allotted areas to the company in three districts viz., Vadodara, Surat and Tapi, in Gujarat, for the expansion of oil palm cultivation under the National Mission on Edible Oils - Oil Palm (NMEO-OP) ([link](#)).

Exhibit 54: FFB volume to increase over FY25–28E

Source: Company data, I-Sec research

Blending requirements of Indonesia, potential jump in Malaysia to tighten supply, boost pricing realisations for Palm oil

Also, the Indonesian government's focus on increase in palm oil blending from B30 to B40 should protect palm oil realisation on downside, with global availability of palm oil to substantially reduce, thanks to higher internal consumption in Indonesia, which is one of the leading global producers of the commodity.

Indonesia's biofuel program began in 2008 with a modest 2.5 per cent palm oil blend. Since then, it has steadily escalated, with plans for a mandatory 50 per cent blend known as 'B50' by 2026 and eventually 'B100'. This program is expected to benefit Indonesia's smallholders and plantation companies by diverting large volumes of crude palm oil (CPO) to domestic use, which can tighten global supply and elevate prices.

Exhibit 55: Indonesia is a dominant player in global palm oil supplies

Mnt	2021-22	2022-23	2023-24	2024-25	Sep'25/26	Sep'25/26
Production						
Indonesia	42.0	45.0	43.0	46.0	47.5	59%
Malaysia	18.2	18.4	19.7	19.4	19.5	24%
Thailand	3.4	3.3	3.3	3.3	3.4	4%
Colombia	1.8	1.9	1.9	1.9	2.0	2%
Nigeria	1.4	1.4	1.5	1.5	1.5	2%
Other	6.6	6.8	6.7	6.8	6.9	9%
Total	73.3	76.7	76.1	78.9	80.8	100%
Imports						
India	8.0	10.0	8.9	7.8	8.9	20%
China	4.4	6.2	4.4	3.8	4.4	10%
Total Imports	41.3	46.2	41.8	41.5	43.4	31%
Exports						
Indonesia	22.3	28.1	22.3	23.6	24.0	53%
Malaysia	15.5	15.4	16.5	15.7	16.1	35%
Thailand	1.0	0.9	0.9	1.0	1.0	2%
Total Exports	43.9	49.4	44.4	44.8	45.7	100%
Domestic Consumption						
Indonesia	17.4	19.1	21.1	22.4	23.4	30%
India	8.2	8.9	9.0	8.8	9.1	12%
China	5.1	5.4	5.0	3.9	4.2	5%
Malaysia	3.3	4.0	3.7	4.1	4.0	5%
European Union	4.9	4.4	3.8	3.8	3.8	5%
Total Consumption	69.1	73.4	74.6	76.4	78.4	100%

Source: [Apps.fas.usda.gov](https://apps.fas.usda.gov), I-Sec research

Similar to the development in Indonesia in CY24, Malaysian authorities are also looking to increase the blending of palm oil in its Biofuels, up from 10% for transport fuels and 20% for industrial use currently ([link](#)). Given the importance of Malaysia (second largest producer and exporter of Palm oil) to global market balance, we believe pricing will continue to improve for GOAGRO Palm oil segment over the next 2-3 years.

Financial analysis and valuation

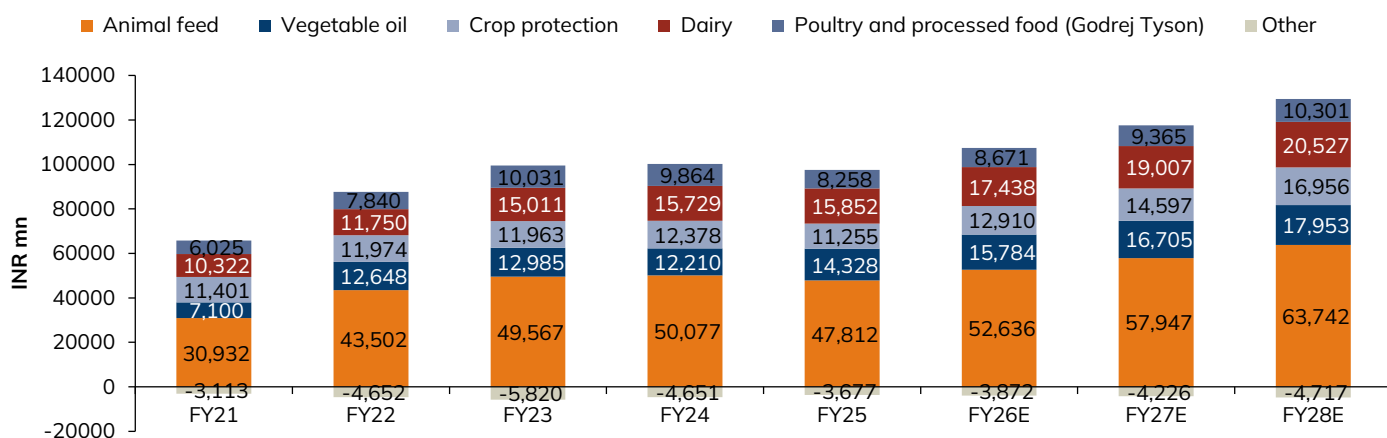
We estimate robust growth in financial metrics for GOAGRO over the next three years, with the combination of stronger operational macros, aggressive branding initiatives, expansion of distribution infrastructure, a robust product launch schedule and margin optimisation helping boost revenue and profitability.

Revenues to grow steadily

GOAGRO's revenue mix is slated to remain broadly the same, even as stronger growth in the crop protection segment is offset by moderation in the vegetable oil segment over FY26–28 (relative to FY21–25 growth rates).

Animal feed segment is envisaged to grow at roughly the same rates as the last 4–5 years with GAAGRO continuing to expand product offerings and distribution reach over the next 2–3 years. Overall, a revenue CAGR of 9.8% (FY26–28E) compares favourably with a 10.6% CAGR seen over FY21–25.

Exhibit 56: Steady growth in revenue in the cards

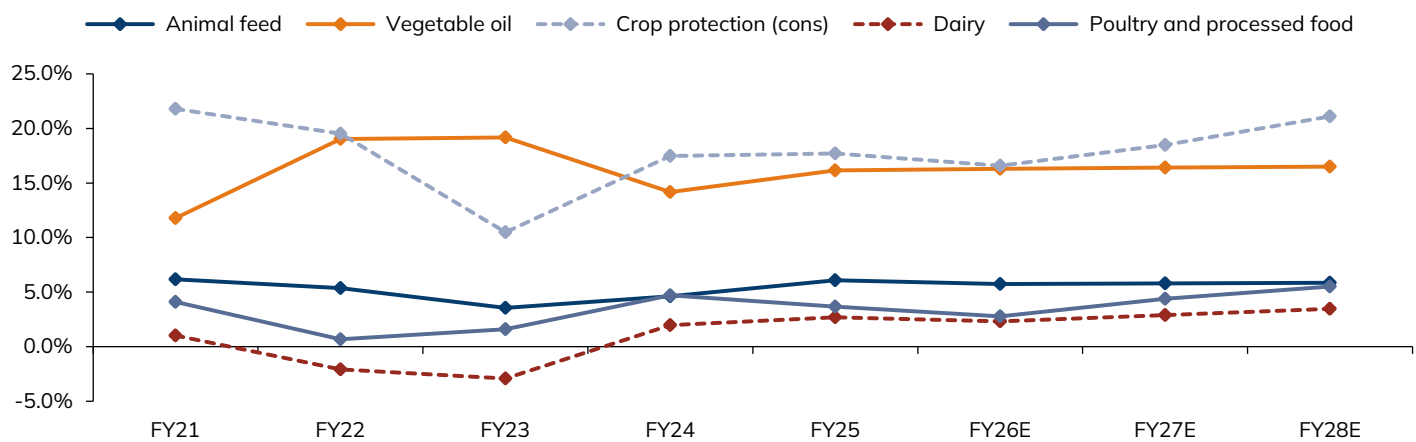


Source: I-Sec research, Company data

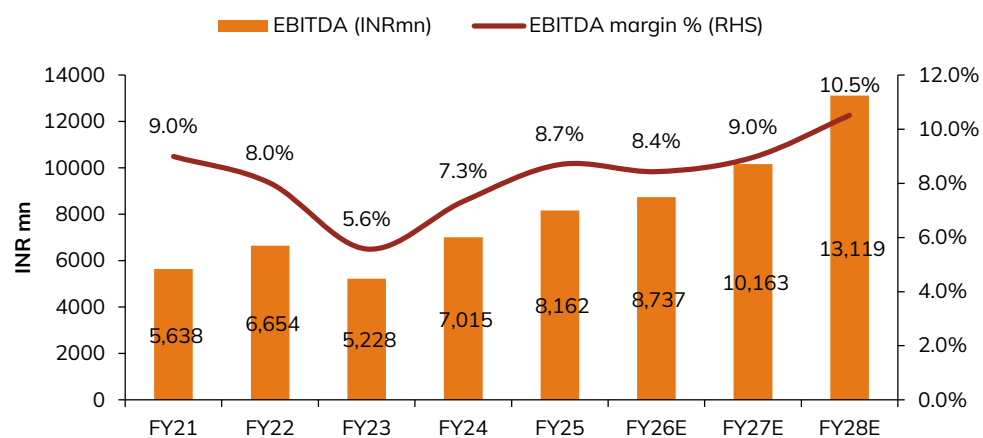
Margins to dip in FY26, recover thereafter

We see segmental margins to broadly improve over the next 2–3 years, with stronger realisations and premiumisation of product offerings in dairy and food segments to help with margin growth. Having said that, margins for domestic crop protection are likely to moderate from its strong levels seen over FY25 – overall EBIT margins are likely to reach 8.2% by FY28E, up 190bps from 6.3% seen over FY25

EBITDA margins are likely to see sharper growth, with cost optimisations and better scale expected to support a 180bps improvement in margins by FY28 (vs/ FY25 levels). We estimate EBITDA margins at 10.5% by FY28E.

Exhibit 57: EBIT margins likely to improve in most of the segments over FY25–28E


Source: I-Sec research, Company data

Exhibit 58: EBITDA to keep up the momentum


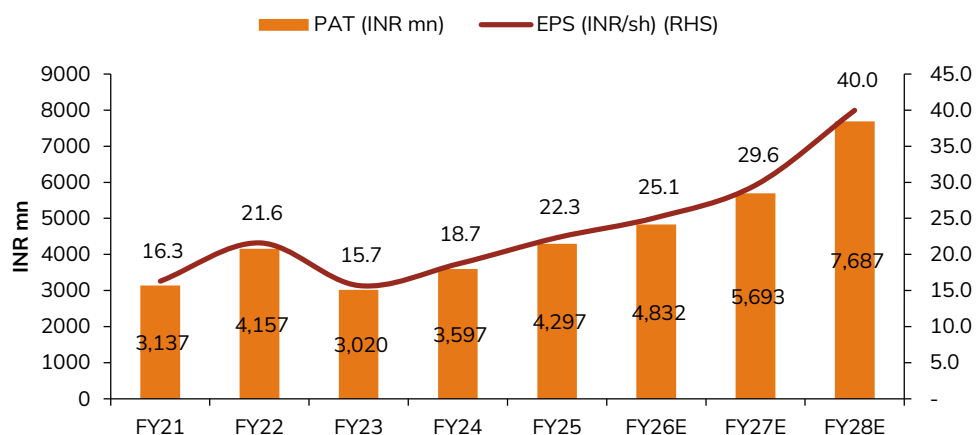
Source: I-Sec research, Company data

Net earnings to grow sharply

The superior growth in EBITDA levels, helped by stronger margins and cost optimisations is likely to reflect in strong growth in net earnings as well, with a 26% CAGR expected in PAT over FY26–28E.

We note, this run rate is markedly stronger vs. FY21–25 growth rates, with EBITDA CAGR of ~23% flowing through to net earnings for the most part.

Exhibit 59: Earnings to expand at CAGR of 26% over FY26–28E

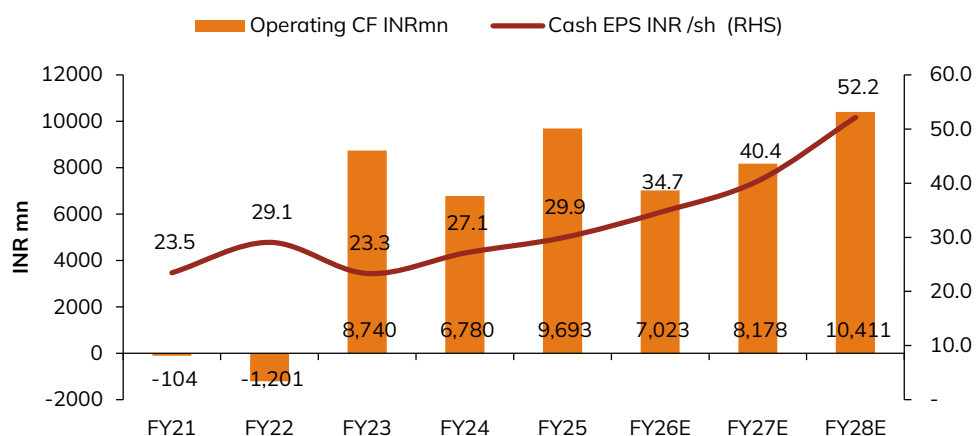


Source: I-Sec research, Company data

Cashflows and return ratios to expand steadily

The strong earnings momentum, coupled with modest capex growth implies that operating cash flows and return ratios should meaningfully expand over the next three years – we expect cumulative generation of INR 26bn in operating cashflow (OP CF) over FY26–28E vs. INR 24bn over FY21–25.

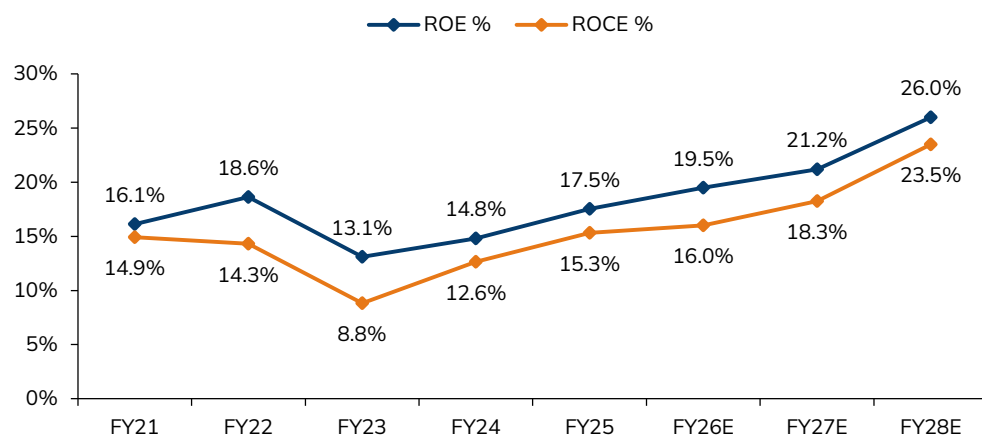
Exhibit 60: OP CF and cash EPS trends



Source: I-Sec research, Company data

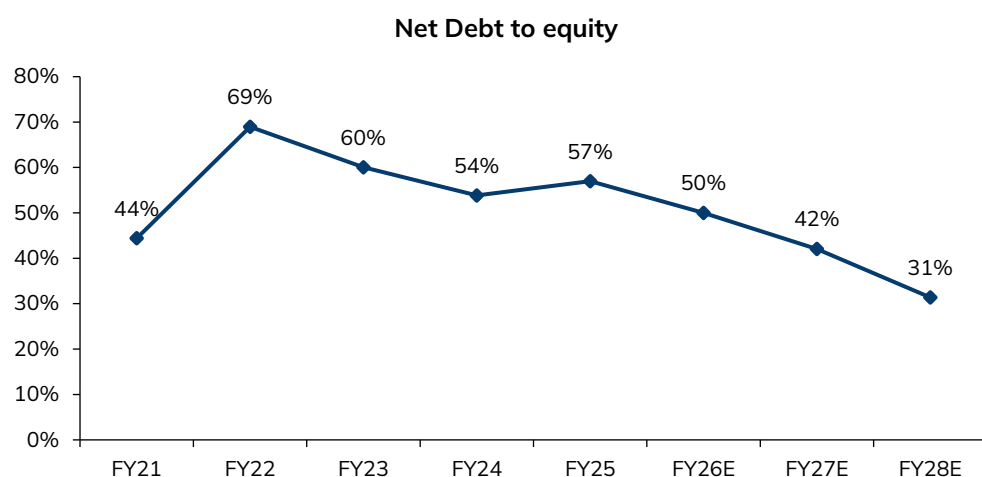
RoE/ROCE should also improve steadily over the next 2–3 years, with a ~800bps improvement in RoCE and ~850bps jump in RoE expected by FY28E vs. FY25 levels.

Exhibit 61: RoE/ROCE trends



Source: I-Sec research, Company data

Exhibit 62: Net debt to equity



Source: I-Sec research, Company data

Valuation

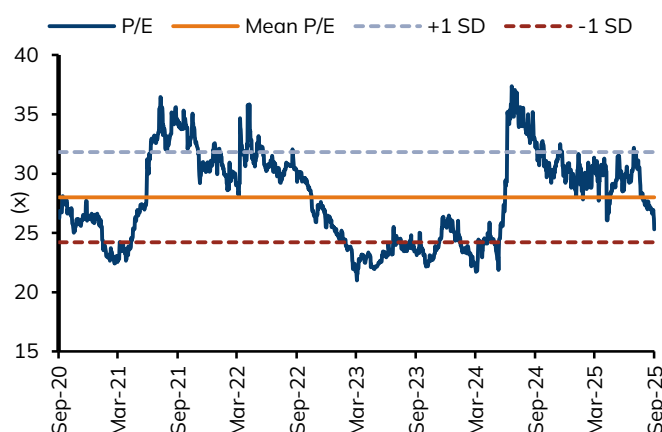
We value the company on an EV/EBITDA basis. The multiple varies between 11–15x on FY28E EBITDA, depending on the segment. We value Astec Lifesciences on the basis of EV derived from current market cap as on 25th Sept'25 with holding company discount of 30% – implied EV/EBITDA multiple of 32x (FY28E). ACI Godrej JV is valued by assigning 16x PE multiple on FY28E earnings. The resultant target price of INR 980 implies an upside of 42% from CMP.

Exhibit 63: Valuation summary

Entity- INR mn	Stake	Valuation methodology	Mar-28 Metric	Multiple	Company EV	Stake	Hold co discount	EV	GOAGRO Value per Share
Animal feeds	100%	14.5x EV/EBITDA	4,451	14.5	64,534	100%	0%	64,534	336
Crop protection (Standalone)	100%	12.5x EV/EBITDA	3,400	12.5	42,500	100%	0%	42,500	221
Astec	67%	On basis of CMP	758	32.0	24,280	67%	30%	11,393	59
Dairy	100%	12x EV/EBITDA	1,129	12.0	13,548	100%	0%	13,548	70
Vegetable oil business	100%	15x EV/EBITDA	3,433	15.0	51,492	100%	0%	51,492	268
Godrej Foods	100%	12.5x EV/EBITDA	773	12.5	9,657	100%	0%	9,657	50
ACI Godrej JV		16x PE	1,146	16.0	18,329	50%	0%	9,165	48
Unallocated expenses		1x of expenses	(2,047)	1.0	(2,047)	100%	0%	(2,047)	(11)
Enterprise value								2,00,242	1,041
Debt								13,960	73
Cash								2,180	11
Market value								1,88,462	980
No of shares (m)								192	
TP								980	
CMP								688	
Upside								42%	

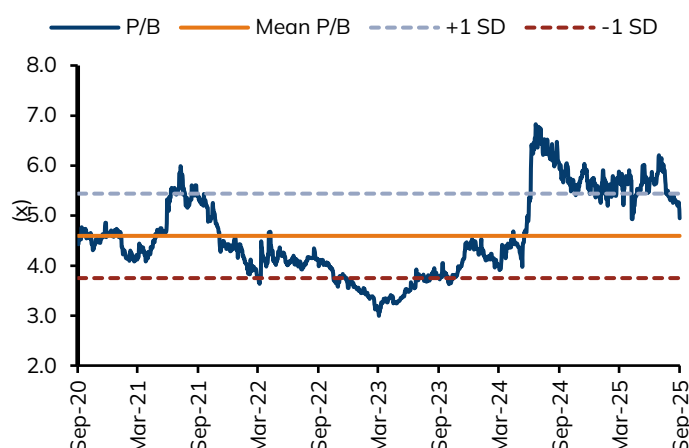
Source: Company data, I-Sec research

Exhibit 64: P/E band trading below 5-year average



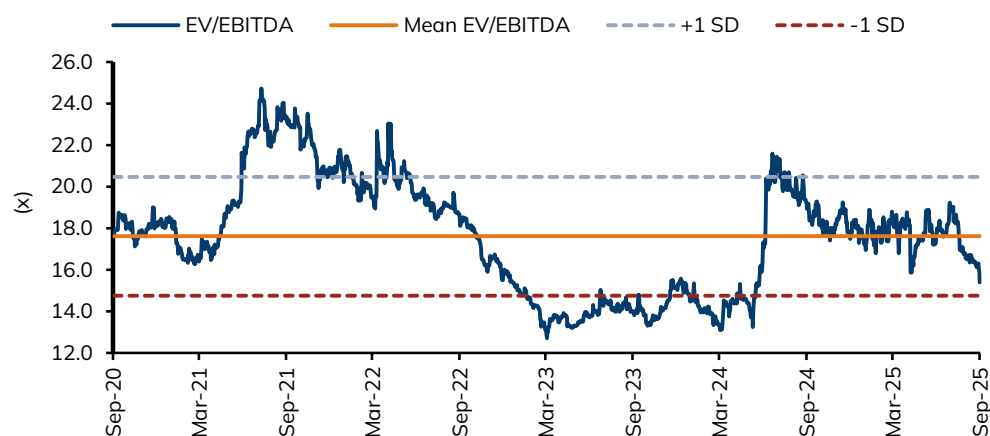
Source: Company data, I-Sec research, Bloomberg

Exhibit 65: P/B band trading above 5-year average band



Source: Company data, I-Sec research, Bloomberg

Exhibit 66: EV/EBITDA band trading below 5-year average



Source: Company data, I-Sec research

Exhibit 67: Peers – valuation matrix*

INR mn	Mkt Cap (Mn)	EPS			P/B			EV/EBITDA			P/E		
		FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Godrej Agrovet Ltd (I-Sec est)	1,32,264	22.3	25.1	29.6	5.6	5.1	4.7	17.9	16.6	14.2	30.8	27.4	23.2
Godrej Agrovet Ltd (BBG est)	1,32,264	23.8	27.0	33.1	4.7	5.3	4.5	17.1	15.6	12.8	28.9	25.5	25.5
Average					4.5	4.0	3.5	19.5	16.0	14.1	33.5	25.2	25.2
Sumitomo Chemical India Ltd	2,77,425	10.3	12.7	15.2	9.8	8.1	6.8	42.7	35.0	29.6	54.0	43.7	43.7
Upl Ltd	5,64,261	14.2	31.5	46.4	1.8	1.6	1.5	10.0	8.8	7.6	47.2	21.2	21.2
PI Industries Ltd	5,43,378	111.5	109.2	123.3	5.3	4.7	4.1	22.9	22.8	20.2	32.1	32.8	32.8
Rallis India Ltd	61,841	7.6	10.4	13.1	3.2	3.0	2.8	18.7	15.5	13.0	42.0	30.5	30.5
Paradeep Phosphates Ltd	1,57,783	5.5	10.0	10.8	4.0	3.2	2.7	17.3	10.3	10.0	35.1	19.4	19.4
Kaveri Seed Co Ltd	56,069	58.3	64.7	72.6	4.0	3.1	2.6	16.9	9.4	8.2	18.7	16.9	16.9
Dhanuka Agritech Ltd	68,068	61.7	75.7	87.3	4.7	4.3	3.7	17.4	14.3	13.0	24.5	19.9	19.9
Avanti Feeds Ltd	91,441	36.0	39.1	39.0	3.4	2.9	2.5	12.6	11.9	12.6	18.6	17.2	17.2

Source: Company data, Bloomberg I-Sec research; Bloomberg estimates for the peer, *On basis of consolidated earnings

Exhibit 68: I-Sec vs consensus – Our estimates more conservative on margins vs the street

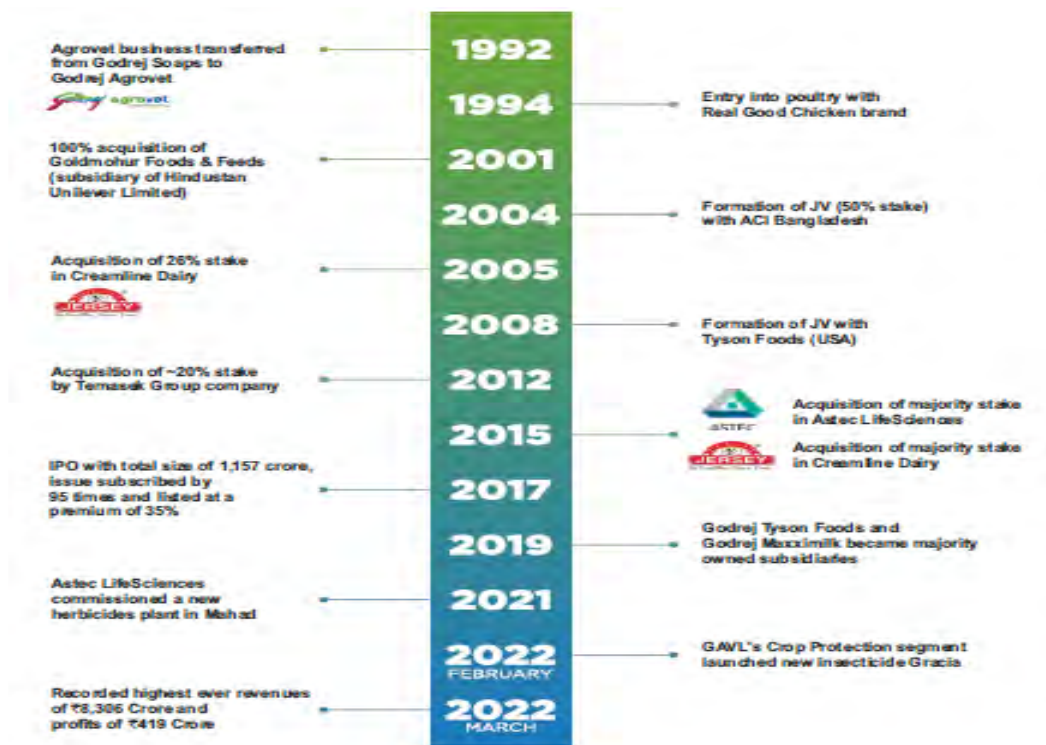
INR mn	I-Sec estimates			Bloomberg Estimates			I-Sec est vs BBG est (% Change)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	1,03,567	1,13,395	1,24,762	1,03,538	1,12,961	1,25,610	0%	0%	-1%
EBITDA	8,737	10,163	13,119	9,504	11,579	14,011	-8%	-12%	-6%
PAT	4,832	5,693	7,687	5,184	6,353	8,257	-7%	-10%	-7%

Source: I-Sec research, Bloomberg, Company data

Godrej Agrovet – a diversified agri corporate

Godrej Agrovet was founded in 1991, with the business being spun off into a separate entity in CY92. Post that, GOAGRO has gradually entered into a multitude of businesses, with entry into poultry (CY94) animal feeds (CY01), entry into Bangladesh (CY04), dairy (CY05), frozen foods (Tyson JV in CY08) and enterprise/CDMO (Astec buy in CY15).

Exhibit 69: Journey so far



Source: Company data, I-Sec research

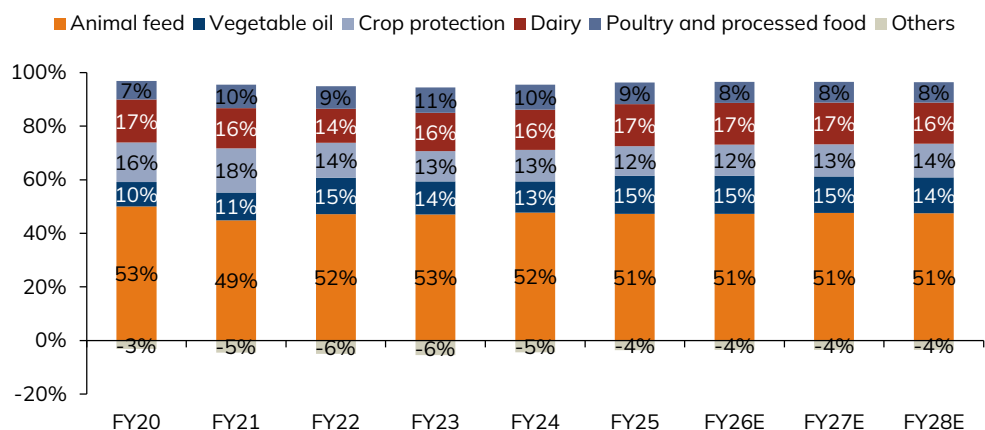
Currently, the business is spread across five major segments with animal feed being the largest (~51% of revenue), followed by dairy, crop protection and vegetable oils, in that order.

Exhibit 70: Godrej Portfolio

Segment	About
Animal Food	No.1 compound feed player in India Present across cattle, poultry and aqua feed 50:50 JV with ACI Godrej for Animal feed in Bangladesh
Oil Palm	Largest producer of Crude Palm Oil in India with 30% market share Potential area for plantation of 2,00,000 hectares
Crop Protection	Agrochemicals products catering to entire crop lifecycle Acquired majority equity stake in Astec in FY15
Dairy	Acquired majority equity stake in Creamline Dairy in FY15- now holds 100% stake Products sold under the 'Godrej Jersey' brand
Poultry and Processed Food	51:49 JV with Tyson India Holdings Limited for processed chicken and frozen foods – now holds 100% stake Products sold under the 'Real good Chicken' and 'Yummiez brands'

Source: Company data, I-Sec research

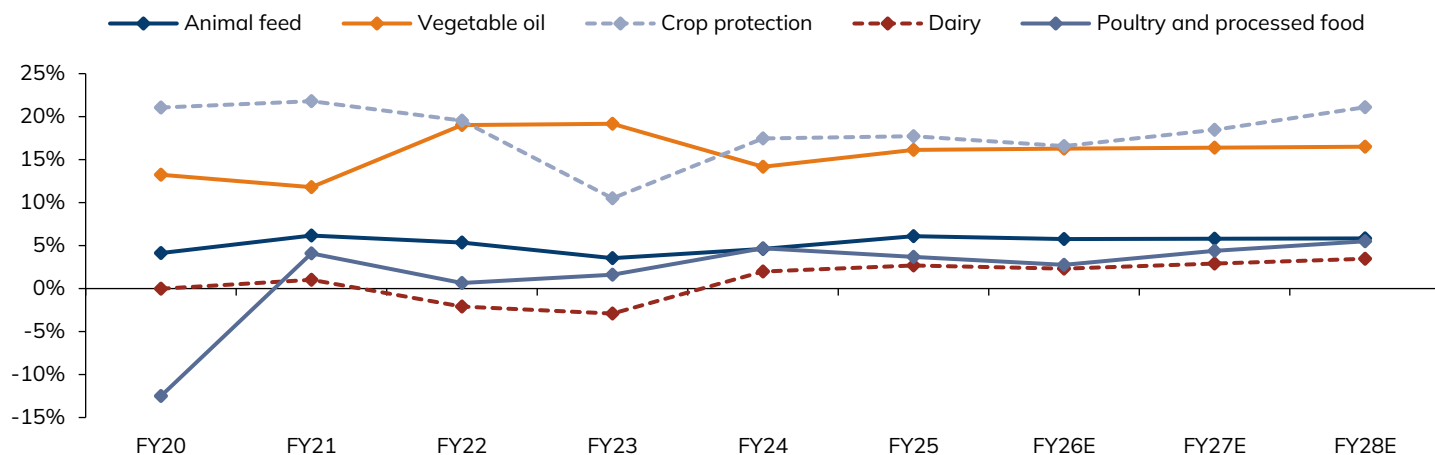
Exhibit 71: Revenue mix of GOAGRO



Source: I-Sec research, Company data

Profitability of the business is, however, markedly different vs. their revenue contribution – EBIT margin for the vegetable oil and crop protection business is well above that of the other segments, averaging 16–18% while that of the larger animal feeds business is just 5–6%. Margins for dairy and poultry businesses are in low single digits and have been volatile, but the growing share of branded products in both these segments should see steady improvement over the next 2–3 years.

Exhibit 72: Segmental EBIT margins



Source: I-Sec research, Company data

Extensive manufacturing/R&D presence

GOAGRO has a vast network of manufacturing facilities across India, with a focus on several key business segments:

Animal feed

- GOAGRO is one of India's largest animal feed manufacturers, with over 32 state-of-the-art manufacturing plants.
- The company produces more than 1.5mn tonnes of animal feed annually for dairy cattle, broiler chickens, layer chickens, and aquaculture.
- Major facilities include a large-scale plant in Khanna, Punjab, and other highly automated plants in Kharagpur (West Bengal), Baramati (Maharashtra), Bangalore (Karnataka), and Erode (Tamil Nadu).

- They also operate a joint venture in Bangladesh with the ACI Group, which has a manufacturing facility in Sirajganj and a floating fish feed plant in Rajshahi.

Processed foods (Godrej Foods)

- Godrej Agrovet operates modern, highly automated poultry farms and meat processing facilities.
- Manufacturing plants for processed poultry products under the "Good Chicken" and "Yummiez" brands are located in Mumbai and Bangalore.
- A separate production unit for vegetarian products is situated at the Mega Food Park in Ladhowal, Ludhiana, Punjab.

Oil palm

Godrej Agrovet is a leading oil palm developer in India, with plantations spanning over 75,000 hectares across multiple states. The company operates five oil palm mills located in:

- Valpoi, Goa
- Ch. Pothepalli and Chintalapudi in Andhra Pradesh
- Seethanagaram in Andhra Pradesh
- Varanavasi in Tamil Nadu
- Kolasib in Mizoram

Crop protection

- The company has manufacturing facilities for its crop protection business, including its subsidiary Astec LifeSciences.
- These facilities are located in Samba (Jammu) and Lote Parshuram (Ratnagiri, Maharashtra).

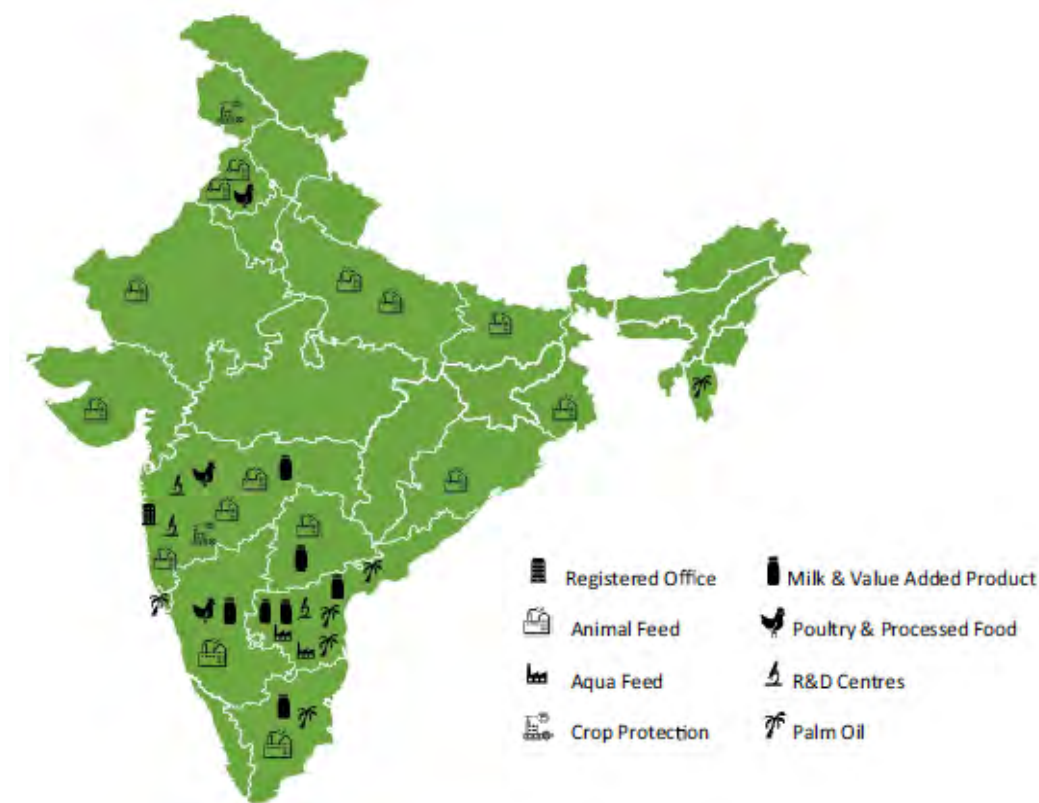
Dairy (Creamline Dairy)

- GOAGRO has a majority stake in Creamline Dairy.
- While specific manufacturing locations for Creamline Dairy were not listed in the search results, the company's website indicates it has a significant presence in the dairy sector.

Other facilities

- The company has a significant presence in the chemicals sector with its flagship manufacturing facility in Valia, Gujarat, and another plant in Ambernath, Maharashtra.
- It also has several R&D centres, including the Nadir Godrej Centre for Animal Research and Development in Nashik, Maharashtra.

Exhibit 73: Manufacturing location



Source: Company data, I-Sec research

A well-defined ESG strategy

GOAGRO's ESG (Environmental, Social, and Governance) strategy is an integral part of its 'Good & Green' vision, which aims to create shared value by addressing social and environmental challenges while strengthening the company's business. This strategy is guided by a commitment to social and environmental sustainability, focusing on the following key areas:

Environmental

- **Climate and Energy:** GOAGRO is working towards reducing its environmental footprint. The company has set ambitious goals to reduce energy consumption, increase the use of renewable energy, and achieve carbon neutrality. It has installed solar rooftops at numerous manufacturing sites and uses waste from fruit bunches for boiler fuel in its vegetable oil business to increase its renewable energy share.
- **Water Management:** The company is focused on being 'water positive' – meaning, it recharges more water than it consumes. Initiatives include reducing water consumption in manufacturing processes, implementing watershed management programs, and promoting micro-irrigation among farmers to save water.
- **Waste Management:** A key goal is to achieve 'zero waste to landfill'. GOAGRO diverts non-hazardous waste to recycling and finds innovative uses for byproducts, such as using biomass ash for brick manufacturing.
- **Sustainable Sourcing:** The company emphasises on sustainable practices, particularly in its oil palm business, where it works directly with farmers on traceability and responsible farming techniques.

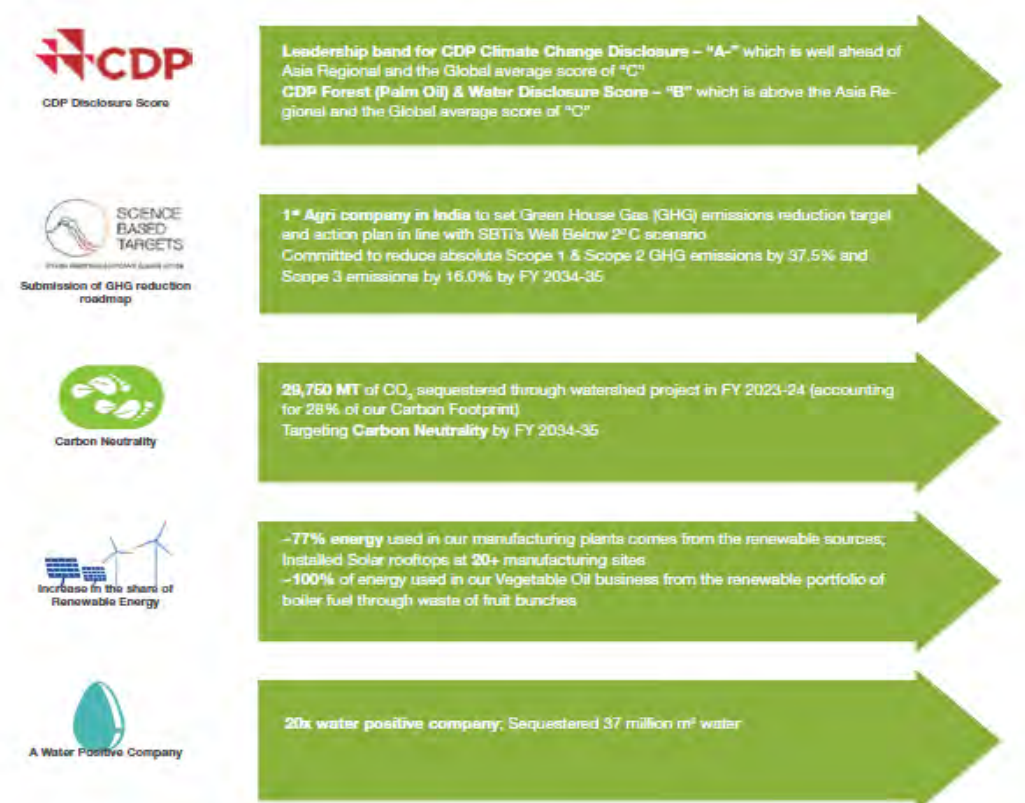
Social

- **Farmer Empowerment:** GOAGRO looks towards improving the productivity and livelihoods of Indian farmers. It provides on-farm technical support, training in sustainable farming practices, and end-to-end solutions to help them increase crop and livestock yields.
- **Community Development:** The company engages in various programs to uplift marginalised communities, focusing on areas like livelihood, education, and health. This includes training people to enhance their income through better jobs or entrepreneurial ventures. A specific focus area is empowering women in the agricultural sector and providing vocational training to underprivileged women.
- **Employee Well-being:** The company is committed to the well-being of its employees, with a focus on a healthy and safe work environment. It aims for a 'Zero' approach to health and safety incidents and promotes diversity and inclusion within its workforce.

Governance

- **Robust Framework:** GOAGRO has a strong governance framework to oversee its sustainability strategy. This includes the involvement of its Board of Directors and various committees that monitor and provide strategic input on ESG efforts.
- **Transparency and Accountability:** The company adheres to global standards for sustainability reporting, such as the GRI Standards, to ensure transparent and timely disclosures to its stakeholders. It participates in reporting initiatives like the Carbon Disclosure Project (CDP) to demonstrate its commitment to accountability.
- **Ethical Conduct:** The company operates with a strong focus on ethics, transparency, and compliance with statutory laws and regulations.

Exhibit 74: Company ESG matrix



Source: Company data, I-Sec research

Management profile

Godrej has an experienced management team, including the promoter group and a team of experienced leadership at the helm of affairs. In line with the objective of growing the mix of branded products in the overall revenue mix, the company has recently appointed Mr. Sunil Kataria as the CEO and MD, succeeding Mr. Balram Yadav, who had been the CEO/MD for more than two decades.

Mr. Kataria's extensive experience in consumer-facing businesses is expected to help transition GOAGRO into a more brand-focused diversified company over the next decade.

Exhibit 75: Management profile

Name	Position	Profile
Mr. NADIR B. GODREJ	Non-Executive – Non-Independent Director- Chairperson	Mr. Nadir Godrej is the Chairman of Godrej Agrovet Limited (GAVL). He holds B. S. degree in Chemical Engineering in 1973 from the Massachusetts Institute of Technology and a M.S. in Chemical Engineering in 1974 from Stanford University. He has done an MBA from Harvard Business School in 1976. Since 1977, he has been a Director of Godrej Soaps.
Mr. BURJIS NADIR GODREJ	Executive Director	Mr. Burjis Godrej is currently Head of Special Projects at GAVL, where he focuses on agrochemical projects for Astec LifeSciences Limited and GAVL - Crop Protection businesses. His role involves evaluation of products, synergies, technologies, business models, geographies, consultant engagements and capex plans. He completed his MBA from Harvard Business School in 2021. He first joined GAVL in 2017 working on new product development in the strategy division. His role involved monitoring R&D activities, product quality improvement, new product trials and innovation partnerships with external organisations.
Mr. SUNIL KATARIA	Executive Director- CEO-MD	Mr. Kataria brings over 30 years of leadership experience across the Consumer Packaged Goods (CPG), telecom and retail sectors. Widely recognised for his expertise in sales, marketing, business strategy and organisational leadership, Mr. Kataria previously served as Managing Director of Raymond Lifestyle Limited (RLL), overseeing a diverse portfolio of six businesses. Before joining Raymond, he spent 11 successful years at Godrej Consumer Products Limited (GCPL). Under his leadership, GCPL delivered a 7% volume CAGR, and operating margins underwent a transformative leap. He holds a degree in Economics from Delhi University and an MBA in Marketing from the Institute of Management Technology (IMT) Ghaziabad.
S Varadaraj	Chief Financial Officer (CFO)	S. Varadaraj is CFO and Head - Legal of GAVL. Varadaraj took over as the Head of Finance and Systems in 2005. A Commerce graduate and a Chartered Accountant, Varadaraj is also a qualified Cost Accountant and holds a Master's degree in Financial Management. He joined GAVL as a Management Trainee in May '94.

Source: Company data, I-Sec research

Exhibit 76: Business heads/CEOs

Name	Position	About
Capt. (Dr.) A.Y. Rajendra	CEO - Animal Feed Business	Dr. Rajendra is working with the Creamline Dairy Products Limited business to develop a new model of direct milk collection from farmers to enhance the quality and shelf life of milk. He has a Master's degree in Veterinary Sciences and has served in the Indian Armed Forces, Remount & Veterinary Corps, from 1994 to 1999. He joined GAVL in Jul'99 in the Integrated Poultry Business and was the Head of breeding, hatchery and broiler contract farming in southern India. Post this, he has handled many important positions in the poultry and animal feed businesses.
Dhruba Banerjee	CEO - Aqua Feed Business	Dhruba is B.Sc. (Horticulture) from BCKV, West Bengal and completed his post-graduation (PGP-ABM) from IIM-Ahmedabad. He joined GAVL in 2004 as a Management Trainee from the campus. From 2004 till 2008, he undertook multiple roles in sales and marketing, operations and project management in the animal feed business (north region). He came back to India in 2019 as Head of Live Bird Business (division of Godrej Tyson Foods Ltd).
Bhupendra Suri	CEO - Creamline Dairy Products	Bhupendra's career spans nearly three decades, of which 23 years were with Coca Cola where he performed various roles in sales, distribution, supply chain, rtm and franchise bottling operations. He was the Managing Director of Coco-Cola, Nigeria till 2019. He earned his B.Tech from IIT BHU, Varanasi and completed his PGDBM from XLRI, Jamshedpur.
Rajavelu N.K.	CEO - Crop Protection Business	Rajavelu is the CEO – Crop Protection Business. Rajavelu has over 25 years of experience across different roles. He has a proven track record of building and growing profitable businesses. With a Master's Degree in Business Administration from Northwood University, he also holds a Master's Degree in Seed Science and Technology from Tamil Nadu Agriculture University.
Sougata Niyogi	CEO - Oil Palm Plantation	Sougata is Head, Oil Palm Plantations Business of GAVL. Sougata is responsible for managing the profitability of the Oil Palm Business. He is also an active member of Oil Palm Development and Processors Association. He completed his B.Sc. in Agriculture from Bidhan Chandra Krishi Vishwa Vidyalyaya, West Bengal and did his post-graduation from the International Management Institute, New Delhi.
Burjis Nadir Godrej	MD- Astec LifeSciences Limited	Burjis is currently Head of Special Projects at GAVL, where he focuses on agrochemical projects for Astec LifeSciences Limited and GAVL – Crop Protection businesses. His role involves evaluation of products, synergies, technologies, business models, geographies, consultant engagements and capex plans. Burjis completed his MBA from Harvard Business School in 2021. He first joined GAVL in 2017, working on new product development in the strategy division. His role involved monitoring R&D activities, product quality improvement, new product trials and innovation partnerships with external organisations.
Viney Vatal	Managing Director of ACI Godrej Agrovet Pvt. Ltd., Bangladesh	Viney has extensive experience of more than 33 years, ranging in government services, P&L management, strategy planning, business transformation, market expansion in agribusiness, healthcare and consumer durables. He obtained Bachelor's degree in Economics from Hansraj College, Delhi University in 1989. As professional certification, he attained Post Graduate Program in International Management, Marketing from International Management Institute, New Delhi in 1997 and Management Development Program from IIM, Ahmedabad in 2016.
Abhay Parnerkar	CEO - Godrej Foods Limited	Abhay is the CEO of Godrej Foods Limited. He spent close to 18 years at the Coca-Cola Company, and, in his last role, he led Coca-Cola's business for diverse markets in southeast Europe. He started his professional career at Dabur Foods and has also been an entrepreneur where he co-founded and led a beverage start-up for three years.. Abhay is a Mechanical Engineer with an MBA from Jamnalal Bajaj Institute of Management Studies.

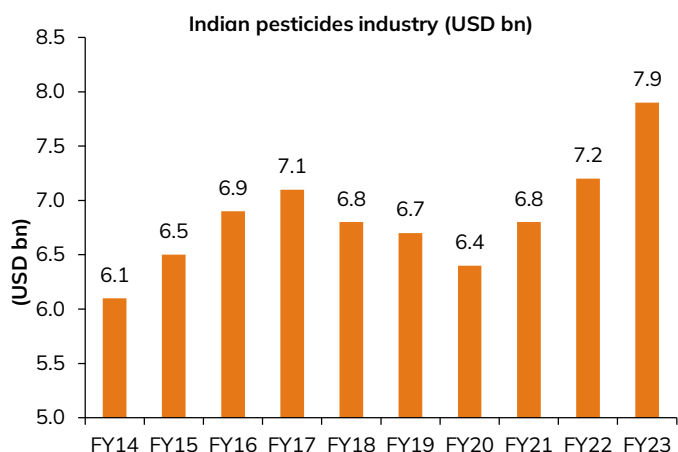
Source: Company data, I-Sec research

Industry profile – a strong opportunity

The Indian agro-chem sector is a vital component of the country's agricultural economy, playing a crucial role in enhancing crop productivity and ensuring food security. Despite facing global headwinds and domestic challenges, the industry is demonstrating resilience and is poised for significant growth. With a market size estimated at around USD 11.2 bn in FY25 (including Fertiliser sector), the sector is projected to reach USD 14.5bn by FY28E ([link](#)), implying a CAGR of ~9%. Growth has been driven by a combination of domestic demand for increased crop yields and India's rising prominence as a global export hub for cost-effective agro-chemicals.

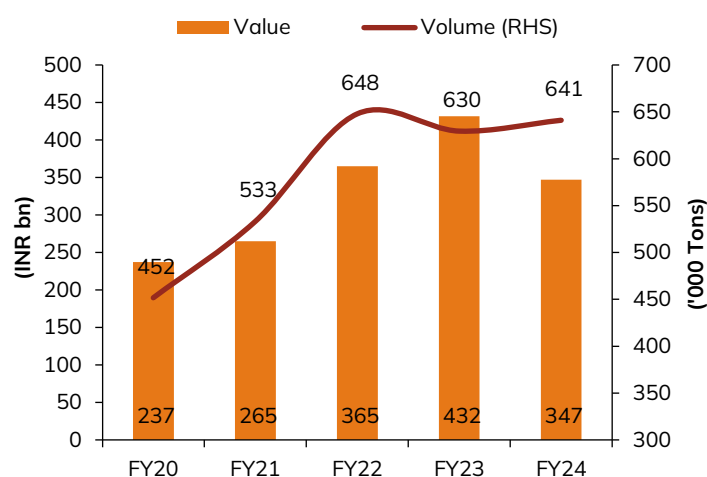
Within agro-chem, the pesticides segment is valued at USD 8bn or so, growing at ~3% CAGR, with exports growing at a stronger 8–9%. We believe that pesticide consumption in the domestic market should grow strongly over the next decade, with a combination of rising food requirement, stagnant area under cultivation, transition to higher margin products (horticulture) and consumption patterns at a strong disadvantage vs. global average to support strong growth.

Exhibit 77: Indian pesticides Industry grew by 3% over FY18-23



Source: I-Sec research, Department of Chemicals and Petrochemicals

Exhibit 78: Export of pesticides by India grew by 9% over FY20-24



Source: I-Sec research, [PPQS.gov.in](https://ppqs.gov.in)

Agro-chem comprise multitude of products

When we say agro-chem, we are talking about a host of products across crops and stages of application, starting from the sowing stage to the application at the harvest stage. The following broad classification covers agri-chem –

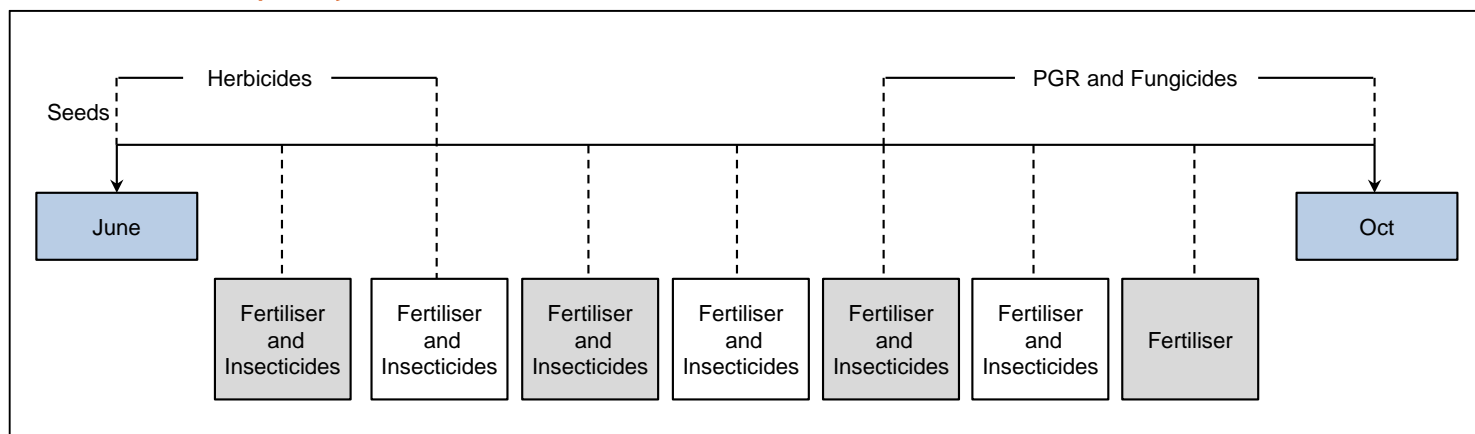
- **Insecticides** (46% of agrochemicals in India): Are used to kill insects. Generally, the insects eat leaves, trunk, roots etc. This is the largest agro-chemical segment in India. Insecticides are used on all crops, but mainly for food grains.
- **Herbicides** (24% of agrochemicals in India): Are used before sowing to kill seeds of weeds (e.g.- grass). Herbs consume the nutrients from the soil and compete with the crop. Herbicides improve productivity by removing weeds. Some herbicides can be used after sowing too.
- **Fungicides** (26% of agrochemicals in India): Helps kill the fungus. It is useful for horticulture crops (fruits, vegetables etc.).
- **Rodenticides** (small segment): They are used to kill rodents when the farm produce is stored in warehouse or is when it is transported.

- **Plant growth regulators** (small segment): They are used to ensure overall nourishment/regulating growth of the crops.
- **Bio-pesticides** (new segment): They are prepared from all natural ingredients. There are no harmful chemicals used. However, the efficacy of bio-pesticides is low.

Application depends on season

The application of the types of pesticides is a function of the type of crop as well as the season, with the lifecycle of agri-chem usage in India implying specific times of application of herbicides, PGR and fungicides; insecticides being applied more uniformly through the crop life cycle.

Exhibit 79: Work capital cycle (Kharif season)



Source: I-Sec research, Industry data

Crop yields in India are abysmal relative to global levels

One of the major aspects of Indian agriculture has been its relatively low crop yields compared to global averages – across major crop yields for India, yields are 13–47% lower than global averages and the differential is starker when compared to other more developed agri markets.

Exhibit 80: Indian crop yield vs. global averages (kgs/hectare)

Crops	India's yield per hectare	Countries with maximum yield per hectare	Average world yield
Rice, Paddy	4,058	Australia - 8,771, USA - 8,374	4,662
Wheat	3,533	Belgium - 9,336, UK - 8,935	3,547
Maize	3,070	Iran - 23,224, Chile - 12,100	5,824
Cereals	3,405	Belgium - 8,989, Netherlands - 8,654	4,113
Pulses	698	Belgium - 4,164, Egypt - 3,890	992

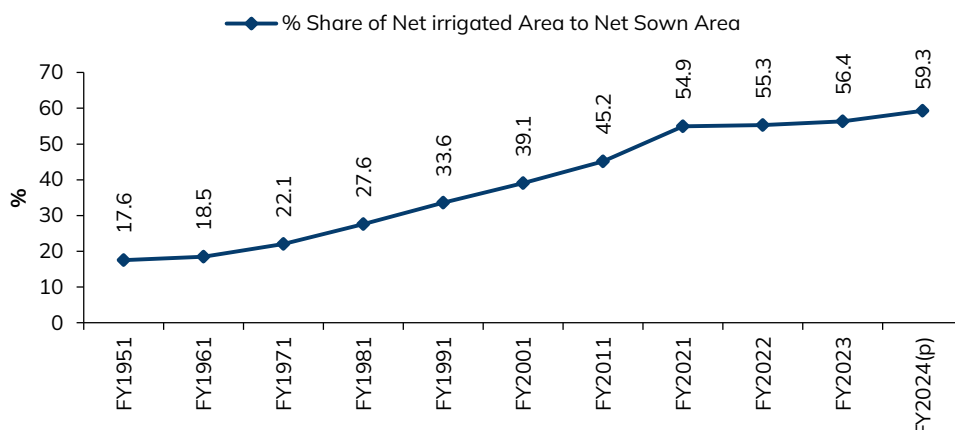
Source: I-Sec research, Pers RHP

The following factors drive low yields for Indian agri vs global averages –

Low levels of irrigated land

Despite concerted efforts to increase the extent of arable land and organised irrigation efforts – share of land covered by irrigation is still at relatively modest levels, with the % share, even as of current year, at ~59%.

Exhibit 81: Irrigated area has grown drastically since FY1951... now ~59% of net sown area

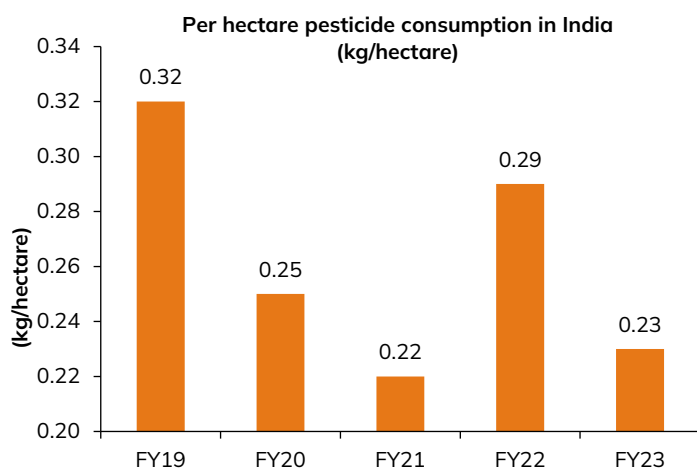


Source: I-Sec research, [Desagri.gov.in](https://desagri.gov.in)

Usage of agri-chem products well below required levels

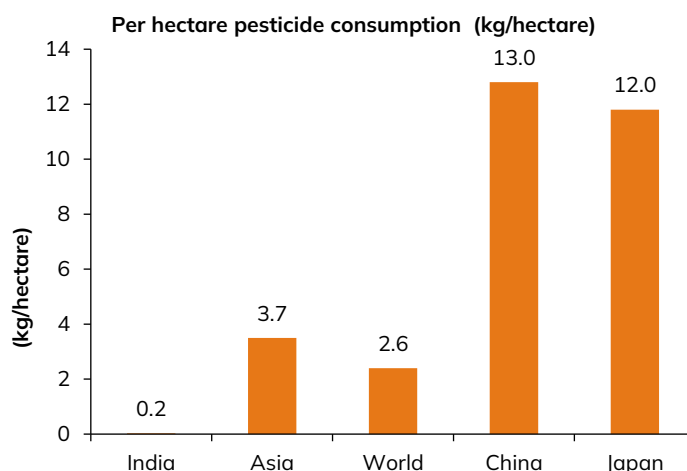
Looking at the usage data of pesticides in India, average utilisation per hectare is well below global averages – moreover the per hectare usage has remained broadly flat over the last 4–5 years.

Exhibit 82: India pesticides consumption remains below 0.3kg /hectare...



Source: I-Sec research, Source: Directorate of Plant Protection, Quarantine & Storage, RHP of peers

Exhibit 83: ...well below global average

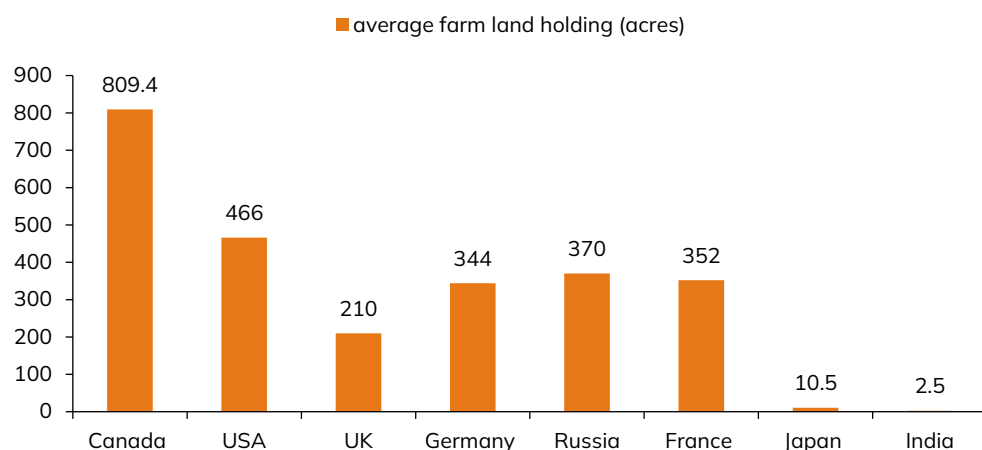


Source: I-Sec research, RHP of peers, Directorate of Plant Protection, Quarantine & Storage

Size of average land holdings

The average size of land holdings for farmers in India is small (80% farms have land holdings <5 acres, overall average is at only ~2.5 acres), which creates challenges for use of modern machinery and agriculture techniques. Add to that the restrictions on using resilient seeds (genetically modified seeds prohibited, except in cotton) and the lack of awareness in applying more efficient farming methods – put together, it creates a constraint on farm yields in the country.

Exhibit 84: Indian average farm holdings at abysmal levels



Source: I-Sec research, Company data, www.statcan.gc.ca ; www150.statcan.gc.ca

Therefore, multiple growth prospects for Indian agri-chem

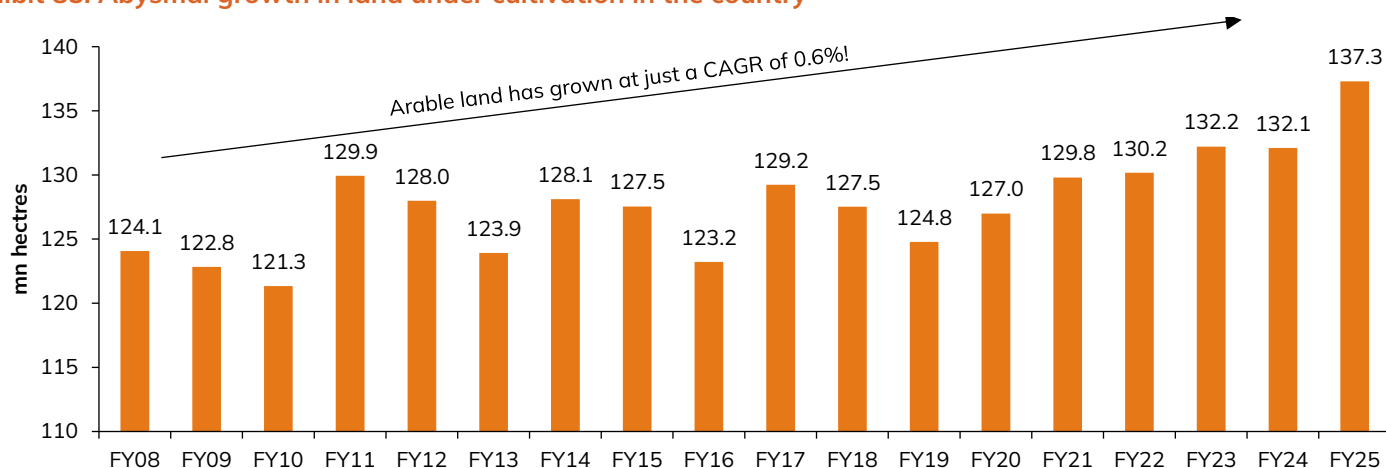
We see multiple factors driving growth prospects for Indian agri-chem – given the factors mentioned above and the rapidly growing requirement for agri commodities in the Indian economy over the next two decades.

We see the following factors helping growth in pesticide and animal feed consumption over the long term –

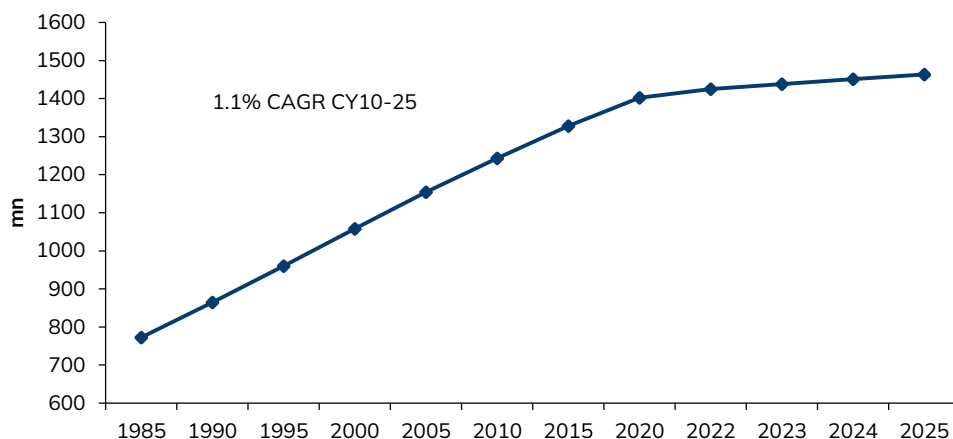
Stagnant land holdings

Over the last 17 years or so, land under cultivation in India has stayed at roughly the same levels, even as yearly fluctuations have been there, driven by seasonal factors, economic reasons etc. This is in sharp contrast to the population growth in the country and the resultant requirement for an increasing amount of foodgrains, fruits and vegetables in the country over the next few decades.

Exhibit 85: Abysmal growth in land under cultivation in the country



Source: I-Sec research, Company data

Exhibit 86: Indian population has advanced at 1.1% CAGR in last 15 yearsSource: I-Sec research, www.worldometers.info**India's position in global agriculture is an important one**

Despite the limited land holdings and relatively lower use of organised irrigation tech, India is a major producer of major agri commodities and features in the top 3 in the production of products across cereals, fruits and vegetables and cash crops.

Exhibit 87: Indian prominence in global Agri production

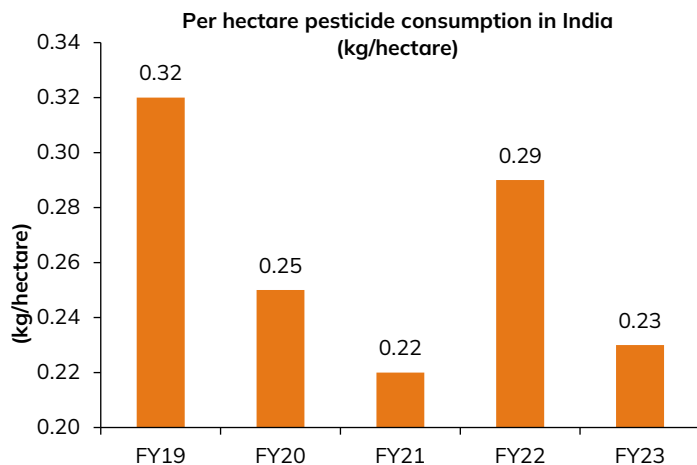
	India	World	% share	India's position	
				rank	next to
1. Crop (mn tonnes)					
A. Total cereals	324	2,979	10.9	Third	China, USA
Wheat	104	766	13.5	Second	China
Rice (Paddy)	178	755	23.5	Second	China
Total Pulses	22	88	24.3	First	
B. Oilseeds					
Groundnut (with shell)	7	49	13.8	Second	China
Rapeseed	9	71	13.1	Third	Canada, China
2. Fruits & vegetables (mn tn)					
Vegetables & Melons	127	1,169	10.8	Second	China
Fruits excluding melons	88	689	12.8	Second	China
Potato	50	370	13.5	Second	China
Onion (Dry)	23	100	22.8	Second	China
3. Commercial crops (mn tn)					
Sugarcane	405	1,949	20.8	Second	Brazil
Tea	1.4	6.5	21.4	Second	China
Coffee (Green)	0.32	10.04	3.2	Eight	Brazil, Vietnam, Colombia, Indonesia, Ethiopia, Honduras, Peru

Source: I-Sec research, Industry data , RHP of peers

Indian usage per hectare well below global averages

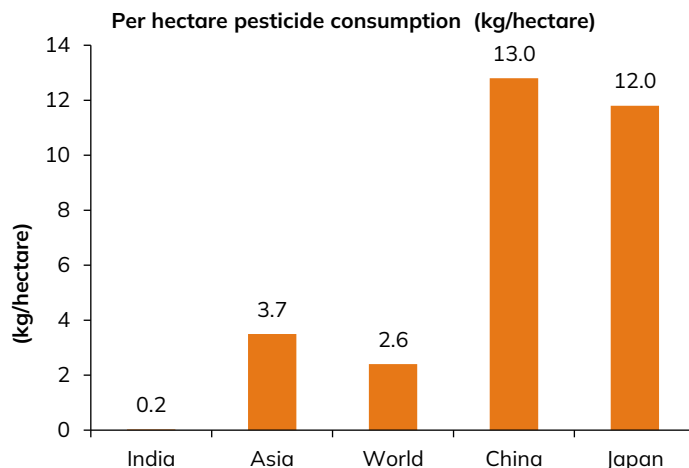
As mentioned earlier, usage of pesticides/hectare has remained stagnant at ~0.2kg for the better part of the last five years and is less than a tenth of global average.

Exhibit 88: India pesticides consumptions remain below 0.3kg /hectare...



Source: I-Sec research, Source: Directorate of Plant Protection, Quarantine & Storage, RHP of peers

Exhibit 89: ...well below global average



Source: I-Sec research, RHP of peers, Directorate of Plant Protection, Quarantine & Storage; FICCI – Overview of Agrochemicals Report 2021, data as of CY17

Crop losses reduce significantly with usage of pesticides

Crop losses to weather patterns, pest infestation and other factors are significant and a judicious use of agri-chem products can reduce crop losses materially, boosting yields and improving economics of farmers ([link](#))

Exhibit 90: Significant losses can be avoided via use of agri-chem products

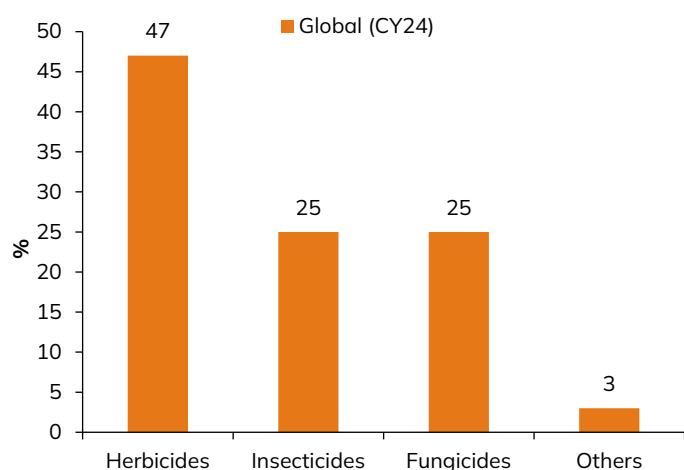
Crop	Avoidable losses (%)
Cotton	49-90
Rice	21-51
Mustard	35-75
Sunflower	36-51
Groundnut	29-42
Maize	20-25
Sugarcane	08-23
Pulses	40-88
Vegetables	30-60
Fruits	20-35
Potato	8-21
Corn	20-40
Wheat	10-28
Soybean	11-32

Source: I-Sec research, Industry Data, RHP of peers

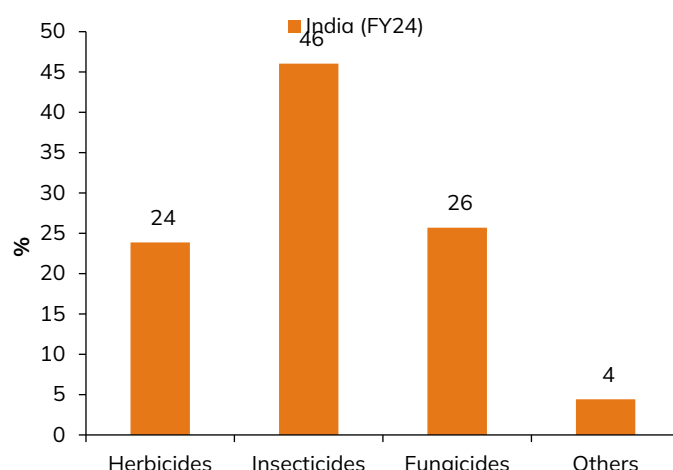
Usage of herbicides in-line with global trends can save labour costs

Unlike global averages, usage of pesticides follows a very different pattern in India. Driven by differences in land holdings, availability of labour, awareness and crop patterns, insecticides comprise ~46% of overall agri-chem usage, with herbicides at ~24%. This is completely the opposite of global trends where herbicides comprise 45% of usage and insecticides are at ~25%.

Usage of herbicides is typically done to reduce the need for manual weeding, hence successful application of the same can materially reduce the cost of weeding activity at the farm level. We note, however, that this can apply only at farms that are large enough to warrant external labour (as opposed to family farms where labour costs do not register separately).

Exhibit 91: Global pesticides usage leans towards herbicides

Source: I-Sec research, UPL company data

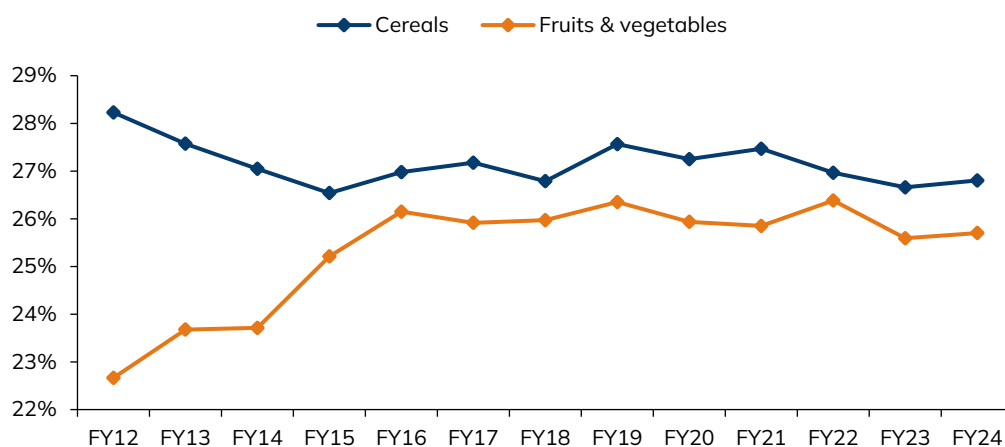
Exhibit 92: India pesticides usage leans towards insecticidesSource: I-Sec research, [PPQS.gov.in](https://ppqs.gov.in) ex miscellaneous**Exhibit 93: Costs savings using Herbicides**

Particulars	Labour	Herbicides
Mandays required (no. of days)	20	3
Cost per manday (INR)	500	500
Total labour cost (INR)	10,000	1500
Cost of herbicide (INR)	NA	1200
Total cost (INR)	10,000	2,700

Source: I-Sec research, Industry data

Shift in patterns of crops can drive margin improvement for pesticides

Over the last decade, one trend has been consistent and structural – the share of horticultural products vs. traditional cereals has been growing. The growing incomes in the country tend to drive higher demand for fruits and vegetables, as diets move to more nutritional products vs. plain cereals.

Exhibit 94: Within crop output, horticulture's share has risen sharply in last 12 yearsSource: www.mospi.gov.in I-Sec Research; GVO of different groups of crops at constant (2011-12) prices

Usage of pesticides would, therefore, see an uptick as the share of fruits and vegetables continues to rise relative to cereals in the country. Vulnerability of fruits and vegetables to pests and diseases is very high, with estimates suggesting losses for vegetables reaching as high as 54% and for fruits as much as 78%.

Exhibit 95: Major contributors to crop output are fruits, vegetables, cereals and oil seeds

INR bn [At constant (2011-12) Prices]	FY20	FY21	FY22	FY23	FY24	CAGR
Cereals	3776	3941	3983	4193	4276	3.2%
Fruits & Vegetables	3594	3709	3897	4025	4100	3.3%
Oilseeds	1177	1244	1321	1432	1392	4.3%
Other Crops	816	792	787	1183	1261	11.5%
Sugars	807	848	901	1008	960	4.4%
Condiments & Spices	788	850	852	872	948	4.7%
Pulses	703	782	842	798	746	1.5%
Fibres	810	784	706	762	745	-2.1%
By products	687	700	686	706	714	1.0%
Drugs & Narcotics	369	383	430	424	467	6.1%
Floriculture	269	253	304	262	281	1.1%
Kitchen Garden	60	61	61	62	62	0.8%
Indigo, dyes & tanning material	1	1	1	1	1	0.0%
Value of output	13857	14348	14771	15728	15953	3.6%

Source: www.mospi.gov.in, I-Sec Research; GVO of different groups of crops at constant (2011-12) prices**Exhibit 96: Major contributors to livestock output are milk and meat**

INR bn [At constant (2011-12) Prices]	FY20	FY21	FY22	FY23	FY24	CAGR
Milk group	5,051	5,341	5,642	5,840	6,059	4.7%
Meat group	1,776	1,851	1,943	2,071	2,219	5.7%
Eggs	265	284	303	324	337	6.2%
Remaining livestock products	511	518	535	548	578	3.1%
Value of output	7,603	7,994	8,423	8,783	9,193	4.9%

Source: www.mospi.gov.in; National Account Statistics, I-Sec research**Exhibit 97: Agriculture sector – GST reduced from 12% to 5%**

GST rate reduced	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
12% to 5%		
	8408	Fixed Speed Diesel Engines of power not exceeding 15HP
	8414 20 20	Other hand pumps
	8424	Nozzles for drip irrigation equipment or nozzles for sprinklers
	8424	Sprinklers; drip irrigation system including laterals; mechanical sprayers
	8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers; Parts [8432 90]
	8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; parts thereof
	8436	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders; parts thereof
	8479	Composting Machines
	8701	Tractors (except road tractors for semi-trailers of engine capacity more than 1800 cc)
	8716 20 00	Self-loading or self-unloading trailers for agricultural purposes
	8716 80	Hand-propelled vehicles (e.g. hand carts, rickshaws and the like); animal drawn vehicles

Source: PIB, I-Sec research, www.pib.gov.in

Exhibit 98: GST on fertilizer segment reduced from 18% to 5%, and 12% to 5% for various categories

GST rate reduced	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(18% to 5%)		
	2807	Sulphuric acid
	2808	Nitric acid
	2814	Ammonia
(12% to 5%)		
	29 or 380893	Gibberellic acid
	3808	The following Bio-pesticides, namely - 1 Bacillus thuringiensis var. israelensis 2 Bacillus thuringiensis var. kurstaki 3 Bacillus thuringiensis var. galleriae 4 Bacillus sphaericus 5 Trichoderma viride 6 Trichoderma harzianum 7 Pseudomonas fluorescens 8 Beauveria bassiana 9 NPV of Helicoverpa armigera 10 NPV of Spodoptera litura 11 Neem based pesticides 12 Cymbopogon
	28 or 38	Micronutrients, which are covered under serial number 1(g) of Schedule 1, Part (A) of the Fertilizer Control Order, 1985 and are manufactured by the manufacturers which are registered under the Fertilizer Control Order, 1985
(18% to 5%)		
	4011	Rear tractor tyres and rear tractor
	4011 70 00	Tyre for tractors
	4013 90 49	Tube for tractor tyres
	8408 20 20	Agricultural Diesel Engine exceeding 250 cc for Tractor
	8413 81 90	Hydraulic Pumps for Tractors
	8708	Following parts of tractors namely: a. Rear Tractor wheel rim, b. tractor centre housing, c. tractor housing transmission, d. tractor support front axle
	8708 10 10	Bumpers and parts thereof for tractors
	8708 30 00	Brakes assembly and its parts thereof for tractors
	8708 40 00	Gear boxes and parts thereof for tractors
	8708 50 00	Transaxles and its parts thereof for tractors
	8708 70 00	Road wheels and parts and accessories thereof for tractors
	8708 91 00	(i) Radiator assembly for tractors and parts thereof (ii) Cooling system for tractor engine and parts thereof
	8708 92 00	Silencer assembly for tractors and parts thereof
	8708 93 00	Clutch assembly and its parts thereof for tractors
	8708 94 00	Steering wheels and its parts thereof for tractor
	8708 99 00	Hydraulic and its parts thereof for tractors
	8708 99 00	Fender, Hood, wrapper, Grill, Side Panel, Extension Plates, Fuel Tank and parts thereof for tractors

Source: I-Sec research, PIB, www.pib.gov.in

Annexure

Manufacturing and registration process of agri-chem

Technical is the main agrochemical. It is converted to usable format for farmers i.e. formulations. Most companies in India sell formulations. Limited number of companies have backward integration of technicals.

The companies without backward integration procure technicals from other agrochemical companies or import from China. China supplies 35-40% of technicals used in India.

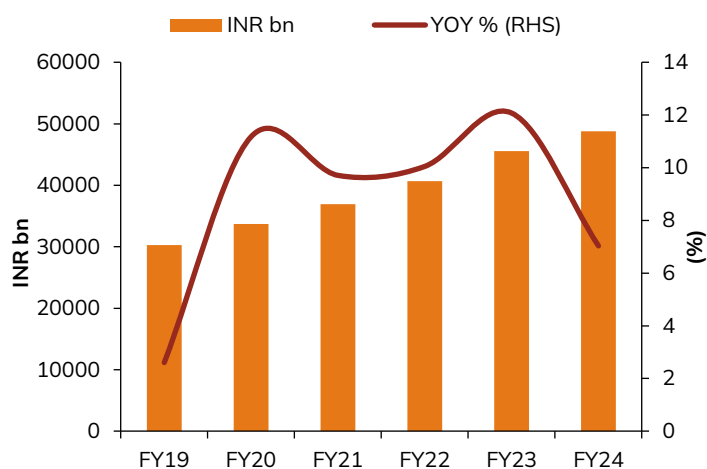
Registration process

All new agrochemicals are patented by some player globally. They get exclusive rights for 20 years.. The Indian market is all about post patents (i.e. generics).

Whenever a new generic is introduced in India, it is registered under section 9(3) of Insecticides Act. This process requires 4-5 years.

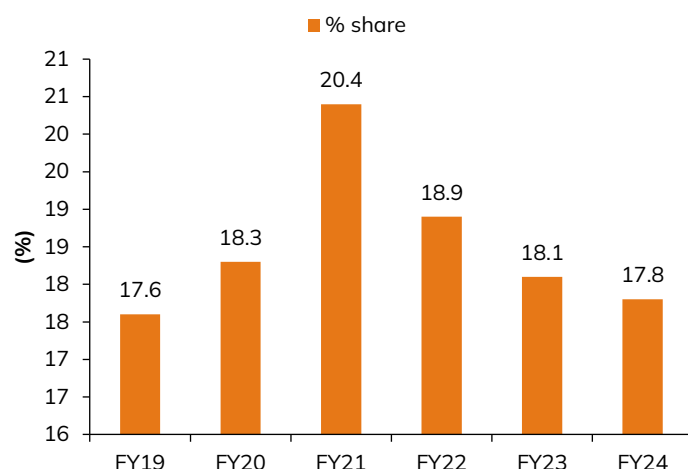
Once the agrochemical is registered under section 9(3), other companies need to register their products under section 9(4). This process requires just one year. There is rise of combination products. It requires 9(3) registration.

Exhibit 99: Trend in Agriculture GVA at constant prices



Source: PIB release and Economic Survey, MOSPI, I-Sec research

Exhibit 100: Percentage share of GVA of agriculture and allied sector to total economy

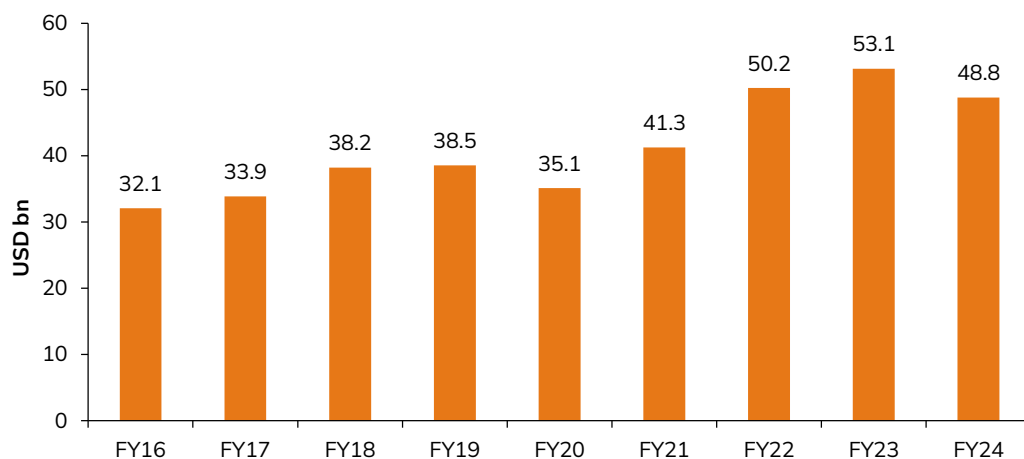


Source: PIB release and Economic Survey, MOSPI, I-Sec research

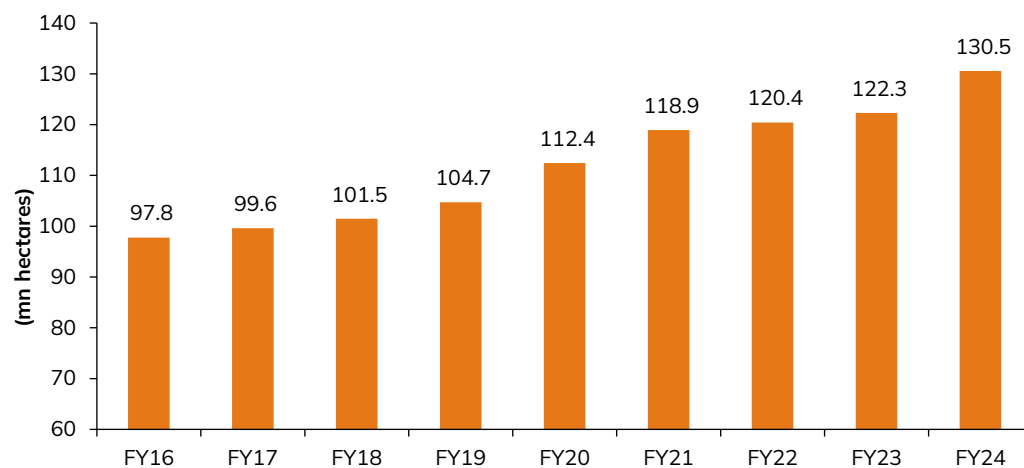
Exhibit 101: Key agricultural and allied sector exports from India in FY24

	USD bn
Rice (Basmati and Non-Basmati)	11.29
Marine Products	6.73
Spices	3.79
Buffalo Meat	3.69
Sugar	1.86
Miscellaneous processed items	1.53
Oil Meal	1.22
Coffee	1.54

Source: Ministry of Agriculture and Farmers' Welfare, APEDA, Ministry of Commerce, I-Sec research, IBEF

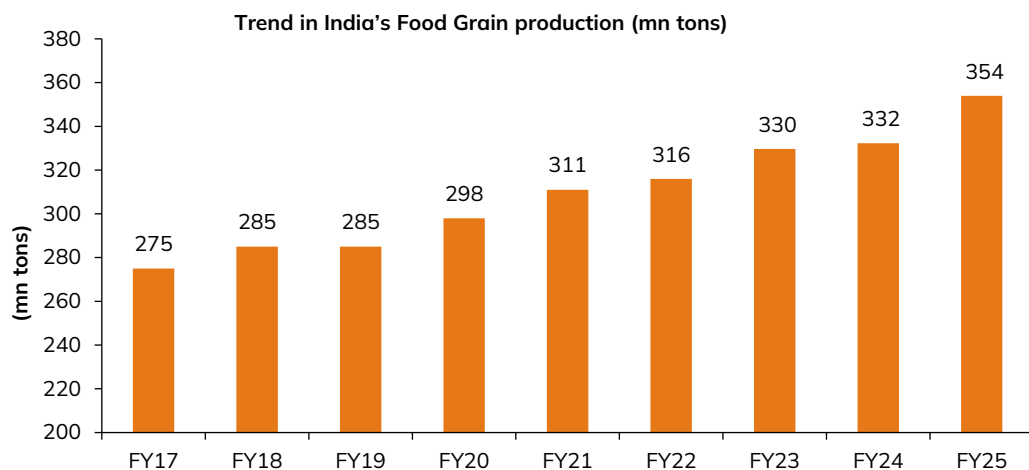
Exhibit 102: Agricultural exports from India

Source: Company data, I-Sec research

Exhibit 103: Gross irrigated areaSource: IBEF, Ministry of Agriculture and Farmers Welfare, I-Sec research; [Desagri.gov.in](https://desagri.gov.in)**Exhibit 104: Yield (Kg/Hectares)**

Crop	FY20	FY21	FY22	FY23	FY24	FY25
Rice	2,722	2,717	2,798	2838	2882	2899
Wheat	3,440	3,521	3,537	3521	3559	3587
Maize	3,006	3,199	3,387	3545	3351	3518
Total Cereals	2,772	2,824	2,899	2939	2945	2997
Total Pulses	823	885	888	902	881	914
Total Foodgrains	2,343	2,394	2,425	2494	2515	2578
Total Oilseeds	1,224	1,247	1,312	1368	1314	1408
Sugarcane	80,497	83,566	84,906	83349	78953	84006
Cotton (million bales of 170 kg each)	455	451	428	443	436	465
Jute & Metsa (million bales of 180 kg each)		2,542	2,738	2,570	2737	2759

Source: Government of India (Ministry of Agriculture and Farmers Welfare); I-Sec research; [Upagri.gov.in](https://upagri.gov.in)

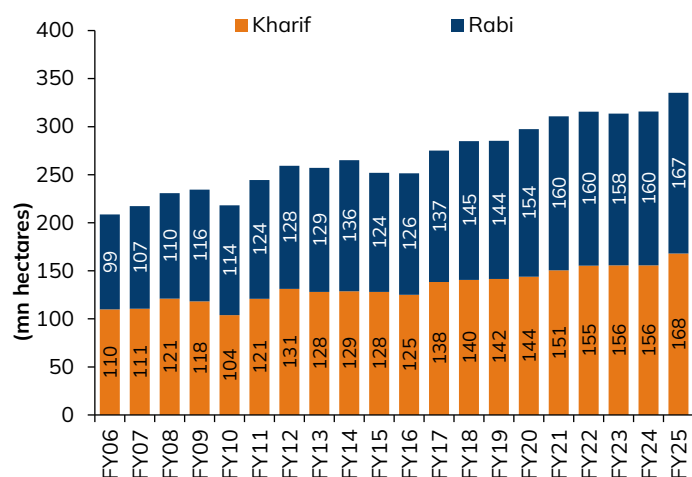
Exhibit 105: Trend in India's food grain production


Source: Government of India (Ministry of Agriculture and Farmers Welfare); I-Sec research

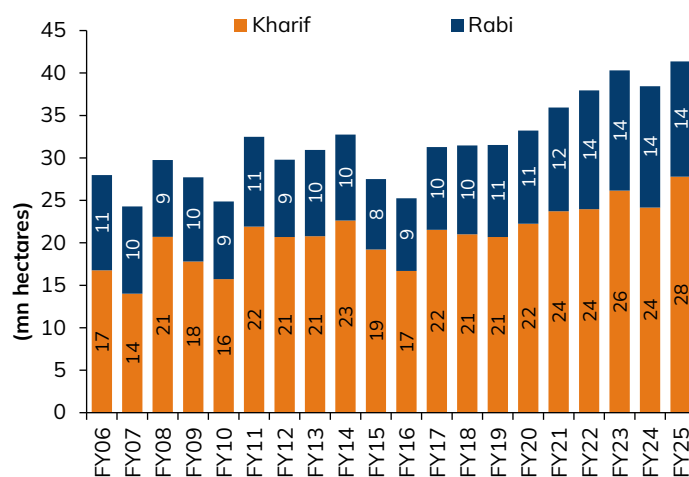
Exhibit 106: Foodgrains and commercial crops production (MnT)

Crop	FY21	FY22	FY23	FY24	FY25
Rice	124.4	129.5	135.8	137.8	149.1
Wheat	109.6	107.7	110.6	113.3	117.5
Maize	31.6	33.7	38.1	37.7	42.3
Total Cereals	285.3	288.3	303.6	308.1	328.7
Total Pulses	25.5	27.3	26.1	24.2	25.2
Total Foodgrains	310.7	315.6	329.7	332.3	354.0
Total Oilseeds	35.9	38.0	41.4	39.7	42.6
Sugarcane	405.4	439.4	490.5	453.2	450.1
Cotton (million bales of 170 kg each)	35.2	31.1	33.7	32.5	30.7
Jute & Metsa (million bales of 180 kg each)	9.4	10.1	9.4	9.7	8.4

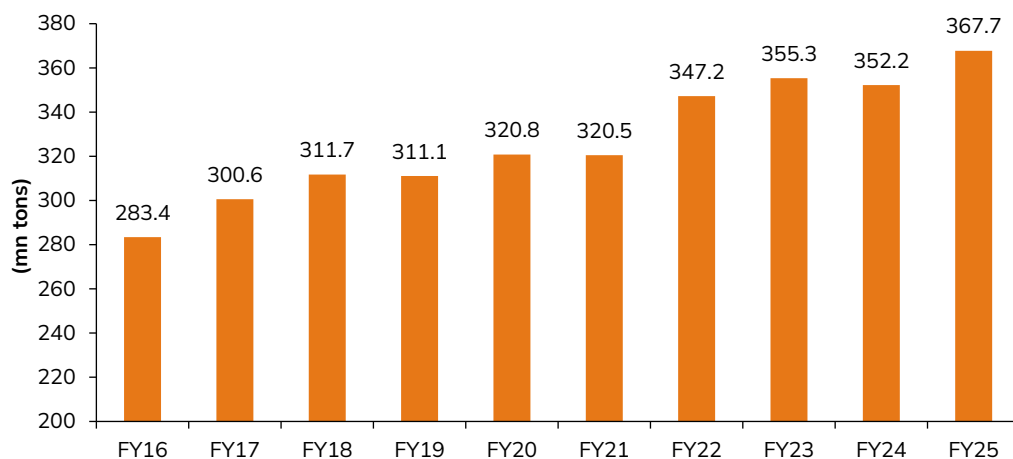
Source: I-Sec research, Government of India (Ministry of Agriculture and Farmers Welfare);

Exhibit 107: Food grain production


Source: Government of India (Ministry of Agriculture and Farmers Welfare); I-Sec research

Exhibit 108: Oil seeds production


Source: Government of India (Ministry of Agriculture and Farmers Welfare); I-Sec research;

Exhibit 109: India's horticulture production

Source: Ministry of Agriculture and Farmers' Welfare, Press Release, I-Sec research

Exhibit 110: MSP, cost of Production and return (INR /quintal)

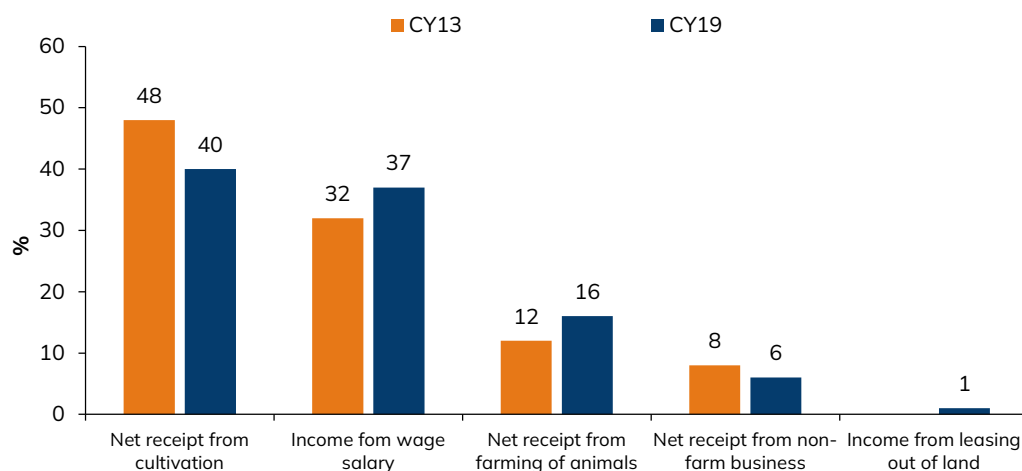
	MSP FY25	MSP FY26	Cost of production FY26	Increase in MSP (Absolute)	Return over cost (in %)
Paddy (Common)	2300	2369	1,579	69	50%
Paddy (Grade A) ^	2320	2389	-	69	-
Jowar (Hybrid)	3371	3699	2,466	328	50%
Jowar (Maldandi)^	3421	3749	-	328	-
Bajra	2625	2775	1,703	150	63%
Ragi	4290	4886	3,257	596	50%
Maize	2225	2400	1,508	175	59%
Tur (Arhar)	7550	8000	5,038	450	59%
Moong	8682	8768	5,845	86	50%
Urad	7400	7800	5,114	400	53%
Groundnut	6783	7263	4,842	480	50%
Sunflower Seed	7280	7721	5,147	441	50%
Soyabean (yellow)	4892	5328	3,552	436	50%
Sesamum	9267	9846	6,564	579	50%
Nigerseed	8717	9537	6,358	820	50%
Cotton (Medium Staple)	7121	7710	5,140	589	50%
Cotton (Long Staple) ^	7020	8110		1090	

Source: I-Sec research, PIB release; ^Cost data are not separately compiled for Paddy (Grade A), Jowar (Maldandi) and Cotton (Long staple)

Exhibit 111: MSP price trend over last 7 years (INR/ quintal)

SR. No.	Commodity	Variety	FY19	FY20	FY21	FY22	FY23	F24	FY25	FY26	CAGR% FY19-26
KHARIF CROPS											
1	PADDY	COMMON	1750	1815	1868	1940	2040	2183	2300	2369	5%
2	JOWAR	Grade 'A'	1770	1835	1888	1960	2060	2203	2320	2389	5%
		Hybrid	2430	2550	2620	2738	2970	3180	3371	3699	7%
		Maldandi	2450	2570	2640	2758	2990	3225	3421	3749	7%
3	BAJRA		1950	2000	2150	2250	2350	2500	2625	2775	6%
4	RAGI		2897	3150	3295	3377	3578	3846	4290	4886	9%
5	MAIZE		1700	1760	1850	1870	1962	2090	2225	2400	6%
6	TUR (ARHAR)		5675	5800	6000	6300	6600	7000	7550	8000	6%
7	MOONG		6975	7050	7196	7275	7755	8558	8682	8768	4%
8	URAD		5600	5700	6000	6300	6600	6950	7400	7800	6%
9	GROUNDNUT		4890	5090	5275	5550	5850	6377	6783	7263	7%
10	SUNFLOWER SEED		5388	5650	5885	6015	6400	6760	7280	7721	6%
11	SOYABEAN SEED		3399	3710	3880	3950	4300	4600	4892	5328	8%
12	SESAMUM		6249	6485	6855	7307	7830	8635	9267	9846	8%
13	NIGER SEED		5877	5940	6695	6930	7287	7734	8717	9537	8%
14	COTTON	Medium Staple	5150	5255	5515	5726	6080	6620	7121	7710	7%
		Long Staple	5450	5550	5825	6025	6380	7020	7020	8110	7%
RABI CROPS											
15	WHEAT		1840	1925	1975	2015	2125	2275	2275	2425	5%
16	BARLEY		1440	1525	1600	1635	1735	1850	1850	1980	5%
17	GRAM		4620	4875	5100	5230	5335	5440	5440	5650	3%
18	MASUR (LENTIL)		4475	4800	5100	5500	6000	6425	6425	6700	7%
19	RAPSEED & MUSTARD		4200	4425	4650	5050	5450	5650	5650	5950	6%
20	SAFFLOWER		4945	5215	5327	5441	5650	5800	5800	5940	3%
21	TORIA		4190	4425	4650	5050	5450				
OTHER CROPS											
22	COPRA (Calendar Year)	Milling	7511	9521	9960	10335	10590	10860	11160		
		Ball	7750	9920	10300	10600	11000	11750	12000		
23	DE-HUSKED COCONUT (Calendar Year)		2030	2571	2700	2800	2860	2930	3013		
24	JUTE		3700	3950	4225	4500	4750	5050	5335	5650	7%

Source: I-Sec research, PIB release

Exhibit 112: Composition of average monthly income of agricultural households (%)

Source: Economic Survey, I-Sec research

2024–25 Union Budget – government makes provision of INR 1.2trn for agriculture and allied sector

Agriculture serves as the backbone of India's economy, playing a pivotal role in ensuring food security, providing employment, and contributing to overall economic development. It supports the livelihoods of a significant portion of the population and remains vital to India's socio-economic fabric. Recognizing its importance, the Government of India has implemented various initiatives and significantly increased budget allocations to strengthen the sector.

The budget estimates for the Department of Agriculture, Cooperation & Farmers Welfare was **INR 119bn in FY09, increased to INR 219bn in FY14 and further advanced to INR 1.2trn in FY25**, reflecting the government's commitment to agricultural development.

To enhance productivity and resilience in agriculture, the following announcements have been made –

- The Indian Government is launching the 'Prime Minister Dhan-Dhaanya Krishi Yojana' to enhance agriculture in 100 districts with low productivity. This initiative aims to improve farmers' livelihoods through various agricultural reforms.
 - Program Goals: The initiative shall focus on raising agricultural productivity, promoting crop diversification, improving post-harvest storage, enhancing irrigation, and providing better credit options. It is expected to benefit 1.7 crore farmers.
- Rural Prosperity and Resilience: A program shall be established to tackle underemployment in agriculture, emphasizing skill development and investment in rural areas. It aims to create job opportunities so that migration is an option rather than a necessity, targeting women, young farmers, and landless families.
- Pulses self-sufficiency: A 6-year 'Mission for Aatmanirbharta in Pulses' shall be launched, focusing on major pulses such as Tur, Urad, and Masoor. Central agencies would procure these pulses, ensuring farmers receive fair prices.
- Vegetables and fruits: A comprehensive program shall be introduced to boost production and ensure efficient supply and processing of vegetables and fruits, with support from farmer organisations.
- Makhana Board in Bihar: A board shall be set up in Bihar to enhance the production and marketing of makhana, providing training and support to farmers involved in this sector.
- High Yielding Seeds Mission: This mission aims to improve seed development for better yield and resilience against pests and climate change, with more than 100 new seed varieties available.
- Fisheries Development: India's government plans to enhance fish production by establishing frameworks for sustainable fishing, especially in the Andaman & Nicobar and Lakshadweep Islands.
- Cotton Productivity Mission: A mission shall be initiated to improve cotton farming productivity and promote better cotton varieties, benefiting farmers and the textile sector.
- Kisan Credit Cards (KCC): The loan limit for farmers under the KCC shall be increased to support more farmers, fishermen, and dairy producers.
- Urea production in Assam: A urea plant with a capacity of 1.27mnt shall be set up in Assam to increase domestic urea supply.

- India Post as a rural economy catalyst: India Post shall transform to support the rural economy and assist small businesses and entrepreneurs.
- Support to National Cooperative Development Corporation (NCDC): The government shall provide additional funding to NCDC for its lending operations.

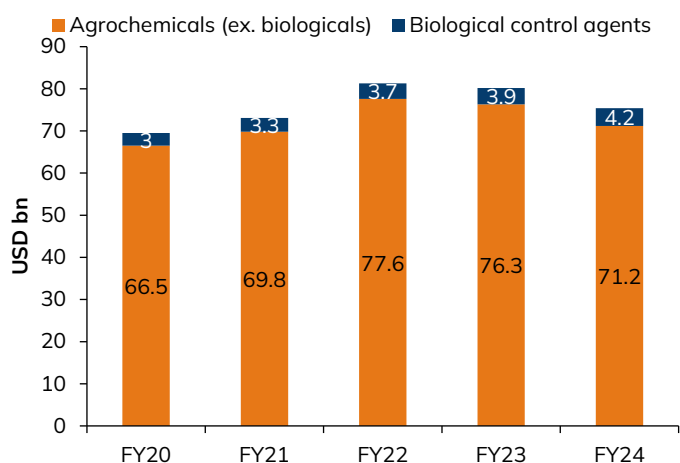
Industry background

Exhibit 113: Segment of global pesticide industry and outlook (in USD bn)

Segments (USD billion)	CY22	CY28P	OUTLOOK
Crop market			
Herbicides	29	~40	4.5%-5.5%
Fungicides	18	~25	4.5%-5.5%
Insecticides	17	~23	4.5%-5.5%
Others	6	~7	1.5%-2.0%
Total crop market	70	~95	5.0%-6.0%
Non-crop market	11	~14	4.1%-5.0%
Total global pesticides market	81	~109	5.0%-6.0%

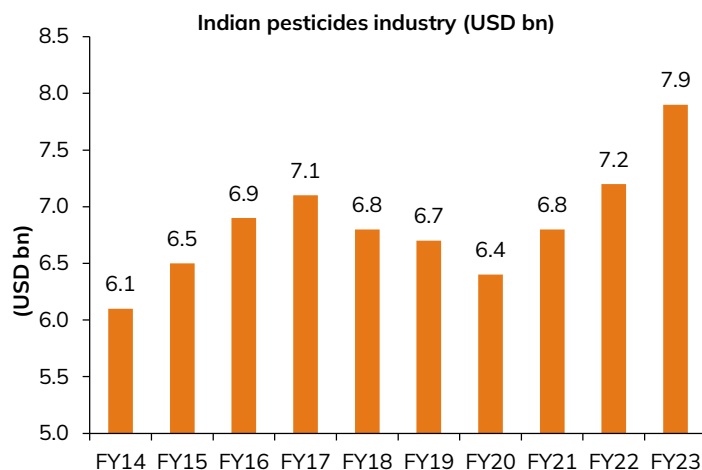
Source: CareEdge Research estimates based on industry resources, I-Sec research

Exhibit 114: Trend in the global pesticides market (USD bn)



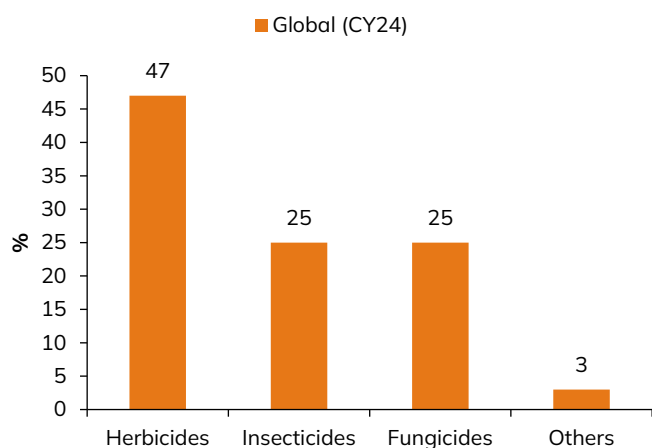
Source: UPL annual report, I-Sec research

Exhibit 115: Indian pesticides industry (USD bn)



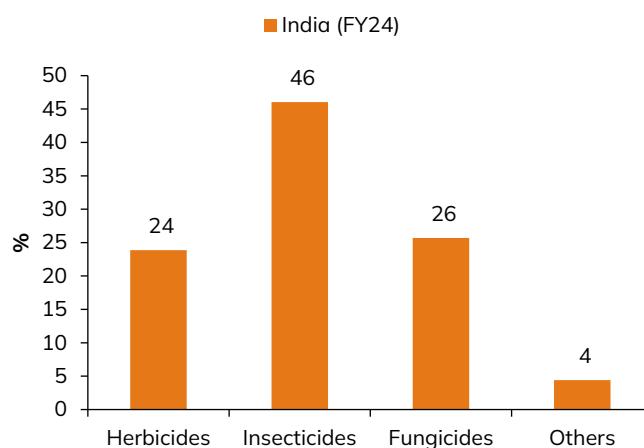
Source: Department of Chemicals and Petrochemicals, I-Sec research

Exhibit 116: Global pesticides usage is skewed towards herbicides

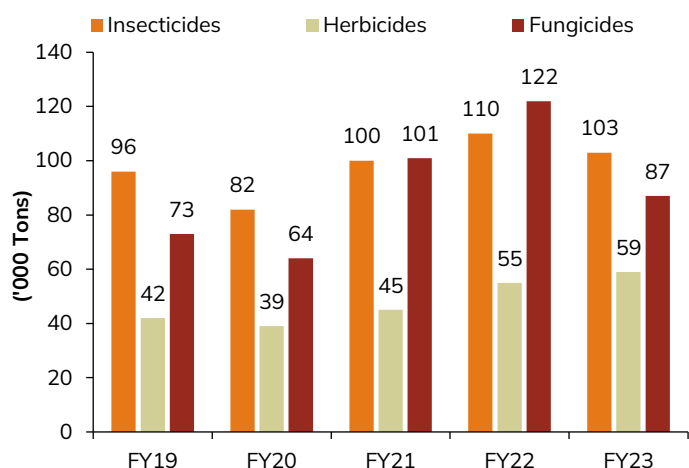


Source: I-Sec research, UPL annual report

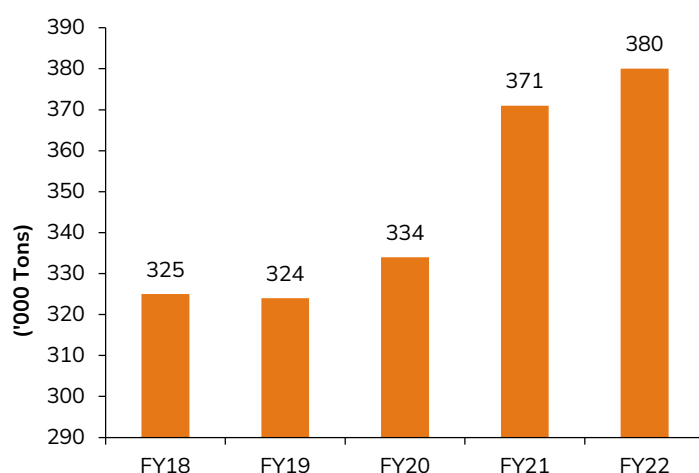
Exhibit 117: India pesticides usage is skewed towards insecticides



Source: I-Sec research, [Ppqs.gov.in](https://pqs.gov.in) ex miscellaneous

Exhibit 118: Trend in production of pesticides in India

Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

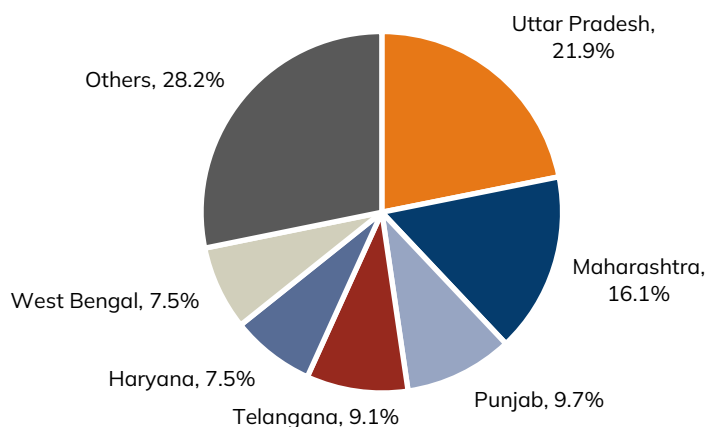
Exhibit 119: Trend in production capacity of pesticides in India

Source: Department of Chemicals and Petrochemicals, I-Sec research; The capacity refers only to technical grade

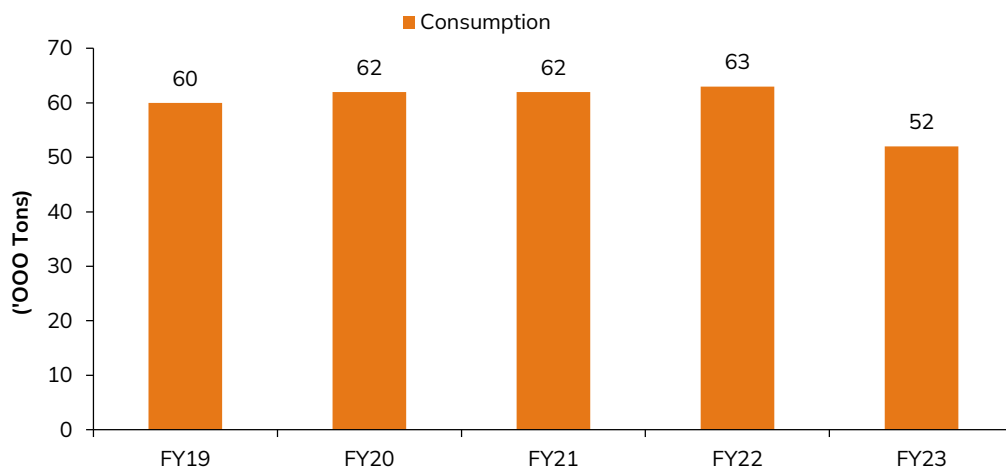
Exhibit 120: Estimates of pesticides production in India by FY28 for technical grade ('000 tonnes)

Segments	FY23	FY28P	CAGR
Insecticides	103	~130	4.5%-5.0%
Fungicides	87	~102	2.5%-3.5%
Herbicides	59	~80	6.0%-6.5%
Others	9	~11	5.0%-5.5%
Total	258	~323	4.0%-5.0%

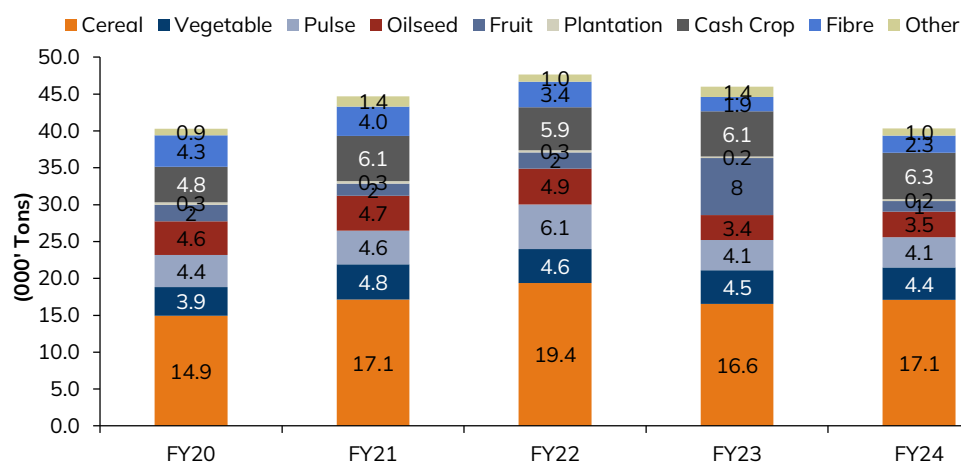
Source: Directorate of Plant Protection, Quarantine & Storage, CareEdge Research estimates based on industry sources, I-Sec research

Exhibit 121: Top 6 states consumed ~72% of pesticides of India's consumption

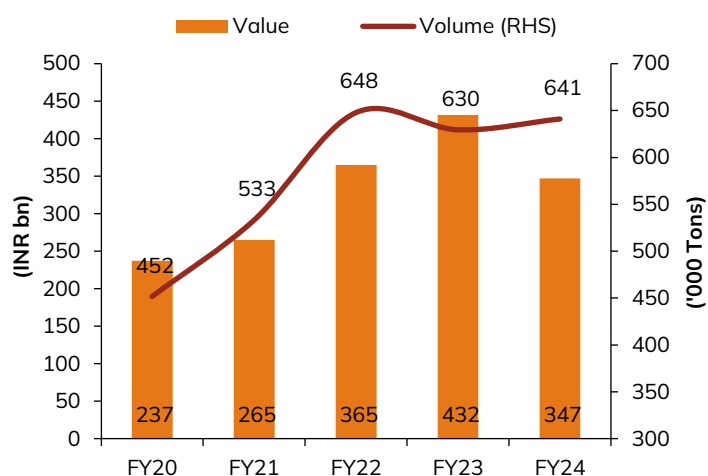
Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 122: India's pesticides consumption ('000 tonnes) trend

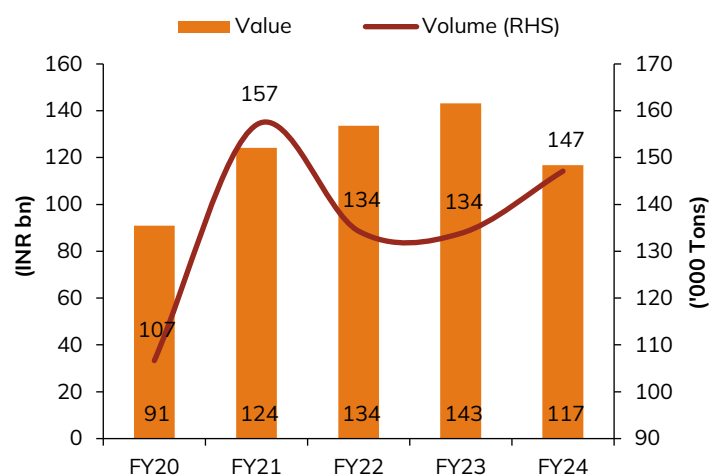
Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 123: Commodity-wise consumption of chemical pesticides in India

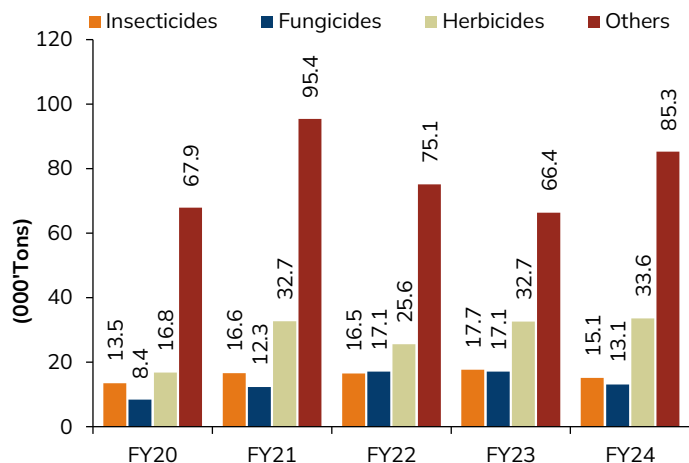
Source: Directorate of Plant Protection, Quarantine & Storage, Company data

Exhibit 124: Export of pesticides

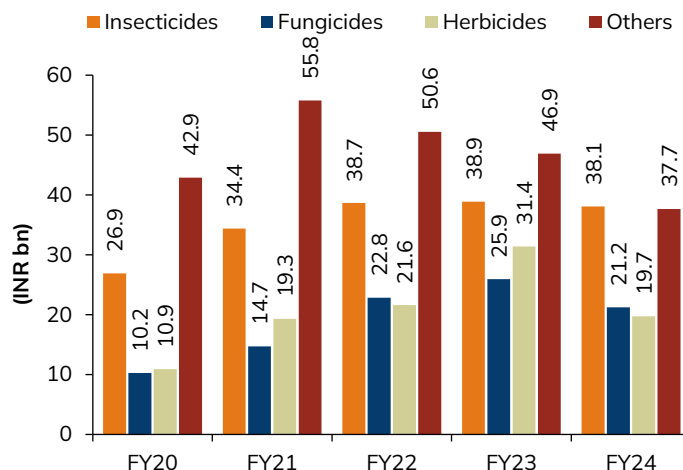
Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 125: Import of pesticides

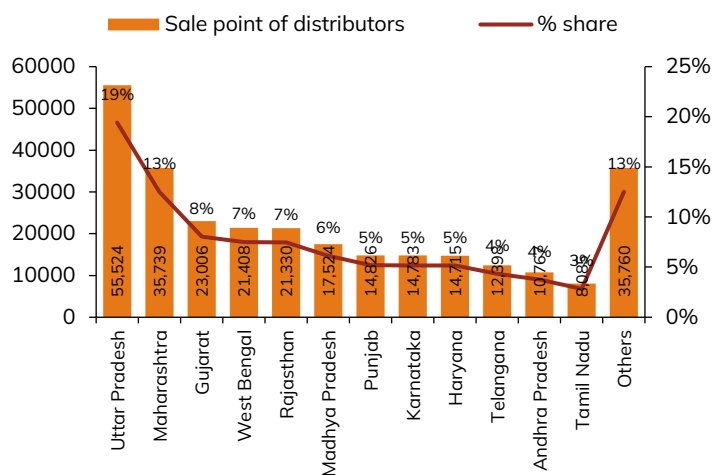
Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 126: Import of pesticides – volume trend

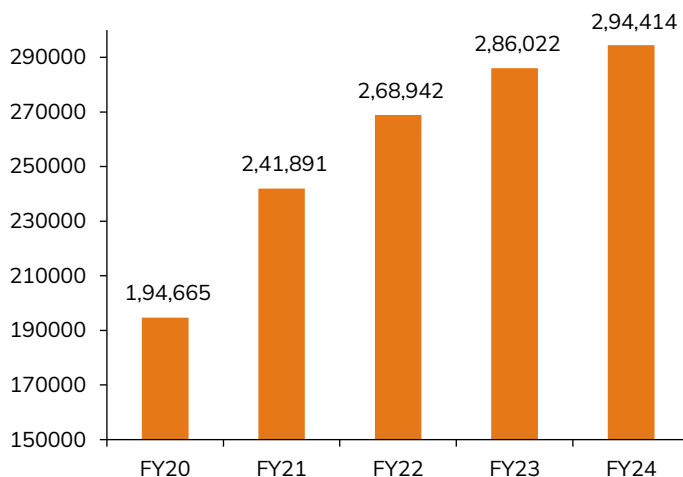
Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 127: Import of pesticides – value trend

Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

Exhibit 128: State-wise no. of distributor

Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

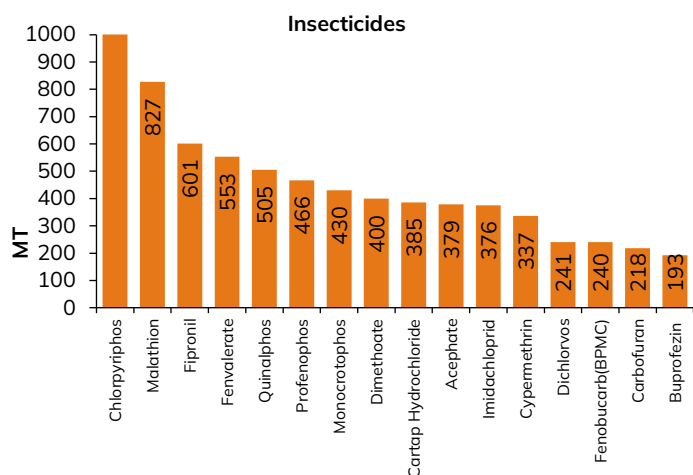
Exhibit 129: Sale point of distributors

Source: Directorate of Plant Protection, Quarantine & Storage, I-Sec research

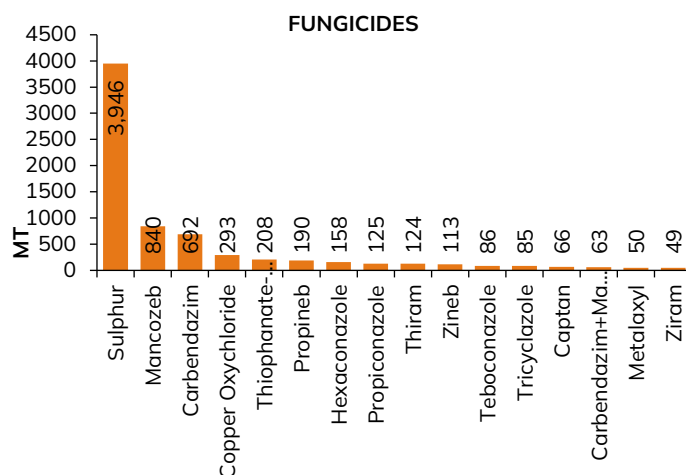
Exhibit 130: Generic crop protection market update: 19 active ingredients coming off patent by CY28

Molecule	Year	Type	Description
Bixafen (Bayer Crop Science)	CY23	Fungicide	Broad spectrum fungicide for cereals.
Isoprazam (Syngenta AG)	CY23	Fungicide	Broad spectrum fungicide. Controls a wide range of fungal pathogens including Septoria tritici, Puccinia recondita, and Puccinia striiformis on wheat; Pyrenophora teres, Rhynchosporium secalis, and Ramularia colloctygni on barley; Puccinia recondita on rye; and tritica and Pyrenophora avenae on oats. It also controls Mycosphaerella fijiensis on banana.
Mandipropamid (Syngenta AG)	CY23	Fungicide	Late blight of potato and tomato. Also used in tobacco, F&V, and vine.
Chlorantraniliprole (Corteva/FMC)	CY24	Insecticide	Chewing insects of soybean, F&V, rice, cotton, maize, pome fruit, sugarcane potato, and cereals.
Flubendiamide (Bayer Crop Science)	CY24	Insecticide	Mainly effective for controlling lepidopteron pests including resistant strain in rice, cotton, corn, grapes, other fruits, and vegetables.
Fluopicolide (Bayer Crop Science)	CY24	Fungicide	Fungicide for grapes, potatoes, fruits, and vegetables.
Fluopyram (Bayer Crop Science)	CY24	Fungicide	Fungicide for grapes, potatoes, fruits, and vegetables.
Penflufen (Bayer Crop Science)	CY24	Fungicide	Potato: Black Scurf (Rhizoctonia solani), Silver Scurf (Helminthosporium solani), Dry rot (Fusarium spp.). Cereals: Root rot (Rhizoctonia spp.), Smut, (Rape, Soybean, Cotton), and a number of seed-borne pathogens.
Penthiopyrad (Corteva Agriscience)	CY24	Fungicide	It offers unique RootingPower that results in stronger, healthier roots for higher crop productivity.
Pyriofenone (Ishihara)	CY24	Fungicide	Fungicide developed for the control of powdery mildew in cereals and grape vines.
Pyroxulam (Corteva Agriscience)	CY24	Herbicide	Broad spectrum grass and broadleaf weeds of cereals
Saflufenacil (BASF)	CY24	Herbicide	Broadleaf weeds of soybean, maize, sugarcane, cereals, non-crop, and orchards.
Sedaxane (Syngenta AG)	CY24	Fungicide	Long-lasting protection against difficult-to-control seed-, soil-, and air-borne pathogens such as: Rhizoctonia spp., Ustilago spp. (on cereals), Tilletia caries, Urocystis occulta, Pyrenophora graminea, Microdochium nivale, Typhula spp., Sphacelotheca reiliana, Macrophomina, Sclerotium spp. and also some activity on Verticillium, Phoma, Helminthosporium solani, Phakopsora, Cochliobolus sativus of cereals, soybeans, canola/oilseed rape, corn, potatoes, rice, sugar beets, cotton, and pulses. It offers unique RootingPower that results in stronger, healthier roots for higher crop productivity.
Thiencarbazone-methyl (Bayer Crop Science)	CY24	Herbicide	Herbicide used for the selective control of grasses and broadleaf weeds primarily in corn.
Valifenalate (Ishihara)	CY24	Fungicide	Used to control mildew in many crops including grapes, potatoes, and tomatoes.
Cyantraniliprole (Corteva/FMC/Syngenta)	CY26	Insecticide	Effective against the larval stages of lepidopteran insects; and also on thrips, aphids, and some other chewing and sucking insects on a variety of crops.
Pinoxaden (Syngenta AG)	CY26	Herbicide	Highly selective systemic herbicide used to control monocotyledonous grass weeds in crops such as wild oats, rye-grass, and black grass in winter and spring wheat and winter and spring barley. Controls a broad spectrum of grass weeds in wheat.
Sulfoxaflor (Corteva Agriscience)	CY27	Insecticide	Sucking pests of turf, soybean, cotton, cereals, and F&V.
Benzovindiflupyr (Syngenta AG)	CY28	Fungicide	Control broad range of fungal diseases-blight, mildew, rust, scab, leafspot on corn, soybean, ornamentals, turf, etc

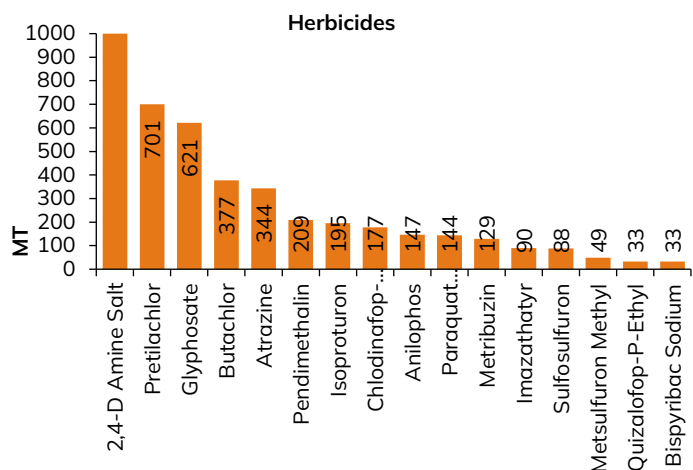
Source: S&P Global, www.agribusinessglobal.com

Exhibit 131: Consumption of indigenous key insecticides

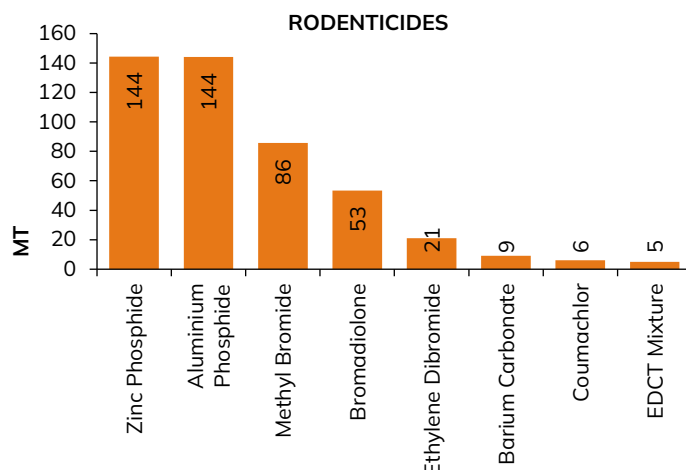
Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

Exhibit 132: Consumption of indigenous key fungicides

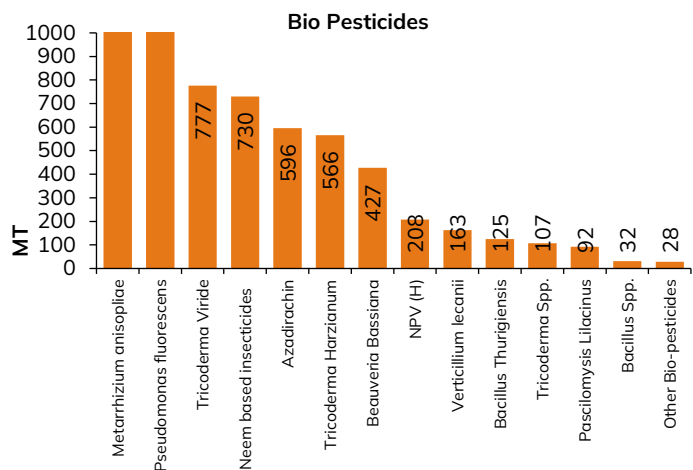
Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

Exhibit 133: Consumption of indigenous key herbicides

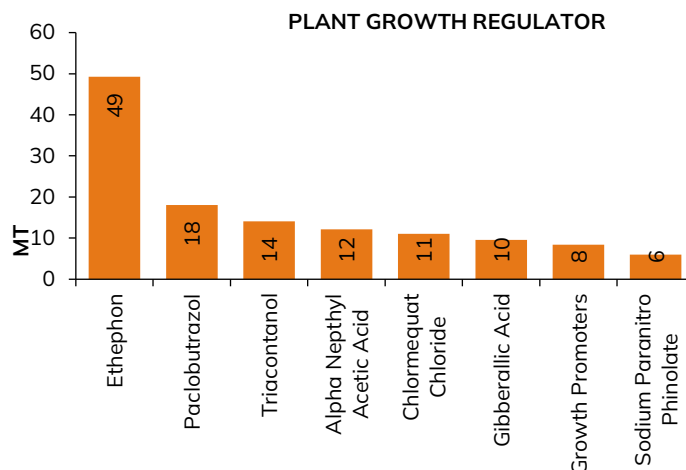
Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

Exhibit 134: Consumption Of indigenous key rodenticides

Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

Exhibit 135: Consumption of indigenous key bio-pesticides

Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

Exhibit 136: Consumption Of indigenous PGR pesticides

Source: I-Sec research, Directorate of Plant Protection, Quarantine & Storage

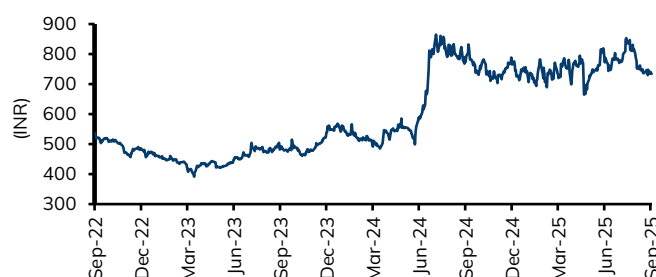
Exhibit 137: All the top 20 selling pesticides in the world are generics

Rank	Active Ingredient	Sales (USD mn)	Remark
1	Glyphosate	7,898	Generic Herbicide
2	Chlorantraniliprole	1,933	Generic Insecticide
3	Glufosinate	1,533	Generic Herbicide
4	Atrazine	1,414	Generic Herbicide
5	Azoxystrobin	1,404	Generic Fungicide
6	Thiamethoxam	1,161	Generic Insecticide
7	Prothioconazole	1,151	Generic Fungicide
8	Metolachlor	1,099	Generic Herbicide
9	Pyraclostrobin	1,002	Generic Fungicide
10	2,4-D	984	Generic Herbicide
11	Imidacloprid	959	Generic Insecticide
12	Mancozeb	955	Generic Fungicide
13	Paraquat	895	Generic Herbicide
14	Tebuconazole	874	Generic Fungicide
15	Dicamba	849	Generic Herbicide
16	Acetochlor	811	Generic Herbicide
17	Lambda-Cyhalothrin	736	Generic Insecticide
18	Trifloxystrobin	687	Generic Fungicide
19	Abamectin	682	Generic Fungicide
20	Acephate	667	Generic Insecticide

Source: I-Sec research, Agribusiness by S&P Global (Accessed on 3rd July 2024) [News.agropages.com](https://www.news.agropages.com)**Exhibit 138: Shareholding pattern**

%	Dec'24	Mar'25	Jun'25
Promoters	67.6	67.6	67.5
Institutional investors	13.4	13.0	12.3
MFs and others	3.5	3.2	3.2
FIs/Banks	0.0	0.0	0.0
Insurance	2.6	2.1	1.5
FIIIs	7.3	7.7	7.6
Others	19.0	19.4	20.2

Source: Bloomberg, I-Sec research

Exhibit 139: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 140: Profit & Loss

(INR Mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	93,828	1,03,567	1,13,395	1,24,762
EBITDA	8,162	8,737	10,163	13,119
EBITDA Margin (%)	8.7	8.4	9.0	10.5
Depreciation & Amortization	2,261	2,531	2,709	2,898
EBIT	5,901	6,206	7,454	10,222
Interest expenditure	1,334	1,117	1,117	1,117
Other Non-operating Income	435	435	435	435
PBT	5,002	5,524	6,772	9,540
Profit / (Loss) from Associates	536	546	535	573
Less: Taxes	1,504	1,390	1,704	2,401
PAT	3,498	4,134	5,067	7,139
Less: Minority Interest	(264)	(152)	(90)	24
Net Income (Reported)	4,297	4,832	5,693	7,687
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	4,297	4,832	5,693	7,687

Source Company data, I-Sec research

Exhibit 141: Balance sheet

(INR Mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	21,935	24,698	27,711	31,706
of which cash & cash eqv.	393	1,093	2,180	4,203
Total Current Liabilities & Provisions	13,482	14,663	15,761	16,837
Net Current Assets	8,453	10,034	11,951	14,869
Other Non Current Assets	-	-	-	-
Net Fixed Assets	25,675	25,845	26,086	26,238
Other Fixed Assets	2,649	2,649	2,649	2,649
Capital Work-in-Progress	639	639	639	639
Non Current Investment	4,262	4,304	4,347	4,391
Current Investments	-	-	-	-
Deferred Tax assets	-	-	-	-
Total Assets	41,678	43,471	45,672	48,786
Liabilities				
Borrowings	13,960	13,960	13,960	13,960
Deferred Tax Liability	1,433	1,433	1,433	1,433
Lease Liability	-	-	-	-
other Liabilities	260	273	286	301
Equity Share Capital	1,923	1,923	1,923	1,923
Reserves & Surplus	21,886	23,819	26,097	29,171
Total Net Worth	23,809	25,742	28,019	31,094
Minority Interest	2,216	2,064	1,973	1,998
Total Liabilities	41,678	43,471	45,672	48,786

Source Company data, I-Sec research

Exhibit 142: Quarterly trend

(INR mn, year ending March)

	Sep-24	Dec-24	Mar-25	Jun-25
Net Sales	24,488	24,496	21,336	26,143
% growth (YOY)	4%	0%	-13%	23%
EBITDA	2,234	2,200	1,467	2,697
Margin %	9%	9%	7%	10%
Other Income	126	87	130	119
Extraordinaries	0	0	0	0
Adjusted Net Profit	1,123	1,115	708	1,605

Source Company data, I-Sec research

Exhibit 143: Cashflow statement

(INR Mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Cash flow from Operation	8,590	9,283	10,698	13,692
Working Capital Changes	2,569	(869)	(815)	(880)
Tax	(1,465)	(1,390)	(1,704)	(2,401)
Operating Cash Flow	9,693	7,023	8,178	10,411
Capital Commitments	(2,116)	(2,700)	(2,950)	(3,050)
Free Cashflow	7,577	4,323	5,228	7,361
Other investing cashflow	1,301	392	392	391
Cashflow from Investing Activities	(815)	(2,308)	(2,558)	(2,659)
Inc (Dec) in Borrowings	(591)	-	-	-
Interest Cost	(1,219)	(1,117)	(1,117)	(1,117)
Others	(7,199)	(2,899)	(3,416)	(4,612)
Cash flow from Financing Activities	(9,008)	(4,016)	(4,533)	(5,729)
Chg. in Cash & Bank balance	(130)	699	1,087	2,023
Closing cash & balance	393	1,093	2,180	4,203

Source Company data, I-Sec research

Exhibit 144: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Recurring EPS	22.3	25.1	29.6	40.0
Diluted EPS	22.3	25.1	29.6	40.0
Recurring Cash EPS	34.1	38.3	43.7	55.0
Dividend per share (DPS)	11.0	15.1	17.8	24.0
Book Value per share (BV)	123.8	133.8	145.7	161.7
Dividend Payout (%)	49.2	60.0	60.0	60.0
Growth (%)				
Net Sales	(1.9)	10.4	9.5	10.0
EBITDA	16.4	7.0	16.3	29.1
EPS (INR)	19.5	12.5	17.8	35.0
Valuation Ratios (x)				
P/E	30.8	27.4	23.2	17.2
P/CEPS	20.2	18.0	15.7	12.5
P/BV	5.6	5.1	4.7	4.3
EV / EBITDA	17.9	16.6	14.2	10.8
EV / Operating Income	23.0	21.9	18.3	13.3
Dividend Yield (%)	1.6	2.2	2.6	3.5
Operating Ratios				
Gross Margin (%)	26.0	25.7	26.3	27.8
EBITDA Margins (%)	8.7	8.4	9.0	10.5
Effective Tax Rate (%)	30.1	25.2	25.2	25.2
Net Profit Margins (%)	4.6	4.7	5.0	6.2
NWC / Total Assets (%)	20.3	23.1	26.2	30.5
Working Capital Days	40.4	43.0	42.7	42.6
Net Debt / Equity (%)	57.0	50.0	42.0	31.4
Profitability Ratios				
RoCE (%)	9.9	11.4	13.0	16.8
RoCE (Pre-tax) (%)	14.2	15.2	17.4	22.5
RoE (%)	17.5	19.5	21.2	26.0
Fixed Asset Turnover (x)	2.5	2.6	2.6	2.7
Inventory Turnover Days	55.4	59.3	58.7	58.3
Receivables Days	22.0	23.4	23.3	23.3
Payables Days	37.1	39.7	39.3	39.0

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
