

March 26, 2026

Namdhari Seeds Private Limited: [ICRA]BB+(Stable)/[ICRA]A4+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	142.00	[ICRA]BB+(Stable); assigned
Long term - Term loans	70.06	[ICRA]BB+(Stable); assigned
Long term – Fund based - Packing credit in foreign currency	63.00	[ICRA]BB+(Stable); assigned
Long term - Standby line of credit	40.00	[ICRA]BB+(Stable); assigned
Short term – Non-fund-based facilities	8.00	[ICRA]A4+; assigned
Long term/Short term - Unallocated	0.94	[ICRA]BB+(Stable)/[ICRA]A4+; assigned
Total	324.00	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to Namdhari Seeds Private Limited (NSPL) consider the company's established position as a major player in the domestic vegetable seed industry, where it is a leading player in key crops such as tomato, okra, chilli, and watermelon. The ratings factor in the company's strong operational profile, with a large distribution network, a diversified crop base, and presence across multiple states as well as export markets. Additionally, the company benefits from a robust product mix with a high share of hybrid seeds and well-established R&D capabilities that drive continuous new product development. The ratings also consider the company's expansion into the highly remunerative American markets through its acquisition of the US arm of Axia Seeds, which the company has renamed Namdhari US Agriseeds.

In FY2025, the profitability in the seeds category was adversely impacted by losses in the fresh farm segment, which caters to the export market as well as domestic commercial and retail customers. Further, the revenue growth remained muted during the year owing to weak chilli production in the country; chilli being a major crop for the company.

The company's standalone performance improved in 9M FY2026, with the operating profitability recovering from the subdued levels seen in FY2025. At a standalone level, the operating profit margin (OPM) improved to about 15.2% in 9M FY2026 from 8.6% in FY2025, aided by the absence of losses in the farm fresh segment and a recovery in operating performance. Further, the recently acquired US business reported a healthy performance in CY2025, with revenues of around USD 14.8 million and an OPM of approximately 17.9%. The performance of the US operations is expected to remain healthy in CY2026, with the revenues likely to scale up further and the operating profitability seen to improve, driven by higher operating leverage and benefits of scale.

However, the rating is constrained by the relatively modest scale and weak profitability of the company's retail segment under Namdhari Agro Fresh Company Limited {(NAFPL) (NSPL's retail business subsidiary)}. NAFPL continues to report operating losses and maintain high leverage, which together weigh on the consolidated profitability and overall credit profile. NAFPL reported revenues of Rs. 155.9 crore in FY2025 and Rs. 110.8 crore in 9M FY2026, while continuing to incur operating and net losses. Further, the consolidated liquidity profile remains stretched due to the commencement of relatively large debt repayment obligations at NAFPL.

In addition, the seed business is characterised by high working capital intensity because of elevated inventory requirements across the production and sales cycle, which constrain the liquidity. Further, the business remains susceptible to risks inherent

in the agriculture sector, including dependence on weather patterns and agro-climatic conditions, which can result in volatility in production and operating performance.

The Stable outlook on NSPL's rating reflects ICRA's opinion that the company will continue to benefit from its established position as a major player in the domestic vegetable seed industry despite the challenges in its retail business.

Key rating drivers and their description

Credit strengths

Established position as a market leader in domestic vegetable seed industry – NSPL has an established position in the domestic vegetable seed industry, with a strong presence as one of the top 5 producers of seeds for major crops such as tomato, okra, chilli and watermelon. The company benefits from a long operating track record, a wide distribution network across major agricultural regions, presence in important export markets and a large product base consisting of seeds for multiple crops, including vegetables, fruits, flowers and foodgrains like paddy. Its leadership position supports stable demand and pricing power to an extent, while its large distribution network provides a competitive moat for the company.

Strong business profile in seed business –The company's seed business is underpinned by a diversified product portfolio, a high share of hybrid seeds and strong in-house R&D capabilities. The focus on self-developed hybrids enhances the margins compared to traded seeds and strengthens the competitive positioning. Further, geographic diversification across multiple states and export markets mitigates region-specific risks, supporting revenue stability and contributing positively to the overall business profile.

Healthy growth prospects in recently acquired US business– The acquisition of the US-based open-field vegetable seed business of Axia Seeds in February 2025, which was subsequently renamed Namdhari USAgriseeds Inc., provides NSPL with access to higher realisation markets and a platform for international growth. The US business has demonstrated a healthy revenue of USD 14.8 million and operating margin of around 17.9% in CY2025, supported by an improving product mix. Going forward, the US business is expected to scale up in revenue by leveraging the acquired entity's established distribution network in the region. The profitability, too, is expected to improve because of the increasing share of internally developed products that have higher margins, realisation of economics of scale, along with the margin benefits from integrating NSPL's low-cost production and breeding capabilities in India with the US operations.

Credit challenges

Moderate financial profile characterised with high leverage, modest coverage indicators and stretched liquidity position – The company's overall financial profile remains moderate, marked by elevated leverage levels and modest debt coverage indicators with gearing of 1.3x, TD/OPBDITA of 11.6x and DSCR of 0.7x at a consolidated level at the end of FY2025. Despite the improvement in profitability at a standalone level, with the OPM expanding to 15.2% in 9M FY2026 from 8.6% in FY2025, the leverage and coverage indicators are expected to remain subdued in FY2026 due to continued losses at NAFPL. The liquidity remains stretched due to the sizeable debt repayments, elevated working capital requirements and high utilisation of bank limits, while any meaningful deleveraging depends on sustained profitability and timely execution of the asset monetisation plans.

Low profitability and modest scale in retail business - The retail business under NAFPL continues to exhibit weak profitability and a modest scale, with persistent operating losses weighing on the consolidated performance. In FY2025, NAFPL had a revenue of Rs. 154.9 crore with an operating margin of -2.6%, while the revenue remained moderate at Rs. 110.9 crore in 9M FY2026. High fixed costs, geographic concentration and limited scalability render the segment structurally vulnerable. The cash losses from this business continue to exert pressure on the consolidated profitability and liquidity.

High working capital intensity - NSPL’s operations are inherently working-capital intensive due to long production cycles and the need to maintain significant inventory in the seed business. The inventory holding levels remain elevated, resulting in sustained reliance on working capital borrowings. Additionally, extended receivables — partly due to the support extended to group entities — further stretch the working capital cycle at a standalone level, constraining the liquidity and increasing the sensitivity to demand fluctuations.

Inherent exposure to agriculture sector risks, including weather and climate-related factors - The company remains exposed to risks inherent in the agriculture sector, including the dependence on monsoons, weather variability, pest incidence and agro-climatic conditions. These factors can affect the crop acreage, farmer purchasing behaviour and seed demand, resulting in volatility in revenues and inventory levels. While geographic and crop diversification provides partial mitigation, such risks continue to influence the business and financial performance.

Liquidity position: Stretched

NSPL’s liquidity is stretched with high working capital intensity and repayment obligations of ~Rs. 18 crore for NAFPL and ~Rs. 13 crore at a standalone level in FY2027 which are relatively large compared to expected cash flow from operation at a consolidated level and the limited cushion in existing working capital limits with unutilised limits of ~Rs. 6 crore as on January 31, 2026 and an average of ~90% utilisation against total sanctioned limits of ~Rs. 205 crore.

Rating sensitivities

Positive factors – The ratings could be upgraded if liquidity improves through debt restructuring and/or equity infusion and/or asset monetisation, with proceeds utilised to reduce debt, leading to improvement in leverage and coverage metrics.

Negative factors – A downgrade may be triggered in the event of sustained moderation in revenue accompanied by weakening profitability further impacting the coverage indicators and liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Retail Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidated

About the company

Namdhari Seeds Private Limited (NSPL), incorporated in 1985, is a Bengaluru-based vegetable seed company engaged in the breeding, production and marketing of hybrid vegetable seeds. The company has established itself as one of the leading players in the domestic vegetable seed segment, supported by a long operating track record, a strong R&D orientation and an integrated seed value chain.

The company produces seeds across eight major locations in India. It is one of the largest contract producers of vegetable seeds in India and has a rated production capacity of 1,200 MT per annum. NSPL also undertakes contract production for around 35 international clients, reflecting a diversified customer base and established global linkages.

NSPL has a well-entrenched domestic distribution network spanning 2,710 distributors and more than 24,000 dealers, along with 17 marketing offices across India. It covers all major agricultural regions in north, south, east, west, central, and

north-central India. Its international presence includes sales and distribution offices across Asia, West Asia and Africa, along with breeding/trial centres and seed production centres in Asia, Europe and Africa.

An experienced leadership team ensures management oversight. The Namdhari Group employs over 1,200 personnel across geographies. The Group CEO, Mr. Gurmukh Singh Ropra, has close to two decades of experience in corporate management and strategy. The president of the seeds business, Mr. Sameer Sawanth, brings over 20 years of global experience in the seed industry and overseas sales, distribution and R&D functions. The research vertical is led by a team of qualified scientists and crop leads.

Key financial indicators (audited)

Namdhari Seeds Private Limited (consolidated)	FY2024	FY2025
Operating income	580.1	627.4
PAT	13.9	-32.4
OPBDIT/OI	11.0%	6.3%
PAT/OI	5.8%	7.4%
Total outside liabilities/Tangible net worth (times)	1.1	1.8
Total debt/OPBDIT (times)	4.8	11.6
Interest coverage (times)	2.1	1.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Namdhari Seeds Private Limited (Standalone)	FY2024	FY2025	9M FY2026
Operating income	472.1	481.2	325.1
PAT	51.0	1.5	23.4
OPBDIT/OI	16.3%	8.6%	15.2%
PAT/OI	10.8%	0.3%	7.2%
Total outside liabilities/Tangible net worth (times)	0.7	0.9	0.9
Total debt/OPBDIT (times)	2.8	6.8	4.3
Interest coverage (times)	3.8	1.6	2.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 26, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	142.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Fund based - Export packing credit	Long term	63.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Unallocated limits	Long term/Short term	0.94	[ICRA]BB+ (Stable)/[ICRA]A4+	-	-	-	-	-	-
Fund based - Standby line of credit	Long term	40.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Fund based - Term loan	Long term	70.06	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Non-fund based - Others	Short term	8.00	[ICRA]A4+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based - Term loan	Simple
Long term – Fund based - Packing credit in foreign currency	Simple
Long term – Fund based - Cash credit	Simple
Long term – Fund based - Standby line of credit	Simple
Short term - Non-fund based - Others	Simple
Long term/Short term - Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	130.00	[ICRA]BB+ (Stable)
NA	Cash credit	NA	NA	NA	12.00	[ICRA]BB+ (Stable)
NA	Packing credit in foreign currency	NA	NA	NA	35.00	[ICRA]BB+ (Stable)
NA	Packing credit in foreign currency	NA	NA	NA	28.00	[ICRA]BB+ (Stable)
NA	Term loan-I	NA	NA	FY2031	12.72	[ICRA]BB+ (Stable)
NA	Term loan-II	NA	NA	FY2029	9.17	[ICRA]BB+ (Stable)
NA	Term loan-III	NA	NA	FY2031	19.17	[ICRA]BB+ (Stable)
NA	Term loan-IV	NA	NA	FY2033	22.00	[ICRA]BB+ (Stable)
NA	Term loan-V	NA	NA	FY2030	7.00	[ICRA]BB+ (Stable)
NA	SBLC	NA	NA	NA	40.00	[ICRA]BB+ (Stable)
NA	Non-fund based	NA	NA	NA	8.00	[ICRA]A4+
NA	Unallocated limits	NA	NA	NA	0.94	[ICRA]BB+ (Stable)/ [ICRA]A4+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	NSPL ownership	Consolidation approach
Namdhari Seeds Private Limited	100.00% (rated entity)	Full consolidation
Namdhari Seeds USA Inc.	100.00%	Full consolidation
Namdhari USAgriseeds Inc.		
Namdhari Agro Fresh Private Limited	60.24%	Full consolidation
Namdhari Seeds Tohumculuk Ticaret Limited Siriketi	100.00%	Full consolidation
Namdhari Greens Private Limited	100.00%	Full consolidation
Namdhari Farms Private Limited	100.00%	Full consolidation
Namdhari SIAM Seeds Co. Limited	49.00%	Equity method
SJS Healthcare Limited	32.89%	Equity method
Anglo Indian Flower Breeders Private Limited	50.00%	Equity method
Nikko Namdhari Foods Private Limited	49.67%	Equity method
Dairy Tales Namdhari Private Limited	8.61%	Equity method
M/s Namdhari Seeds	10.00%	Equity method

Source: NSPL annual report FY2025

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