

April 29, 2026

GSP Crop Science Limited: Ratings upgraded to [ICRA]A+ (Stable)/[ICRA]A1

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based - Term loan	48.08	55.18	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)
Long term fund based - Working capital term loan	16.85	7.98	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable)
Long term/Short term – Fund based – Others	227.50	267.50	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Stable)/[ICRA]A2+
Long term/Short term – Non-fund based – Other	5.50	5.50	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Stable)/[ICRA]A2+
Short term fund based/non-fund based – Others	15.00	15.00	[ICRA]A1; upgraded from [ICRA]A2+
Short term non-fund based - Others	150.00	165.00	[ICRA]A1; upgraded from [ICRA]A2+
Long term/Short term unallocated limits	63.88	-	-
Total	526.81	516.16	

*Instrument details are provided in Annexure II

Rationale

The upgrade in the ratings of GSP Crop Science Limited (GSP) reflects an improvement in the company's operating performance in FY2025 and 9M FY2026, along with a material strengthening of its financial risk profile following the successful completion of the initial public offering (IPO) in March 2026. The company has demonstrated healthy revenue growth, supported by volume expansion, a favourable shift in the product mix towards patented and differentiated products and an improving operating efficiency. The profitability strengthened in FY2025 and further in 9M FY2026, aided by increasing contribution from patented combination products, a better inventory discipline and an improved cost structure, which has translated into robust cash accruals and comfortable coverage indicators. With the company progressing on backward integration initiatives, the profitability is expected to remain healthy over the medium term.

The IPO has been a key credit positive, with a significant portion of the fresh issue proceeds utilised towards the repayment and prepayment of both long-term and short-term borrowings. The resultant reduction in debt has led to a marked improvement in the leverage and coverage metrics and liquidity position, materially strengthening the balance sheet and the overall credit profile. Post the IPO, GSP benefits from adequate liquidity buffers to manage the seasonal working capital requirements and withstand business volatility, and the absence of large debt-funded capex plans is expected to support the comfort in its capital structure, going forward.

The ratings also factor in GSP's long operating track record in the agrochemical industry, its diversified product portfolio and customer base across domestic and export markets, and its well-established distribution network spanning B2B, B2C and exports. However, the recent geopolitical tensions, particularly in West Asia, and the disruptions in global shipping routes, have led to logistical challenges such as shipment delays, higher freight costs and insurance-related issues, which impacted the timing of certain export shipments. However, the management has indicated that export demand remains stable and the impact has largely been logistical rather than demand-driven. ICRA also notes the company's reliance on China for nearly 40%

of its total raw material procurement. With the ongoing conflict, the prices of key raw materials have firmed up and the company has been able to pass on up to 10-15% of the increase to its B2B customers. ICRA notes that any prolonged disruptions could result in elevated working capital requirements and near-term margin pressure and will be key monitorable.

The ratings remain constrained by the inherently competitive nature of the agrochemical industry, along with the exposure to potential adverse regulatory changes and the vulnerability of the operations to agro-climatic conditions. In addition, the company remains exposed to the volatility in raw material prices and foreign exchange movements, given its dependence on imported inputs, although this is partly mitigated by export-linked natural hedging and increasing backward integration. Overall, ICRA expects GSP's credit profile to remain comfortable over the medium term, supported by its strengthened balance sheet post IPO, sustained profitability and adequate liquidity, notwithstanding the prevailing industry and geopolitical risks.

The Stable outlook on the [ICRA]A+ rating reflects ICRA's opinion that GSP will continue to benefit from the vast experience of its promoters and its established track record over the years, enabling it to generate a steady growth in operating income and a comfortable cash flow.

Key rating drivers and their description

Credit strengths

Diverse product portfolio and well-established presence in agrochemical industry - GSP has an established presence of around four decades in the agrochemical industry. The company has grown its business by consistently modernising, enhancing its production capacity and catering to many large agrochemical companies. GSP has a well-diversified portfolio of products across segments, such as insecticides, herbicides, fungicides, and plant growth regulators. It has a diversified revenue profile with branded sales contributing 35-40% to the revenue and exports accounting for 11%. Further, the dependence on individual products is limited to below 10%.

Moderate customer concentration risk - The company caters to a diversified customer base across the international and domestic markets. GSP's products are exported to 39 countries covering the US, Uruguay, Brazil, Vietnam, Singapore, the UAE, etc. The company has a pan-India presence with majority of the domestic sales in six to seven states. The company has been receiving repeat orders from its existing customers.

Comfortable financial profile - The company's financial profile remains comfortable, supported by healthy scale and improving profitability. In FY2025, GSP reported an operating income of around Rs. 1,287 crore with OPBDITA margins of around 11.7% and PAT of about Rs. 82 crore, resulting in cash accruals of nearly Rs. 94 crore. The healthy performance continued into 9M FY2026, with an operating income of around Rs. 1,115 crore, improved operating margins of 13-14%, and PAT of Rs. 75 crore, reflecting a diversified product mix and higher contribution from patented products. The leverage and coverage indicators remained adequate, with interest coverage of ~5.5x and DSCR of ~2.4x, and are expected to strengthen further post the IPO-led debt reduction, supporting comfortable liquidity and financial flexibility.

Strong R&D capabilities with numerous patented products in portfolio and pipeline - GSP benefits from strong in-house R&D capabilities, which have enabled the company to steadily transition towards differentiated and patented products. The company has over 100 granted patents across geographies and maintains a healthy pipeline of ongoing patent filings. As of FY2026, 12 patented combination products have been commercialised, contributing 18-20% to the revenues, up from a low single-digit share a few years ago. These patented products offer longer protection periods and superior pricing power compared to generic products, supporting margin sustainability. The management's strategy to selectively launch new patented combinations over the medium term is expected to further strengthen the product differentiation and profitability.

Credit challenges

Working capital-intensive operations - GSP's working capital intensity remains elevated, with NWC/OI at ~31.8% in FY2025, primarily on account of the relatively high receivable days (110 days in FY2025). The company has, however, adopted a cautious approach towards inventory management and continues to follow a low inventory holding policy relative to the earlier years,

notwithstanding some build-up ahead of the peak selling season. As of September 2025, the inventory levels remained largely aligned with the operational requirements, with a typical increase expected towards March to cater to the demand during the April–June Kharif season. The company has maintained a provision of Rs. 20-25 crore towards doubtful debt and has also availed credit insurance for its branded business, which mitigates the risk of significant bad debt losses.

Regulated industry and exposure to agro-climatic risk - The agrochemical industry is highly regulated in both the international and domestic markets. Further, any new product takes 3-5 years to get registered. Poor monsoons translate into slower agrochemical offtake and, therefore, affect the performance of the agrochemical entities. However, the risk for GSP is mitigated, to some extent, by its diversified geographical presence across various countries and states in the domestic market.

Exposure to raw material procurement, price risk and foreign exchange volatility - GSP is exposed to fluctuations in raw material prices and foreign exchange volatility, as imports account for around 40% of total raw material procurement, with a significant portion sourced from China. While raw material prices had remained largely range-bound earlier, they have firmed up recently amid global uncertainty. The company manages its forex risk through forward contracts, typically hedging around 20–25% of its net foreign currency exposure over the upcoming 30–45 days.

During the period of heightened volatility in February–March 2026, the hedging coverage has been temporarily increased to around 40%, with the management indicating flexibility to adjust the hedge levels based on market conditions. Additionally, the company partially benefits from a natural hedge from both imports and exports. No hedging is undertaken for commodity price risk. The pricing flexibility, especially in the B2B and export segments, along with a rising share of differentiated products, provides partial mitigation against raw material cost and forex volatility.

Liquidity position: Adequate

GSP’s liquidity profile remains adequate, supported by healthy operational cash accruals and an improved balance sheet post the IPO. As on March 31, 2026, the company had cash and bank balances of around Rs. 153 crore, including unutilised IPO proceeds, providing a comfortable liquidity buffer. Further, the utilisation of fund-based working capital limits has moderated, post the utilisation of IPO proceeds towards debt repayment, resulting in improved availability of bank lines to meet the seasonal working capital requirements. The strengthened liquidity position, coupled with the absence of near-term debt repayment pressures and healthy internal accruals, is expected to support the company’s operations and capex requirements over the near to medium term.

Rating sensitivities

Positive factors – ICRA could upgrade GSP’s ratings if there is a consistent growth in earnings, along with the strengthening of the leverage and coverage metrics amid an improvement in the working capital cycle.

Negative factors – Pressure on GSP’s ratings could arise if the revenues and operating margins decline, resulting in lower cash flows on a sustained basis. A deterioration in the working capital cycle impacting the company’s liquidity position will also affect the ratings. Moreover, a total debt/OPBDITA above 1.5x on a sustained basis may result in a rating revision.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Agrochemicals
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of GSP, along with its subsidiaries, Rajdhani Petrochemicals Private Limited, GSP Intermediates Pvt Ltd and GSP Agroquimica Do Brasil Ltda

About the company

GSP Crop Science was promoted by Mr. Vrajmohan R. Shah in 1985 as a manufacturer of single super phosphate fertilisers. At present, it has expanded its product portfolio to include insecticides, herbicides, fungicides and plant growth regulators. A team of around 1,096 experienced employees work at all sites of the company. GSP's products reach its customers through 24 C and F depots and more than 5,000 dealers/distributors across India. The products are exported to more than 39 countries, covering US, Uruguay, Brazil, Vietnam, Singapore, UAE, etc.

Key financial indicators (audited)

GSP (consolidated)	FY2024	FY2025	9M FY2026*
Operating income	1,152.2	1287.4	1,114.6
PAT	61.3	82.1	75.1
OPBDIT/OI	10.8%	11.7%	13.4%
PAT/OI	5.3%	6.4%	6.7%
Total outside liabilities/Tangible net worth (times)	1.6	1.7	-
Total debt/OPBDIT (times)	1.9	2.0	-
Interest coverage (times)	3.7	4.9	5.5

Source: Company, ICRA Research; *Provisional numbers; 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

Current (FY2027)				Chronology of rating history for the past 3 years							
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Term loan	Long term	55.18	Apr 29, 2026	[ICRA]A+ (Stable)	-	-	Jan 27, 2025	[ICRA]A (Stable)	Nov 10, 2023	[ICRA]A- (Stable)	
Working capital term loan	Long term	7.98	Apr 29, 2026	[ICRA]A+ (Stable)	-	-	Jan 27, 2025	[ICRA]A (Stable)	Nov 10, 2023	[ICRA]A- (Stable)	
Fund based – Others	Long term/ Short term	267.50	Apr 29, 2026	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	Jan 27, 2025	[ICRA]A (Stable)/ [ICRA]A2+	Nov 10, 2023	[ICRA]A- (Stable)/ [ICRA]A2+	
Non-fund based – Other	Long term/ Short term	5.50	Apr 29, 2026	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	Jan 27, 2025	[ICRA]A (Stable)/ [ICRA]A2+	Nov 10, 2023	[ICRA]A- (Stable)/ [ICRA]A2+	
Fund based/non-fund based – Others	Short term	15.00	Apr 29, 2026	[ICRA]A1	-	-	Jan 27, 2025	[ICRA]A2+	Nov 10, 2023	[ICRA]A2+	

Non-fund based - Others	Short term	165.00	Apr 29, 2026	[ICRA]A1	-	-	Jan 27, 2025	[ICRA]A2+	Nov 10, 2023	[ICRA]A2+
Unallocated limits	Long term/ Short term	-	Apr 29, 2026	-	-	-	Jan 27, 2025	[ICRA]A (Stable)/ [ICRA]A2+	Nov 10, 2023	[ICRA]A- (Stable)/ [ICRA]A2+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$)

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

- (@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.
- (#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based - Term loan	Simple
Long term fund based - Working capital term loan	Simple
Long term/Short term – Fund based – Others	Simple
Long term/Short term – Non-fund based – Other	Simple
Short term fund based/non-fund based – Others	Simple
Short term non-fund based - Others	Simple
Long term/Short term unallocated limits	Not Applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term fund based - Term loan	April 2019 - March 2022	9.65%-10.30%	April 2024 - March 2028	55.18	[ICRA]A+ (Stable)
NA	Long term fund based - Working capital term loan	April 2024	8.05%-10.20%	March 2025	7.98	[ICRA]A+ (Stable)
NA	Long term/Short term – Fund based – Others	NA	NA	NA	267.50	[ICRA]A+ (Stable)/[ICRA]A1
NA	Long term/Short term – Non-fund based – Other	NA	NA	NA	5.50	[ICRA]A+ (Stable)/[ICRA]A1
NA	Short term fund based/non-fund based – Others	NA	NA	NA	15.00	[ICRA]A1
NA	Short term non-fund based - Others	NA	NA	NA	165.00	[ICRA]A1

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	GSP ownership	Consolidation approach
GSP Crop Science Ltd	100.00% (rated entity)	Full consolidation
Rajdhani Petrochemicals	100.00	Full consolidation
GSP Intermediates Pvt Ltd	79.0%	Full consolidation
GSP Agroquimica Do Brasil Ltda	100.00	Full consolidation

Source: Company

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