July 28, 2026

# Godrej Agrovet Limited: Ratings reaffirmed

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action | Financial Sector Regulator# |
|---|---|---|---|---|
| **Long-term – Fund-based/ Term Loan** | 20.00 | 7.50 | [ICRA]AA(Stable); reaffirmed | RBI |
| **Long-term – Fund-based Facilities** | 60.00 | 60.00 | [ICRA]AA(Stable); reaffirmed | RBI |
| **Short-term – Fund-based Facilities** | 236.20 | 236.20 | [ICRA]A1+; reaffirmed | RBI |
| **Short-term – Non-fund Based Facilities** | 425.00 | 425.00 | [ICRA]A1+; reaffirmed | RBI |
| **Commercial Paper** | 1,500.00 | 1,500.00 | [ICRA]A1+; reaffirmed | RBI |
| **Total** | **2,241.20** | **2,228.70** | | |

**Instrument details are provided in Annexure-1*

*#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.*

## Rationale

The reaffirmation of ratings continues to take into account the diverse presence of Godrej Agrovet Limited (GAVL) in agri-focused businesses such as animal feed, vegetable oil (palm oil), crop protection (agri inputs), dairy and poultry, which insulates the company from downturns in any particular sector. Among the various sectors in which it operates, GAVL enjoys a strong position in the domestic organised animal feed segment, which accounts for around 50% of its consolidated revenues. ICRA draws further comfort from GAVL's strong parentage (it is part of the GILAC[1] Group), which imparts financial flexibility. ICRA also notes that GAVL has been gradually increasing its stake in its subsidiary companies, such as Astec LifeSciences Limited (Astec), and has acquired the balance stake in its subsidiaries – Creamline Dairy Products Limited and Godrej Foods Limited (erstwhile Godrej Tyson Foods Limited) – in the recent past, making these entities its wholly-owned subsidiaries.

GAVL's operational performance in FY2026 largely remained steady. The consolidated revenues reported a moderate 9% revenue growth in FY2026, primarily driven by robust revenue growth in the oil palm business. Operating profit margin (OPM) stood at 8.6% in FY2026, marking a marginal moderation over the previous year – while favourable raw material costs supported the margin profile, higher expenditure towards marketing initiatives (as the company continued its push for value-added/ branded products across segments) and employee costs had some bearing on profitability for the fiscal. TD/OPBDITA remained 1.8 times as on March 31, 2026 (PY: 1.7 times), with the company's recently undertaken debt-funded capex influencing its TD/OPBDITA position. While interest coverage stood at 6.4 times for FY2026, marking a marginal YoY improvement, DSCR remained fairly steady at 3.7 times as on March 31, 2026. Supported by an expanding revenue base and steady profitability, GAVL's RoCE improved to 18.5% in FY2026 (PY: 15.3%). The company's working capital intensity reduced to 3% in FY2026 from 9% in FY2025 as a growing prevalence of acceptances led to a favourable payables position for the company through FY2026.

While the animal feed division (largest division in terms of revenue contribution) registered a 12% YoY growth in segment volumes in FY2026, favourable raw material costs led to a moderation in average realisation and restricted the revenue growth to an extent. The oil palm division, aided by healthy realisation for crude palm oil (CPO) and palm kernel oil (PKO), 42% revenue

[1] *Godrej Industries Limited and Associate Companies*

growth in FY2026. In the longer run, GAVL plans to enhance its focus on higher value-added (branded) products for businesses like animal nutrition, dairy and poultry, which is expected to support margin expansion over the medium term.

GAVL's cost structure and profitability remain susceptible to raw material price fluctuations due to its exposure to a price-sensitive consumer segment, which may limit its ability to fully pass on any increase in input prices. In this context, GAVL's ability to pass on the input cost fluctuations to end-consumers either through a strengthening market position or increasing salience of value-added/ differentiated products for protecting its margins, remains a key rating monitorable. The company's presence in diverse agri-businesses provides comfort to its overall business model. Nonetheless, the agri-focused business portfolio of GAVL remains vulnerable to factors such as adverse weather conditions and Government regulations. The company also faces intense competition in the agro-chemicals business from domestic as well as external players, which may influence the profitability in this segment. The ratings also factor in GAVL's capex outlay of around Rs. 300-350 crore per annum over the near term, with the funding mix of internal accruals and external borrowings. Though such debt-funded capex and investment activities are likely to have some influence over the capital structure in the near-to-medium term, the same is expected to remain fairly comfortable because of the company's robust net worth position and healthy accruals generation. While the company's dependence on short-term borrowings for meeting its funding requirements remains sizeable, comfort is drawn from the refinancing capabilities of the GILAC Group.

The Stable outlook on the rating reflects ICRA's expectation that GAVL is likely to sustain its operating metrics, aided by its diversified presence across different business verticals and its focus on increasing the revenue share from value-added products across businesses. Further, the outlook underlines ICRA's expectation that the entity's incremental capex to further expand the capacity will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

## Key rating drivers and their description

### Credit strengths

**Strong position in the domestic organised animal feed industry** – GAVL enjoys a strong position in the domestic organised animal feed industry with presence across sub-categories like cattle, broiler, layer and aqua feed. The animal nutrition segment has remained the largest contributor to revenues with a share of around 45-50% in the total consolidated revenues in recent years. The company's research and development (R&D)-driven efforts to achieve cost leadership and cost competitiveness are expected to help it remain a leading player in the segment going forward as well. The animal nutrition segment reported a 12% YoY volume growth in FY2026 supported by healthy demand for cattle feed. Favourable raw material costs supported margin expansion for the animal nutrition division for the fiscal.

**Diversified business presence insulates the company from downturns in any individual business segment** – GAVL is a well-diversified agri-product player across multiple segments including animal nutrition, oil palm, crop care (agri inputs), dairy and poultry. Over the years, GAVL's focus on diversification of its revenue streams has resulted in a gradual decline in the animal nutrition segment's share in its consolidated revenues (from 52% in FY2019 to 48% in FY2026). In FY2026, animal nutrition, oil palm, and poultry and processed food divisions reported a YoY improvement in profitability. The diversified business presence of GAVL insulates it from downturns in any particular business segment to an extent.

**Strong financial flexibility as part of the GILAC Group of companies** – GAVL is a subsidiary of Godrej Industries Limited (GIL), which held a 65.05% stake in GAVL as on June 30, 2026. GIL is one of the flagship companies of the GILAC Group, a large and established business house in the country. Although GAVL has high reliance on short-term borrowings, comfort is drawn from its parentage, which lends strong financial flexibility. The GILAC Group's parentage provides GAVL with access to capital markets and helps maintain healthy relationships with banks.

## Credit challenges

**GAVL's cost structure and profitability remain susceptible to raw material price fluctuations** – GAVL's revenues and profitability remain susceptible to commodity price fluctuations, especially in the animal feed and palm oil businesses. Although GAVL is a strong player in the organised animal feed industry, its ability to pass on the increase in commodity prices is limited due to its exposure to the highly price sensitive consumer segment. While the revenue sharing with farmers in the palm oil business is formula driven, GAVL's revenues and operating margin would vary with fluctuations in end-product prices, which are influenced by global palm oil prices. In this context, forward-integration initiatives undertaken by GAVL, such as setting up a solvent extraction plant and refinery, provide some comfort as the same are expected to de-link the palm oil business' profitability from the volatility associated with the market to an extent.

**Agri-focused business portfolio vulnerable to weather conditions and Government regulations** – As the company is present in agri-businesses, its revenues and profit margins are vulnerable to weather conditions as well as Government regulations to some extent, which may restrict its ability to expand its operations or margins. Nonetheless, its presence across diverse agri-businesses mitigates the risks to some extent.

**Continued capex and investment plans keep dependence on external borrowings high** – GAVL's capex outlay over the near term remains moderate, at around Rs. 300-350 crore per annum. Accordingly, GAVL's dependence over external debt is expected to continue over the near-to-medium term, which may have some bearing on its credit metrics in the near term, although the credit metrics is expected to show a gradual improvement in the medium term, aided by improving earnings across the major divisions. Moreover, the robust net worth base and healthy accruals generation are expected to continue lending support to GAVL's capital structure, going forward.

## Environmental and Social Risks

**Environmental considerations:** The **crop care business** remains exposed to the risk of tightening regulation for production, handling and transporting chemical products with regards to safety and environmental impact and remedial measures for pollution and effluent treatment. However, the company's efforts to expand its product and segment portfolios are expected to provide some comfort against regulatory risks pertaining to a specific product or segment. The **dairy business** remains indirectly exposed to physical climate risks, which could result in variations in availability of fodder for cattle and impact their productivity. The **animal nutrition segment** remains partially exposed to regulations from the Government, such as price capping mechanisms. Moreover, this sector also remains indirectly exposed to physical climate risks, which could result in variations in availability of cattle fodder. Extreme weather conditions like harsh summers or floods can also impact raw material availability, and in turn, may lead to higher input costs in this segment. However, the dominant status of GAVL in the domestic animal feed market coupled with its presence across multiple states provides some comfort. The **vegetable oil segment** remains indirectly exposed to physical climate risks, which could result in variations in availability of palm crop (FFB).

**Social considerations**: GAVL, like most conglomerates, has a healthy dependence on human capital; as such retaining human capital, maintaining healthy employee relations as well as supplier ecosystem remain essential for disruption-free operations for the entity. In view of this, GAVL undertakes several measures to maintain high health and hygiene standards as well as employee morale at the workplace.

## Liquidity position: Adequate

The company's liquidity profile is adequate, supported by cash and liquid investment balances of Rs. 326 crore (on a consolidated basis as on March 31, 2026) and sufficient buffer in the form of undrawn working capital lines, which stood at around Rs. 97 crore as on May 31, 2026. Average monthly fund-based working capital utilisation stood at 31% for FY2026. Further, cash flow generation at the consolidated level is expected to remain comfortable at Rs. 400-500 crore per annum, providing further comfort to the liquidity profile. Against these, the consolidated capital expenditure outlay for FY2027 is Rs. 300-350 crore, and the debt repayment quantum for FY2027 and FY2028 is around Rs. 298 crore and Rs. 620 crore, respectively. GAVL also enjoys healthy financial flexibility as part of the GILAC Group, which lends it easy access to capital markets to raise funds in case of exigencies. While the company's dependence over short-term borrowings for meeting its funding requirements remains sizeable, comfort is drawn from the refinancing capabilities of the GILAC Group.

## Rating sensitivities

**Positive factors –** A considerable increase in the company's scale of operations, accompanied by a meaningful improvement in margins of various business verticals including the crop protection business under Astec LifeSciences Limited, leading to an improvement in its credit profile will be a positive rating trigger. Sustained total debt/OPBIDTA of below 1.2 times would also be a positive trigger.

**Negative factors –** A sustained decline in revenues impacting the earnings and/or liquidity profile of the entity, or any large debt-funded capex or inorganic expansion, leading to weakening credit metrics, would pose a downward pressure on GAVL's rating.

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| **Applicable Rating Methodologies** | Corporate Credit Rating Methodology<br>Rating Methodology for the Entities in the Agrochemicals Industry<br>Rating Methodology for the Entities in the Edible Oil Industry |
| **Parent/Group Support** | Not applicable |
| **Consolidation/Standalone** | For arriving at the ratings, ICRA has considered the consolidated financials of GAVL. See Annexure-2 for details. |

## About the company

Godrej Agrovet Limited is a part of the GILAC Group, which has diverse business interests spanning animal feed, fast moving consumer goods, consumer products, oleo chemicals, real estate development, crop protection, and oil palm plantation through various Group companies. Godrej Industries Limited (rated [ICRA]AA+(Stable)/[ICRA]A1+) holds 65.05% stake in Godrej Agrovet Limited (as on June 30, 2026). On a standalone basis, the company has three major business segments—animal nutrition, oil palm (vegetable oil) and crop care (agri-inputs). The company is one of the largest organised animal feed manufacturers in India. It offers cattle, layer, broiler, swine, shrimp and fish feed in its animal nutrition product portfolio. In the oil palm division, the company has sizeable palm tree plantations across nine states, along with six manufacturing facilities across four states for producing crude palm oil, palm kernel oil and palm kernel cake. As part of the crop care business, it is also a niche player in select agri-inputs such as insecticides, fungicides, soil conditioners and herbicides, with a pan India network of over 7,000 distributors.

On a consolidated basis, through its subsidiaries, GAVL has interests in businesses like agrochemicals (Astec LifeSciences Limited; rated [ICRA]AA- (Negative) / [ICRA]A1+), dairy (Creamline Dairy Products Limited), processed poultry and vegetarian food products (Godrej Foods Limited), as well as in-vitro production of high-quality (milk yielding) cows (Godrej Cattle Genetics Private Limited, formerly known as Godrej Maxximilk Private Limited). In addition, GAVL has interests in animal feed through its 50% joint venture in Bangladesh, ACI Godrej Agrovet Private Ltd., Bangladesh.

## Key financial indicators

| GAVL (Consolidated) | FY2025 Audited | FY2026 Audited |
|---|---|---|
| **Operating income (Rs. crore)** | 9,400.4 | 10.252.3 |
| **PAT (Rs. crore)** | 349.8 | 405.0 |
| **OPBDIT/OI (%)** | 8.9% | 8.6% |
| **PAT/OI (%)** | 3.7% | 4.0% |
| **Total Outside Liabilities/Tangible Net Worth (times)** | 1.1 | 1.8 |
| **Total Debt/OPBDIT (times)** | 1.7 | 1.8 |
| **Interest Coverage (times)** | 6.3 | 6.4 |

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

*Source: GAVL, ICRA Research*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2026 | | FY2025 | | FY2024 | |
| Instrument | Type | Amount rated (Rs. crore) | July 28, 2026 | Date | Rating | Date | Rating | Date | Rating |
| **Fund-based Facilities** | Short-term | 236.20 | **[ICRA]A1+** | July 10, 2025 | **[ICRA]A1+** | Mar 21, 2025 | **[ICRA]A1+** | May 25, 2023 | **[ICRA]A1+** |
| | | | | Sep 30, 2025 | **[ICRA]A1+** | July 10, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 30, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 10, 2024 | **[ICRA]A1+** | - | - |
| **Term Loan** | Long-term | 7.50 | **[ICRA]AA (Stable)** | July 10, 2025 | **[ICRA]AA (Stable)** | Mar 21, 2025 | **[ICRA]AA (Stable)** | May 25, 2023 | **[ICRA]AA (Stable)** |
| | | | | Sep 30, 2025 | **[ICRA]AA (Stable)** | July 10, 2024 | **[ICRA]AA (Stable)** | - | - |
| | | | | - | - | May 30, 2024 | **[ICRA]AA (Stable)** | - | - |
| | | | | - | - | May 10, 2024 | **[ICRA]AA (Stable)** | - | - |
| **Non-fund Based Facilities** | Short-term | 425.00 | **[ICRA]A1+** | July 10, 2025 | **[ICRA]A1+** | Mar 21, 2025 | **[ICRA]A1+** | May 25, 2023 | **[ICRA]A1+** |
| | | | | Sep 30, 2025 | **[ICRA]A1+** | July 10, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 30, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 10, 2024 | **[ICRA]A1+** | - | - |
| **Fund-based Facilities** | Long-term | 60.00 | **[ICRA]AA (Stable)** | Sep 30, 2025 | **[ICRA]AA (Stable)** | May 10, 2024 | **[ICRA]AA (Stable)** | May 25, 2023 | **[ICRA]AA (Stable)** |
| **Commercial Paper Programme** | Short-term | 1,500.00 | **[ICRA]A1+** | July 10, 2025 | **[ICRA]A1+** | Mar 21, 2025 | **[ICRA]A1+** | May 25, 2023 | **[ICRA]A1+** |
| | | | | Sep 30, 2025 | **[ICRA]A1+** | July 10, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 30, 2024 | **[ICRA]A1+** | - | - |
| | | | | - | - | May 10, 2024 | **[ICRA]A1+** | - | - |

*Source: Company*

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **Long Term – Fund Based Term Loan** | Simple |
| **Long Term – Fund Based Facilities** | Simple |
| **Short Term, Fund-based Facilities** | Simple |
| **Short Term, Non-fund Based Facilities** | Simple |
| **Commercial Paper Programme** | Simple |

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-1: Instrument details

| ISIN | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. Crore) | Current Rating and Outlook | Financial Sector Regulator# |
|---|---|---|---|---|---|---|---|
| NA | Long Term – Fund Based / Term Loan – 1 | FY2024 | NA | FY2029 | 7.50 | [ICRA]AA(Stable) | RBI |
| NA | Long Term – Fund Based Facilities | NA | NA | NA | 60.00 | [ICRA]AA(Stable) | RBI |
| NA | Short Term – Fund Based Facilities | NA | NA | NA | 236.20 | [ICRA]A1+ | RBI |
| NA | Short Term – Non Fund Based Facilities | NA | NA | NA | 425.00 | [ICRA]A1+ | RBI |
| INE850D14VI6 | Commercial Paper | 15-Jun-26 | 7.27% | 7-365 days | 75.0 | [ICRA]A1+ | RBI |
| INE850D14VJ4 | Commercial Paper | 16-Jun-26 | 7.00% | | 50.0 | [ICRA]A1+ | RBI |
| INE850D14VK2 | Commercial Paper | 19-Jun-26 | 6.71% | | 50.0 | [ICRA]A1+ | RBI |
| INE850D14VL0 | Commercial Paper | 24-Jun-26 | 6.56% | | 50.0 | [ICRA]A1+ | RBI |
| INE850D14VM8 | Commercial Paper | 25-Jun-26 | 6.53% | | 50.0 | [ICRA]A1+ | RBI |
| INE850D14VN6 | Commercial Paper | 01-Jul-26 | 6.55% | | 25.0 | [ICRA]A1+ | RBI |
| INE850D14VO4 | Commercial Paper | 02-Jul-26 | 6.52% | | 50.0 | [ICRA]A1+ | RBI |
| INE850D14VP1 | Commercial Paper | 08-Jul-26 | 6.40% | | 25.0 | [ICRA]A1+ | RBI |
| Unplaced | Commercial Paper | NA | NA | | 1,125.0 | [ICRA]A1+ | RBI |

*Source: Company*

*#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.*

*Please click here to view details of lender-wise facilities rated by ICRA*

## Annexure-2: List of entities considered for consolidated analysis

| Company Name | GAVL Ownership | Consolidation Approach |
|---|---|---|
| Godrej Industries Limited | 65.05% | Full consolidation |
| Astec LifeSciences Limited | 67.03% | Full consolidation |
| Behram Chemicals Private Limited | NA* | Full consolidation |
| Comercializadora Agricola Agroastrachem Cia Ltda | NA* | Full consolidation |
| Creamline Dairy Products Limited | 99.78% | Full consolidation |
| Godrej Foods Limited | 100.00% | Full consolidation |
| Godrej Cattle Genetics Private Limited | 100.00% | Full consolidation |
| Godrej Agrochem Limited | 100.00% | Full Consolidation |
| ACI Godrej Agrovet Private Limited | 50.00% | Equity Method |

*Source: Company; Annual Report FY2026; * Not applicable since it is a step-down subsidiary*

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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