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CM RATING 42 /100

GSP Crop Science

Generic play

Diversified portfolio of agrochemicals positions the company as a comprehensive solution provider

GSP Crop Science (GSP) is an agrochemical company engaged in the business of manufacturing insecticides, herbicides, fungicides and plant growth regulators. It provides crop protection solutions to help farmers increase productivity, offering formulations (active ingredients and additives) and technicals (concentrated active ingredients) for effective pest, weed, and disease control.

The company offers a diverse portfolio of in-house manufactured agrochemicals, providing crop protection solutions through the development, manufacturing, supply, and distribution of formulations and technicals to meet customer needs.

GSP has five manufacturing facilities located at Odhav (Ahmedabad, Gujarat), Kathwada (Ahmedabad, Gujarat), Nandesari (Vadodara, Gujarat), Samba (UT of Jammu & Kashmir) and Saykha (Dahej, Gujarat). As of September 30, 2025, it had an annual aggregated installed capacity of 15,120 million tonnes per annum (MTPA) for technicals, 43,672 MTPA for formulations and 5,400 MTPA for intermediates across its five manufacturing facilities. Further, to optimize its manufacturing capabilities, the company intends to increase its backward integration through manufacturing of intermediates used in the production of technicals. Through backward integration, the company believes that it will gain more control over its supply chain, which can help ensure a steady supply of essential raw materials.

The company sells its products both in the domestic and International markets. In the domestic market, the company has served customers spread across 20 states in the six months ended September 30, 2025 and FY 2025, 2024 and 2023. The company's customers include agrochemical companies such as Bharat Rasayan, Dharmaj Crop Guard Limited, Indogulf Crop Sciences, SML, Willowood Chemicals and Agrico Organics. The company has a dedicated sales team which also provides customer service, after-sales services and grievance redressal. The sales and distribution network for the company's business to consumer (B-to-C) domestic business consisted of 5,644 distributors in FY 2025 and 4,801 distributors in the six months ended September 30, 2025.

The company's international business is spread across 37 countries, including the USA, Uruguay, Brazil, Vietnam, Singapore, UAE, Australia including in Latin America, Asia Pacific (excluding India), North America and other geographies. International business constituted 9.57% of the total revenue in six months ended September 30, 2025.

The company invests in R&D to develop and improve formulations and technicals, with dedicated facilities in Kathwada and Odhav for testing, commercialization, and producing complex chemistries for the agrochemical market. GSP has employed experienced professionals at these R&D facilities and have a dedicated staff of 35 employees, 5 of whom hold PhD. As of September 30, 2025 the company has received 524 registrations across formulations and technicals for agrochemicals. The company's research and development efforts over the years has led to being granted 102 patents, and also has 108 patent applications under process as of March 10, 2026.

For six months ended September 30, 2026, the company earned 82.9% of its revenues from sale of generic products and the balance 17.1% from sales of patented products.

Object of the offer

The Rs 400 crore IPO comprises a fresh issue of 75,00,000 equity shares to raise Rs 240.0 crore and an offer for sale (OFS) of up to 50,00,000 equity shares worth up to Rs 160 crore at higher price band of Rs 320. Vilasben Vrajmohan Shah, Bhavesh Vrajmohan and kappa will offload a part of his their stake in the OFS.

GSP will utilise Rs 170.0 crore from the net fresh issue proceeds for repayment of its borrowings, and the remaining funds will be utilised for general corporate purposes.

Strengths

A well diversified portfolio of insecticides, herbicides, fungicides, and growth regulators positions the company as a comprehensive solution provider.

The company has established strong B2B relationship in both domestic and international markets, enabling the expansion of product offerings and geographic reach. Its ability to manufacture complex off-patent formulation and technicals cost-effectively while meeting strict quality and environmental standards has fostered long-standing customer associations, with several partnership exceeding 10 years.

GSP has strong in-house R&D capabilities with a focus on innovation and product development.

The company has robust manufacturing facilities with ability to manufacture a wide range of products with a focus on sustainability.

The company is led by qualified promoters with experience in the agrochemicals industry and strong business acumen, who have played active leadership roles in shaping the company's growth. Further, the composition of its board of directors not only includes its visionary founder-promoters (Vrajmohan Shah) but also comprises accomplished professionals from respective industries. Their varied backgrounds and experience enhance the company's decision-making processes.

Weaknesses

GSP's must comply with regulations in international markets and secure registrations from foreign regulatory authorities, either directly or through customers, to facilitate product sales as such its international business is subject to regulatory risks.

The company is subject to stringent technical specifications and quality requirements in relation to its technicals and formulation and any failure to comply with the quality standards and technical specifications may lead to loss of business from such customers and could negatively impact its reputation.

The cost of materials consumed constituted a major portion of total expenses in the six months ended September 30, 2025. Any increase in material costs or an inability to adjust product prices accordingly could negatively impact profitability.

A portion of the company's revenues and expenses are denominated in foreign currencies. As a result, the company is exposed to foreign currency exchange risks and regulatory changes in foreign exchange management.

The operations of the company are working capital intensive with high inventory and receivable days.

Top 5 and top 10 suppliers contributed 27.1% and 38.2% of the total purchases in the six months ended September 30, 2025 and any failure to procure such raw materials from these suppliers may have an adverse impact on its manufacturing operations.

The company is dependent on China for imports of its raw materials, with imports of raw materials from China constituting 42.08% of the company's purchases for continuing operations in the six months ended September 30, 2025. Any interruption in imports, specifically from China, may have an adverse impact.

GSP business is sensitive to seasonal vagaries and adverse weather conditions which affect the agrochemical industry. Seasonal variations and unfavourable local and global weather patterns may have an adverse effect on its business.

Inability to protect its process and product patents or any other intellectual property, or any infringement claims in relation to intellectual property rights against the company and failure to keep its technical knowledge confidential could erode its competitive advantage.

Valuation

Net profit stood at Rs 82.78 crore on net sales of Rs 844.29 crore in the six months ended September 2025.

Consolidated sales were up by 11.7% to Rs 1287.39 crore in Fiscal2025. Growth in revenues was on account of increase in contribution from formulations business. Operating profit margin (OPM) expanded from 10.79% to 11.68%, leading to a 20.9% increase in operating profit to Rs 150.36 crore. Other income inclined 125.3% to Rs 13.67 crore. Interest cost declined 9.0% to Rs 30.94 crore and depreciation cost inclined by 17.9% to Rs 23.41 crore. PBT stood at Rs 109.68 crore up 43.3% yoy. PAT from continued operations stood at Rs 81.42 crore up 46.6% yoy. PAT from discontinued operation stood at Rs 0.72 crore in FY2025 as against Rs 5.75 crore in FY2024. The company discontinued its plasticizers business vide the board resolution dated March 22, 2024 (with effect from September 3, 2024) with the intention to allocate resources more efficiently, and in order to segregate the agrochemical and plasticizer business. NP after minority interest stood at Rs 83.44 crore up 36.1% yoy.

At the higher price band of Rs 320, the offer is made at a P/E of 18.0 times FY2025 EPS (of Rs 17.8).

As of March 31, 2025, total consolidated borrowings of the company stood at Rs 295.6 crore (As of Sep 30, 2025, total consolidated borrowings stood at Rs 321.1 crore). The company proposes to pay off Rs 170 crore of the borrowings from the net proceeds from fresh issue. Repayment of the borrowings will reduce the interest cost. The EPS for FY25 works out to Rs 20.6 if its interest cost is reduced, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 15.5 times of its FY25 EPS.

Listed peers include PI Industries, Sumitomo Chemicals India, Dhanuka Agritech, Rallis India and Excel Industries. In comparison PI Industries trades at 33 times P/ TTM EPS, Sumitomo Chemicals India trades at 35.9 times P/ TTM EPS, Dhanuka Agritech trades at 16.4 times P/ TTM EPS, Rallis India trades at 26.3 times P/ TTM EPS and Excel Industries trades at 14.8 times P/ TTM EPS.

GSP Crop Science: Issue Highlights	
Fresh issue (in Rs crore)	240.0
Offer for sale (in Rs crore)	152-160
Offer for sale (in number of shares)	
- in Upper price band	5000000
- in Lower price band	5000000
Price Band (Rs)	304-320
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	7500000
- in Lower price band	7894737
Post issue capital (Rs crore)	
- in Upper price band	46.52
- in Lower price band	46.91
Post issue Promoter and Promoter Group shareholding	
-On higher price band (%)	71.7%
-On lower price band (%)	71.1%
Bid Size (in No. of shares)	46
Issue open date	16/03/2026
Issue close date	18/03/2026
Listing	BSE, NSE

Rating**42/100****GSP Crop Science : Consolidated Financials**

	2303 (12)	2403 (12)	2503 (12)	2509 (6)
Sales	1203.31	1152.16	1287.39	844.29
OPM (%)	6.53	10.79	11.68	16.05
OP	78.54	124.34	150.36	135.54
Other inc.	2.74	6.07	13.67	3.32
PBIDT	81.28	130.41	164.03	138.86
Interest	36.95	33.99	30.94	17.30
PBDT	44.33	96.41	133.09	121.56
Dep.	21.01	19.86	23.41	13.81
PBT	23.32	76.56	109.68	107.75
Total Tax	5.75	21.02	28.26	26.69
PAT from continued operations	17.57	55.54	81.42	81.07
PAT from Discontinued operations	3.98	5.75	0.72	-
PAT from continued and discontinued operations	21.55	61.29	82.14	81.07
Minority Interest	0.16	-0.04	-1.30	-1.72
Net Profit	21.39	61.33	83.44	82.78
EPS (Rs)*	3.7	11.9	17.8	#

EPS cannot be annualised due to seasonality in business

EPS is on post issue equity capital of Rs 46.52 crore of face value of Rs 10 each

Figures in Rs crore

Source: GSP Crop Science Issue Prospectus