

March 31, 2026

Krishna Antioxidants Private Limited: Ratings reaffirmed; assigned for enhanced limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based - Cash credit	45.00	105.00	[ICRA]A(Stable); Reaffirmed and assigned for enhanced limits
Long-term Fund-based – Term loans	27.50	67.50	[ICRA]A(Stable); Reaffirmed and assigned for enhanced limits
Long-term – Interchangeable limits	(45.00)	(45.00)	[ICRA]A(Stable); Reaffirmed
Short-term fund based working capital limits	45.00	45.00	[ICRA]A1; Reaffirmed
Short-term Interchangeable limits	(90.00)	(144.00)	[ICRA]A1; Reaffirmed and assigned for enhanced limits
Short-term - Non-fund based	40.00	50.00	[ICRA]A1; Reaffirmed and assigned for enhanced limits
Long term/Short term - Unallocated limits	122.50	72.50	[ICRA]A(Stable)/[ICRA]A1; Reaffirmed
Total	280.00	340.00	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in a steady improvement in the earnings profile of Krishna Antioxidants Private Limited (KAPL) as the OPBDITA/tonne level has been expanding owing to favourable changes in the product mix, translating into higher margins in 9M FY2026. Going forward, the scale of operations is expected to grow steadily with a stable margin profile, leading to a consistent improvement in KAPL's credit profile, despite the ongoing debt-funded capex. Moreover, although the company has declared dividends worth ~Rs. 53 crore over the last two years, the overall financial profile remains healthy, marked by a comfortable capital structure and strong debt coverage indicators. Further, the ratings take into account KAPL's comfortable liquidity position with cash and equivalents of ~Rs. 110 crore as of December 2025 and a cushion in fund-based limits. The ratings continue to consider the vast experience of KAPL's promoters, with an established track record in manufacturing speciality chemicals, and the company's reputed customer base comprising players from the oil and gas industry.

The ratings, however, remain constrained by KAPL's exposure to demand risks in the key end-user industry, oil exploration and refining, which depends on crude oil prices and the general economic cycle. Besides, the vulnerability of the company's profitability to volatility in prices of raw materials, some of which are crude oil derivatives, has also been considered. Further, the ratings take note of fluctuations in foreign exchange rates due to sizeable export sales, though the risk is partly mitigated by the natural hedge from imports and the partial hedging undertaken by the company. In addition, intense competition from domestic and global chemical manufacturers exerts pressure on the company's profit margins. ICRA also notes the client concentration risks, as the top 10 customers account for 65-70% of total sales, although the risk is mitigated to some extent by repeat orders and the comfortable credit profile of these customers.

ICRA also notes that the company is undertaking a capex programme, which is likely to moderate the debt metrics to some extent, although these are expected to remain comfortable because of strong liquidity in terms of cash and cash equivalents.

Further, ICRA notes the ongoing conflict in West Asia and its potential impact on the procurement of raw materials and shipment of deliveries to other markets, especially those within the region. ICRA will continue to monitor developments on this front and the impact of the same on KAPL's credit profile.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company will continue to generate healthy cash flows from operations, which will translate into a comfortable credit profile despite the debt-funded capex.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in manufacturing speciality chemicals – KAPL, incorporated in May 1990, is an industrial chemicals manufacturer of speciality chemicals, mainly liquid phosphite antioxidants (LPA) and oilfield speciality chemicals (OFSC). The company is promoted by two brothers, Mr. Krishna Gupta and Mr. Anil Gupta, who have 4-5 decades of experience in the speciality chemical industry.

Comfortable debt protection metrics and healthy cash flow – KAPL's turnover grew by 11% YoY in FY2025, along with a steady improvement in margins. Adequate accruals and a comfortable debt level have resulted in a healthy capital structure, evident from gearing of 1.14 times as on March 31, 2025. The interest coverage ratio also improved with profitability (OPBDITA/interest expense) at 7.31 times in FY2025 against 7.21 times in FY2024. While the company will be availing debt for the ongoing capex, the overall leverage and coverage metrics are expected to remain comfortable going forward.

Reputed client base – KAPL's clientele includes multinationals involved in oil and natural gas drilling and refining activities.

Credit challenges

Volumes growth muted; total volumes remain range-bound – Volume growth is likely to remain muted in FY2026 as the company focused more on the OFSC segment, while LPA volumes declined.

Demand risk in key user industry – KAPL derives 65-70% of its revenues from the oil exploration industry. Such high reliance on the oil exploration segment exposes the company's operations to demand risks in the end-user industry, which in turn depends on the general economic cycle and crude oil prices. Moreover, client concentration is also relatively high, with the top 10 clients contributing 45-50% to the company's total sales.

Volatility in raw material prices and fluctuation in foreign exchange rates – The key raw materials (chemicals) required by KAPL are derivatives of crude oil, making them prone to fluctuations in price movements of the latter. Most contracts with customers are fixed-price in nature, which exposes KAPL's profitability to fluctuations in raw material prices. Further, profitability remains exposed to foreign exchange risks as 45-50% of sales are through exports. The forex risk is, however, mitigated to some extent by the natural hedge from imports, which account for 25-30% of total purchases, and the forward contracts booked by the company.

Liquidity position: Strong

KAPL's liquidity has remained strong, evident from healthy cash and liquid investments and a buffer in fund-based limits. As of December 2025, the company had liquidity of ~Rs. 110 crore. The company had Rs. 65 crore of unutilised limits in the last six months.

Rating sensitivities

Positive factors – ICRA could upgrade KAPL's ratings if the company demonstrates a consistent growth in its earnings profile along with an improvement in its credit profile amid a healthy liquidity position.

Negative factors – The ratings may be downgraded in case of a material decline in revenues and profitability on a sustained basis. Any sizeable fund outflow towards dividends or share buybacks materially impacting the liquidity position can also result in a downgrade. Further, an interest coverage of less than 5 times on a sustained basis can weigh on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of KAPL.

About the company

Krishna Antioxidants Private Limited (KAPL) is an industrial chemicals manufacturer of speciality chemicals, notably liquid phosphite antioxidants (LPA) and oilfield speciality chemicals (OFSC). KAPL's customer base includes players from diverse industries such as rubber, paints and plastics, along with major public sector undertakings, as well as other small-scale service providers involved in the exploration and production of oil and natural gas.

KAPL was incorporated in May 1990 as Krishna Fiscals Private Limited; it was renamed KAPL in August 1996. The company is promoted by brothers Mr. Krishna Gupta and Mr. Anil Gupta, both of whom have over 4-5 decades of experience in manufacturing LPAs. The company sells its products under the brand name CRISTOL. At present, KAPL operates four manufacturing facilities. It began operations with a manufacturing unit at Chiplun, Maharashtra. In FY2015, the company purchased a new speciality chemical manufacturing unit at Lote, Maharashtra, close to the existing Chiplun unit. Later, in 2018, it set up its third unit at Chiplun, and the fourth unit came up at Dahej (Gujarat) in 2019.

The Gupta group of companies includes two other small-scale entities, M/s Globe Industries (GI) and Akkur Chemicals Private Limited (ACPL), which manufacture similar products for KAPL on a job-work basis.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	733.5	814.2
PAT	46.6	76.0
OPBDIT/OI	10.2%	14.8%
PAT/OI	6.4%	9.3%
Total outside liabilities/Tangible net worth (times)	1.9	1.7
Total debt/OPBDIT (times)	2.0	1.9
Interest coverage (times)	7.2	7.3

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	FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs crore)	Mar 31, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	105.00	[ICRA]A (Stable)	Jan 29, 2025	[ICRA]A (Stable)	Feb 27, 2024	[ICRA]A- (Positive)	Feb 28, 2023	[ICRA]A- (Stable)
Interchangeable limits-Others	Long Term	(45.00)	[ICRA]A (Stable)	Jan 29, 2025	[ICRA]A (Stable)	Feb 27, 2024	[ICRA]A- (Positive)	Feb 28, 2023	[ICRA]A- (Stable)
Unallocated limits	Long Term/ Short Term	72.50	[ICRA]A (Stable)/ [ICRA]A1	Jan 29, 2025	[ICRA]A (Stable)/ [ICRA]A1	Feb 27, 2024	[ICRA]A- (Positive)/ [ICRA]A2+	Feb 28, 2023	[ICRA]A- (Stable)/ [ICRA]A2+
Fund-based-Term loan	Long Term	67.50	[ICRA]A (Stable)	Jan 29, 2025	[ICRA]A (Stable)	Feb 27, 2024	[ICRA]A- (Positive)	-	-
Fund-based-Cash credit	Short Term	45.00	[ICRA]A1	Jan 29, 2025	[ICRA]A1	Feb 27, 2024	[ICRA]A2+	Feb 28, 2023	[ICRA]A2+
Interchangeable limits-Others	Short Term	(144.00)	[ICRA]A1	Jan 29, 2025	[ICRA]A1	Feb 27, 2024	[ICRA]A2+	Feb 28, 2023	[ICRA]A2+
Non-fund based- Others	Short Term	50.00	[ICRA]A1	Jan 29, 2025	[ICRA]A1	Feb 27, 2024	[ICRA]A2+	Feb 28, 2023	[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based - Cash credit	Simple
Long-term Fund-based – Term loans	Simple
Long-term – Interchangeable - Others	Simple
Short-term fund based working capital limits	Simple
Short-term Interchangeable - Others	Simple
Short-term - Non-fund based – Others	Simple
Long term and 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash credit	NA	NA	NA	105.00	[ICRA]A (Stable)
NA	Fund-based – Term loans	NA	NA	NA	67.50	[ICRA]A (Stable)
NA	Interchangeable - Others	NA	NA	NA	(45.00)	[ICRA]A (Stable)
NA	Fund-based- Working capital limits	NA	NA	NA	45.00	[ICRA]A1
NA	Interchangeable – Others	NA	NA	NA	(144.00)	[ICRA]A1
NA	Non-fund based – Others	NA	NA	NA	50.00	[ICRA]A1
NA	Unallocated limits	NA	NA	NA	72.50	[ICRA]A (Stable)/ [ICRA]A1

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3406
saurabh.parikh@icraindia.com

Prashant Vasisht
+91 124 4545322
prashant.vasisht@icraindia.com

Anubha Rustagi
+91 22 6169 3345
anubha.rustagi2@icraindia.com

Saurabh Bharat Parikh
+91 22 6169 3356
saurabh.parikh@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.