

March 31, 2026

## Krishana Phoschem Limited: Placed on Rating Watch with Negative Implications

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund-based - Others	514.65	514.65	[ICRA]A+; Placed on Rating Watch with Negative Implications
Short term - Non-fund based - Others	270.35	270.35	[ICRA]A1; Placed on Rating Watch with Negative Implications
<b>Total</b>	<b>785.00</b>	<b>785.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings assigned to Krishana Phoschem Limited (KPL) have been placed on watch with negative implications owing to the ongoing conflict in West Asia which has constrained the availability of key raw materials needed to manufacture P&K fertilisers. India has significant dependence on West Asia for ammonia and sulphur which are the key raw materials for manufacturing P&K fertilisers. The international prices have also gone up for both the commodities amid the constrained supplies.

The other companies of the Ostwal Group are Madhya Bharat Agro Products Limited (MBAPL, [ICRA]A+/A1+; on rating watch with negative implications), Shri Ganpati Fertilisers Limited (SGFL, [ICRA] A/A1; on rating watch with negative implications ) and Ostwal Phoschem India Limited (OPIL, [ICRA] A+/A1+; on rating watch with negative implications).

At present, Indian fertiliser players are scouting for ammonia/sulphur supplies from alternative sources. Moreover, the sharp increase in prices and the depreciation of the Indian rupee against the US dollar have made the current retail prices and subsidy levels inadequate for a profitable production and sale of phosphatic fertilisers. Thus, the upcoming revision in the subsidy rates under the Nutrient-Based Subsidy (NBS) regime will remain a key monitorable, apart from the industry's ability to source adequate raw material for undertaking production in the upcoming season.

As a backward-integrated nitrogen, phosphorus and potassium (NPK) manufacturer, KPL utilises these raw materials in its production process, part of which is imported as well. The increase in prices and currency depreciation has compressed the profitability of various grades of phosphatic fertilisers and the constrained availability of the key raw materials may impact the production levels if the West Asia crisis prolongs. Further, there is sizeable ongoing capex among the group concerns which could weigh on the debt metrics of the Ostwal Group, if the profitability is adversely affected by the geopolitical turmoil.

While MBAPL and the Ostwal Group have adequate inventory for rock phosphate and sulphur to meet the near-term requirements, the availability of ammonia will remain a key monitorable as the ammonia inventories remain low. ICRA takes note of all the aforementioned developments and will continue to monitor the impact of the supply disruptions on MBAPL's operations and credit profile.

ICRA continues to factor in the strong operational efficiency of MBAPL owing to the backward-integrated nature of operations and the support of the Ostwal Group. Any increase in NBS rates to offset the rise in input costs will remain a key monitorable.

For a detailed rating rationale, highlighting the key rating drivers and their description, liquidity position and rating sensitivities, click here: [Link to previous rating rationale.](#)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Fertilizers</a>
Parent/group Support	Parent/Group- Ostwal Phoschem Group; the ratings are based on implicit support from the parent group and ICRA's expectation of need-based financial support to KPL
Consolidation/standalone	The ratings are based on the standalone financials of KPL

## About the company

Krishana Phoschem Limited (KPL) was incorporated as a public company in 2004. Its headquarters is at Bhilwara, Rajasthan. In 2007, the company was taken over by the Ostwal Group and over the years with various expansions, KPL has emerged as a backward-integrated NPK manufacturer. The company is now engaged in the manufacturing of di-ammonium phosphate (DAP), nitrogen, phosphorus and potassium (NPK), beneficiated rock phosphate (BRP), single super phosphate (SSP), and chemical products such as sulphuric acid (SA) and phosphoric acid (PA). The company's shares are listed on the NSE, having a market capitalisation of around Rs. 3,000 crore.

**Key financial indicators (audited)**

Krishana Phoschem Limited (Standalone)	FY2024	FY2025	9M FY2026
Operating income	923.9	1358.2	1,662.5
PAT	40.4	86.5	97.1
OPBDITA/OI	13.90%	13.50%	12.6%
PAT/OI	4.40%	6.40%	5.8%
Total outside liabilities/tangible net worth (times)	1.8	1.7	-
Total debt/OPBDITA (times)	3.4	2	-
Interest coverage (times)	3.5	4.7	8.3

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

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

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

**Any other information: Not applicable**

### 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 31, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Non-fund based - Others</b>	Short term	270.35	[ICRA]A1; Rating Watch with Negative Implications	September 10, 2025	[ICRA]A1	-	-	-	-	-	-
<b>Fund based - Others</b>	Long term	514.65	[ICRA]A+; Rating Watch with Negative Implications	September 10, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based - Others	Simple
Short term - Non-fund based - Others	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based	NA	NA	NA	514.65	[ICRA]A+; Rating Watch with Negative Implications
NA	Non-fund based	NA	NA	NA	270.35	[ICRA]A1; Rating Watch with Negative Implications

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

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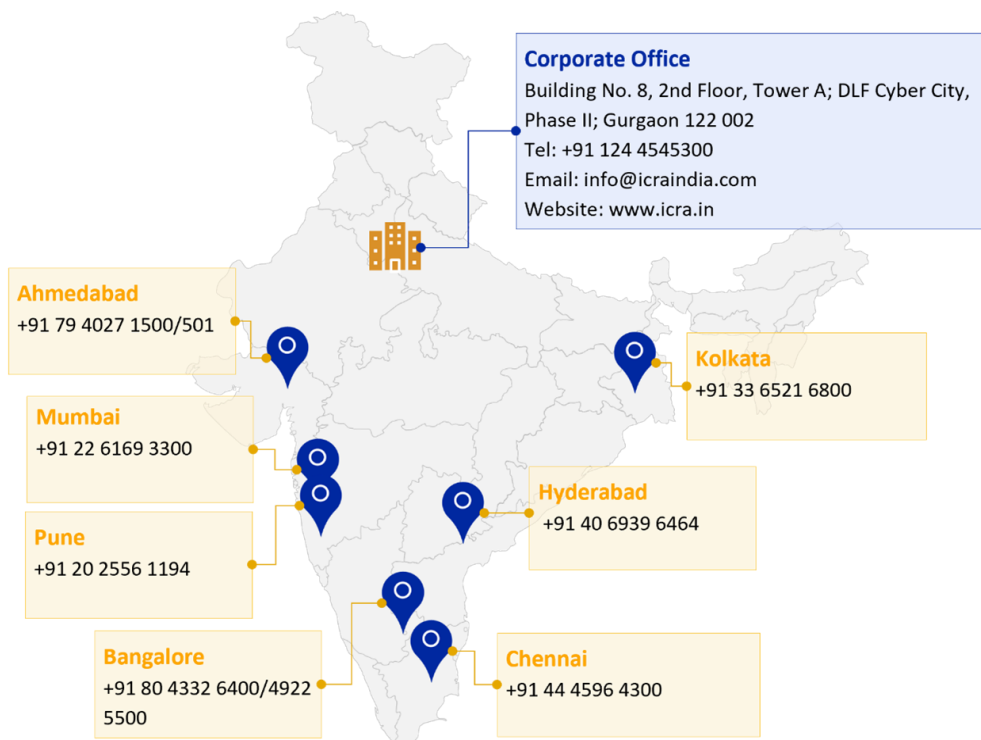


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