

March 31, 2026

Ostwal Phoschem (India) 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	30.00	30.00	[ICRA]A+; Placed on Rating Watch with Negative Implications
Long term – Fund based - Term loan	32.73	32.73	[ICRA]A+; Placed on Rating Watch with Negative Implications
Short term - Non-fund based - Others	78.00	78.00	[ICRA]A1; Placed on Rating Watch with Negative Implications
Unallocated limits	6.27	6.27	[ICRA]A+; Placed on Rating Watch with Negative Implications/[ICRA]A1; Placed on Rating Watch with Negative Implications
Total	147.00	147.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings assigned to Ostwal Phoschem (India) Limited (OPIL, [ICRA] A+/A1+ rating on watch negative implications) 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 and SSP 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.

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.

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 the Ostwal Group has 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 the Group's operations and credit profile.

ICRA continues to factor in the strong vintage of the Ostwal Group in the fertiliser space and the backward integrated nature of the operations of KPL and MBAPL. Any increase in the NBS rates to offset the rise in input costs will also remain a key monitorable.

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

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Fertilizers
Parent/group Support	Not Applicable
Consolidation/standalone	To arrive at the ratings, ICRA has taken a consolidated view of OPIL and its subsidiaries MBAPL, KPL and SGFL, enlisted in Annexure II

About the company

Ostwal Phoschem (India) Ltd (OPIL), incorporated in 1989 and later taken over by the Ostwal Group in 2003, is engaged in the manufacturing and marketing of single super phosphate (SSP) and granular single super phosphate (GSSP) at its plant at Bhilwara in Rajasthan, with an installed capacity of 132,000 MTPA. The company also has a Zinc Sulphate production facility with annual capacity of 6,000 MT at Meghnagar, MP. OPIL is also the umbrella company for the Group's investment purposes and has substantial stake by way of shareholding in group companies, such as Madhya Bharat Agro Products Ltd and Krishana Phoschem Ltd.

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
Fund based - Term loan	Long term	32.73	[ICRA]A+; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-
Fund based - Others	Long term	30.00	[ICRA]A+; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-
Unallocated limits	Long term/Short term	6.27	[ICRA]A+; Rating Watch with Negative Implications / [ICRA]A1; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-	-	-
Non-fund based - Others	Short term	78.00	[ICRA]A1; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based - Others	Simple
Long term – Fund based - Term loan	Simple
Short term - Non-fund based - Others	Simple
Unallocated limits	NA

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	Long term fund based	NA	NA	NA	30.00	[ICRA]A+; Rating Watch with Negative Implications
NA	Short term non-fund based	NA	NA	NA	78.00	[ICRA]A1; Rating Watch with Negative Implications
NA	Long term - Term loans	FY2024	8.25-10.25%	2031	32.73	[ICRA]A+; Rating Watch with Negative Implications
NA	Long term/Short term unallocated	NA	NA	NA	6.27	[ICRA]A+; Rating Watch with Negative Implications / [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

Company name	OPIIL ownership	Consolidation approach
Krishana Phoschem Limited	67.10%	Full consolidation
Madhya Bharat Agro Products Limited	65.10%	Full consolidation
Shree Ganpati Fertilizer Limited	91.88%	Full consolidation
Seasons International Pvt Ltd.	40.00%	Equity method
Rainbow Overseas	100.00%	Full consolidation

Source: Company

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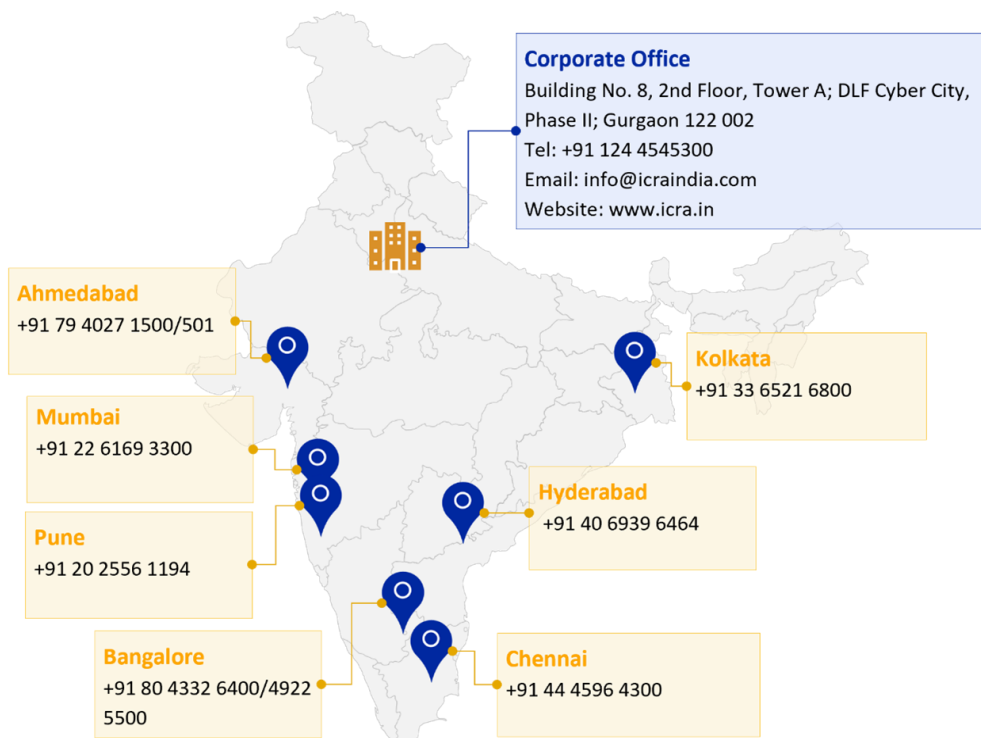


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