

March 31, 2026

Madhya Bharat Agro Products Ltd: 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	218.00	218.00	[ICRA]A+; Placed on Rating Watch with Negative Implications
Long term - Fund based - Term loan	502.41	502.41	[ICRA]A+; Placed on Rating Watch with Negative Implications
Short term - Non-fund based - Others	117.00	117.00	[ICRA]A1; Placed on Rating Watch with Negative Implications
Unallocated limits	20.59	20.59	[ICRA]A+; Placed on Rating Watch with Negative Implications/[ICRA]A1; Placed on Rating Watch with Negative Implications
Total	858.00	858.00	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to Madhya Bharat Agro Products Limited (MBAPL), which is a part of the Ostwal Group, 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 Krishna Phoschem Limited (KPL, [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	Corporate Credit Rating Methodology Fertilizers
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 MBAPL
Consolidation/standalone	The ratings are based on the standalone financials of MBAPL

About the company

Madhya Bharat Agro Products Limited (MBAPL), an NSE-listed company having its registered office and corporate office at Bhilwara, Rajasthan, was incorporated in 1997 and was taken over by the Ostwal Group in 2004. At present, the company is engaged in the manufacturing of fertilisers such as DAP/NPK, SSP, beneficiated rock phosphate, sulphuric acid and phosphoric acid. The company has a manufacturing plant at Sagar (M.P.) and an expansion project is underway at Dhule, Maharashtra, with expected commissioning in October 2026.

Key financial indicators (audited)

	FY2024	FY2025	9MFY2026
Operating income	823.9	1,064.90	1,472.3
PAT	24.8	57.5	90.4
OPBDITA/OI	12.60%	14.40%	12.6%
PAT/OI	3.00%	5.40%	6.1%
Total outside liabilities/tangible net worth (times)	1.3	1.3	-
Total debt/OPBDITA (times)	2.8	2.1	-
Interest coverage (times)	3.9	5.5	8.5

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
Fund based - Others	Long-term	218.00	[ICRA]A+; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-
Non-fund based - Others	Short-term	117.00	[ICRA]A1; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A1	-	-	-	-	-	-
Unallocated limits	Long-term/Short-term	20.59	[ICRA]A+; Rating Watch with Negative Implications / [ICRA]A1; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-	-	-
Fund based - Term loan	Long-term	502.41	[ICRA]A+; Rating Watch with Negative Implications	November 26, 2025	[ICRA]A+ (Stable)	-	-	-	-	-	-

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	218.00	[ICRA]A+; Rating Watch with Negative Implications
NA	Short term non-fund based	NA	NA	NA	117.00	[ICRA]A1; Rating Watch with Negative Implications
NA	Long term - Term loans	FY2025	7.01-8.15%	FY2033	502.41	[ICRA]A+; Rating Watch with Negative Implications
NA	Long term/Short term unallocated	NA	NA	NA	20.59	[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: Not Applicable

ANALYST CONTACTS

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

Prashant Vasisht
+91 124 4545 322
prashant.vasisht@icraindia.com

Varun Gogia1
+91 124 4545 823
varun.gogia1@icraindia.com

Sahaj Gugliani
+91 124 4545 814
sahaj.gugliani@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



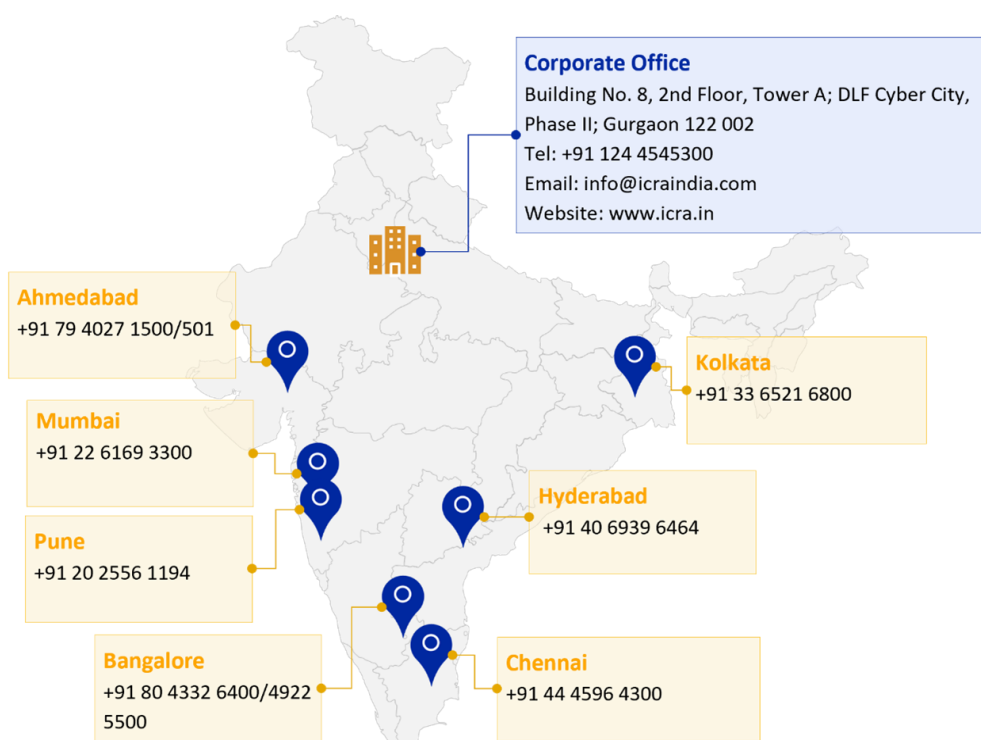
Registered Office

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.