July 27, 2026

Madhya Bharat Phosphate Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
LT fund based working capital	30.00	30.00	[ICRA]A+ (Stable); reaffirmed	RBI
ST - Non-fund based working capital	31.00	31.00	[ICRA]A1; reaffirmed	RBI
Total	**61.00**	**61.00**		

**Instrument details are provided in Annexure I*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Shree Pushkar Chemicals and Fertilisers Limited (SPCFL) and its wholly-owned subsidiaries, Kisan Phosphates Private Limited (KPPL) and Madhya Bharat Phosphate Private Limited (MBPPL), collectively referred to as the consolidated entity or the Group due to the operational, managerial and financial linkages among them. The three entities share a common management with KPPL and MBPPL being strategically important to SPCFL.

The reaffirmation of the ratings reflects the SPCFL Group's long track record, the extensive experience of the promoters in the sector and the comfortable capital structure and coverage indicators along with a favourable demand outlook for dyes and dye intermediates in the medium to long term.

The ratings factor in a healthy growth in the consolidated revenue in FY2026, supported by strong volume expansion in the chemical segment and improvement in fertiliser realisations. Further, the comfortable capital structure, strong debt coverage indicators and healthy cash accruals, along with a modest reliance on external debt for the recent capex programme provide comfort. The credit metrics remain robust with the total debt/OPBDITA at 0.9x at the end of FY2026 (0.3x at the end of FY2025) even as the company had availed a Rs. 25-crore term loan for a solar power plant that was recently set up. The TOL/TNW remains healthy at around 0.6x as on March 31, 2026 (0.6x as on March 31, 2025) and the interest coverage ratio was also comfortable at 22.1x in FY2026. The upcoming capex plan is expected to moderate the total debt/OPBDITA to 1.3x-1.4x and the interest coverage ratio to 14x-17x over FY2027-FY2028. However, the credit metrics will remain healthy and adequate for the rating level.

ICRA notes that the Group under SPCFL has recently completed mechanical completion of the 0.15-MMT-DAP/NPK plant. However, its commissioning has been on hold due to elevated raw material prices; the company now expects to commission the plant in Q2 FY2027. However, the capex was funded by internal accruals and no term debt was availed. Hence, the delayed commissioning is not expected to exert any pressure on the company's debt servicing capabilities. Nevertheless, ICRA will continue to monitor the commissioning of the recent projects over the next few quarters.

Meanwhile, under MBPPL, the Group has also embarked on a capex to expand the DAP/NPK capacity at its Meghnagar facility by 0.35 MMT at a total outlay of Rs. 350 crore. The capex is to be funded through a mix of internal accruals, liquidation of a part of the company's bond portfolio, Rs. 22.5 crore of proceeds towards the rights issue from the promoters and a term debt. Given the size of the project, the company will remain exposed to project execution risks.

High raw material prices, particularly that of sulphur, triggered by the geopolitical tensions in West Asia, have kept the cost pressure elevated across both the fertiliser and sulphur-based chemical segments. In the fertiliser segment, the impact has been mitigated by an increase in SSP retail prices as well as higher subsidy rated announced by the GoI. Further, the company benefitted from access to low-cost raw material and finished goods inventory in both the fertiliser and chemical segments, which is expected to support healthy profitability in Q1 FY2027 amid a sharp rise in realisations. However, as the inventory is replenished at elevated prices, the company may calibrate its sales till it has clear visibility on the realisations, particularly in the fertiliser segment. The moderation in the sowing level in the current kharif season may also impact the fertiliser offtake.

Further, the ratings are constrained by the vulnerability of the company's profitability to the adverse fluctuation in raw material costs and intense competition in the industry. The ratings also consider the agro-climatic and regulatory risks associated with the fertiliser business and the susceptibility of SPCFL's profitability margins to foreign exchange (forex) fluctuations. The company's performance, particularly in fertilisers, remains susceptible to regulatory risks related to the subsidy levels and its timely release by the GoI.

The Stable outlook reflects ICRA's opinion that the SPCFL Group will continue to benefit from its established track record in the chemical and fertiliser industries. Moreover, the expected improvement in the contribution levels of the fertiliser business is likely to keep the overall cash generation healthy and ensure a stable credit profile.

Key rating drivers and their description

Credit strengths

Established track record in dyes, dye intermediates and fertilisers – The Group has an established track record in the dye, dye intermediates and fertiliser businesses (mainly single super phosphate) and a strong customer profile. The extensive experience of the promoters also provides comfort against any marketing-related risks. Further, the Group enjoys locational advantages because of its proximity to raw material sources and end-user industries. The company is expanding the complementary product profile under the fertiliser business to improve its product offerings.

Highly integrated operational structure – SPCFL has a highly integrated operations wherein the dye segment has been back-ward integrated to manufacture dye intermediates as well as various acid compounds used to make dyes. The fertiliser operations are also backward integrated for manufacturing sulphuric acid, which provides competitive advantage over the non-integrated manufacturers. The upcoming phosphatic fertiliser plant will also be backward integrated for manufacturing phosphoric acid and sulphuric acid, which are the key raw materials for phosphatic fertilisers.

Comfortable capital structure and coverage indicators – On a consolidated basis, the SPCFL Group does not have any major term loans and largely funds its working capital requirements through extended credit period under the letter of credit (LC) facility. The Group's consolidated TOL/TNW moderated to 0.59x as on March 31, 2026 vis-à-vis 0.61x as on March 31, 2025. The interest coverage ratio remained healthy at 22.1 in FY2026. ICRA expects the credit metrics to moderate in FY2027 as the company completes the last leg of the ongoing capex programme. Thus, the working capital borrowings are expected to rise with the cash accruals being deployed towards the capex.

Credit challenges

Vulnerability to input price fluctuations and regulatory risks - The company's operating profitability remains exposed to the adverse fluctuations in raw material costs and any revisions in import duty. Further, SPCFL is exposed to intense competition in the industry. In FY2026, SPCFL's consolidated profitability remained largely similar to FY2025, with the operating margin moderating slightly to 10.2% in FY2026 vis-à-vis 10.4% in the previous fiscal. Iin FY2026, the company's profitability was impacted by elevated raw material prices throughout the year, particularly towards the end of the fiscal.

Project implementation risks - The Group is undertaking capex to expand the capacities of dyes, SSP and phosphatic fertilisers. SPCFL is expected to commission the dye intermediates facility in Q2 FY2027. The 0.15-MMTPA phosphatic fertiliser facility under SPCFL is expected to be commissioned in Q2 FY2027 as well. Meanwhile, under MBPPL, the Group is expanding the capacity of its DAP/NPK facility at Meghnagar further by 0.35 MMT at a total outlay of Rs. 350 crore. Given the sizeable project pipeline, the company remains exposed to project implementation risks associated with the capex programme.

Agro-climatic, regulatory and input cost risks in fertiliser business – The agricultural sector in India remains dependent on the monsoons because of low irrigation coverage, making fertiliser sales and profitability vulnerable to fluctuations in rainfall patterns and crop-sowing activity. Further, the fertiliser segment is highly regulated, making the profitability sensitive to changes in Government regulations, which could affect the company's financial profile. Further, the profitability margins of the fertiliser business are vulnerable to volatile raw material prices and foreign exchange fluctuations. Sustained elevated raw material prices may put pressure on the margins in the absence of adequate subsidy increase or retail price revisions.

Working capital-intensive operations - The company's operations remain moderately working capital-intensive, particularly in the fertiliser segment. The working capital requirements increase due to the stocking of fertilisers prior to the season i.e. in the Q1 of a fiscal. While the subsidy receipts from the GoI have remained timely, the current subsidy allocation is deemed inadequate by the sector, and any delay in the release of subsidy by the GoI can adversely impact the company's working capital cycle. The company has adequate cushion in its working capital borrowings to support any elongation in the working capital cycle.

Liquidity position: Adequate

The liquidity of the company is projected to remain adequate, supported by expected healthy cash accruals of Rs. 100-110 crore in FY2027, free cash and liquid investments of Rs. 0.67 crore as on March 31, 2026 and sparsely utilised fund based limits. The company does not have any major debt repayments, while the availability of internal accruals and unutilised fund based limits along with the additional term loan raised will enable it to fund the ongoing capex plan.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if SPCFL registers a sizeable growth in the consolidated revenue and profit while maintaining healthy leverage and coverage metrics.

Negative factors – The ratings could be downgraded in case of a sustained moderation in revenue and profitability, resulting in a weakening of the leverage and coverage indicators. Any sizeable debt-funded capex and/or a stretch in the working capital cycle, weakening the credit profile and liquidity position could also result in a downgrade. A key credit metric for downgrade would the total debt/OPBDITA remaining above 1.5x on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Fertilizers Chemical
Parent/Group support	Not applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has taken a consolidated view of SPCFL and its wholly-owned subsidiaries, KPPL and MBPPL, enlisted in Annexure II

About the company

Madhya Bharat Phosphates Pvt. Ltd. (MBPPL) was placed under the corporate insolvency resolution process (CIRP) by the Ahmedabad bench of the National Company Law Tribunal (NCLT) in September 2018. In April 2020, SPCFL completed the takeover of MBPPL by acquiring 100% shares of the company at a total cash-down bid price of Rs. 19.37 crore. MBPPL has two SSP manufacturing units in Madhya Pradesh – one at Jhabua with a 150,000-MTPA capacity and another at Deewanganj with 60,000-MTPA capacity.

Key financial indicators (audited)

SPCFL-Consolidated	FY2025	FY2026
Operating income	806.3	976.6
PAT	58.6	70.1
OPBDIT/OI	10.4%	10.2%
PAT/OI	7.3%	7.2%
Total outside liabilities/Tangible net worth (times)	0.6	0.6
Total debt/OPBDIT (times)	0.3	0.9
Interest coverage (times)	36.7	22.1

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

MBPPL Standalone	FY2025	9M FY2026*
Operating income	183.0	165.5
PAT	18.2	14.4
OPBDIT/OI	10.6%	9.7%
PAT/OI	9.9%	8.7%
Total outside liabilities/Tangible net worth (times)	1.1	1.0
Total debt/OPBDIT (times)	0.0	1.8
Interest coverage (times)	110.6	17.4

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based cash credit	Long term	30.00	July 27, 2026	**[ICRA]A+ (Stable)**	June 01, 2025	**[ICRA]A+ (Stable)**	May 08, 2024	**[ICRA]A+ (Stable)**	-	-
Non-fund based limits	Short term	31.0	July 27, 2026	**[ICRA]A1**	June 01, 2025	**[ICRA]A1**	May 08, 2024	**[ICRA]A1**	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Cash credit - Fund based	Simple
Short term – Others – Non-fund based	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	Financial sector regulator#
NA	**Cash credit**	NA	NA	NA	30.00	[ICRA}A+ (Stable)	RBI
NA	**Non-fund based**	NA	NA	NA	31.00	[ICRA]A1	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Shree Pushkar Chemicals & Fertilisers Limited	Parent Company	Full
Kisan Phosphates Private Limited	100%	Full
Madhya Bharat Phosphate Private Limited	100% (Self)	Full

Source: Company

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