

Agro Phos (India) Limited

March 31, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	17.75 (Reduced from 27.25)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	12.00	CARE BB+; Stable / CARE A4+	Assigned
Short Term Bank Facilities	16.00	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Agro Phos (India) Limited (APIL) continue to remain constrained on account of its moderate profitability and concentrated product portfolio. Ratings further remain constrained due to its presence in the regulated industry and agro-climatic risk, susceptibility of profitability to volatile raw material prices and foreign exchange fluctuation risk and stretched liquidity.

However, the ratings continue to derive strength from experienced management with established presence in the fertiliser industry, established marketing and distribution network, moderate scale of operations, comfortable capital structure and moderate debt coverage indicators.

Rating assigned to the bank facilities of one of banker have been withdrawn based on bank's no dues certificate shared by the company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operation marked by total operating income (TOI) above ₹130 crore with profit before interest, lease, depreciation and tax (PBILDT) margin of 8% on a sustained basis
- Improvement in capital structure marked by overall gearing of below 0.5x
- Improvement in debt coverage indicators marked by PBILDT interest coverage of above 5x and total debt to gross cash accruals (GCA) of below 5x

Negative factors

- De-growth in scale of operations marked by TOI below ₹80 crore on sustained basis
- Delay in receipt of subsidy further impacting liquidity
- Significant decline in profitability leading to PBILDT interest coverage of below 2x on sustained basis
- Deterioration in capital structure marked by overall gearing above unity

Analytical approach: Standalone

Analytical approach has been changed from 'consolidated' to 'standalone' considering the sale of stake by APIL of its associate company, Shri Tulsi Phosphate Private Limited (STPPL) in December 2025 and hence, post stake dilution, STPPL cease to be the associate of former.

Outlook: Stable

The outlook on the long-term rating of APIL is 'Stable' on expectation of considering the long experience of promoters in the fertilizer industry coupled with established relationship with customer and on expectation of APIL sustaining its comfortable capital structure.

Detailed description of key rating drivers:

Key weaknesses

Moderate profitability

APIL's PBILDT margin remained fluctuating in the range of ~7-13% over past five years ended FY25 (except for FY24). APIL's profit margins rebounded to 11.65% in FY25 as against operating losses in FY24 and the same momentum continued in 9MFY26

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

with PBILDT margin of 12.75%. Followed by increase in raw material prices, government increases subsidy rates, which supported the improvement in the profitability.

Profit after tax (PAT) margins also improved to 4.38% and 6.18% respectively in FY25 and 9MFY26 (FY24: net loss; 9MFY25: 3.45%). Subsequently, APIL reported moderate gross cash accruals (GCA) of ₹9.32 crore in FY25 (FY24: cash loss of ₹8.77 crore).

Concentrated product portfolio

The product portfolio of APIL consist of organic fertilizers & chemical fertilizers like single super phosphate (SSP), nitrogen phosphorus potassium (NPK), organic manure, calcium sulphate, zinc sulphate, potash derived from molasses (PDM), phosphate rich organic manure (PROM) etc. The product portfolio of APIL remained concentrated wherein it derived ~85-90% of sales from single superphosphate (SSP) in last three years ended FY25 which increased to 99% in 9MFY26.

Presence in regulated industry with agro-climatic risks

The profitability of fertiliser manufacturers is influenced by the regulations, types of fertilisers, wherein, the government controls the fertiliser prices and provides subsidies. The quantum of subsidy receivables and delays associated with the receipt of the same inherently impacts the liquidity of the fertiliser industry, though differs with the type of fertilizer.

Lower subsidy budget may result lead companies to resort to higher short-term borrowings to fund the extended subsidy receivables. With release of large amount of subsidy payments in FY21, subsidy receivables declined significantly leading to significant decline in debt level of the fertilizer companies. Lower subsidy budget may result lead companies to resort to higher short-term borrowings to fund the extended subsidy receivables. Following the moderation in raw material prices from FY24 onwards, government has reduced the subsidy budget from ₹1.88 lakh crore in FY24 to ₹1.71 lakh crore for FY25 and further to ₹1.68 lakh crore for FY26. However, subsidy allocation towards NPK fertilizers have increased in FY25 and FY26. Any decline in subsidy allocation towards NPK fertilizers may impact profitability and revenue of the company in FY27.

Regular intervention by the government to increase the subsidy budget, NPK nutrient rates, and minimum selling prices (MSP) help the sector to work in a regulated manner. The government is also planning to implement the second phase of direct benefit transfer (DBT) and is planning to explore the option of directly transferring the subsidy to the farmers' accounts, which can be beneficial for the fertilizer companies. However, it will have a substantial burden on the government finances, and accordingly, the rollout of the second phase of DBT may take some time.

Exposure of profitability to volatility in raw material prices and foreign exchange rates

Major raw materials required for manufacturing of SSP, is rock phosphate and sulfuric acid. The procurement of rock phosphate is fulfilled by imports, majorly from Egypt and Jordan, while requirement of sulfuric acid is met by local vendors. The prices of rock phosphate are volatile due to its linkage with international markets along with India being an importer as it is not naturally mined in the country. However, APIL is able to pass on some portion of price variation to customers with some time lag.

Furthermore, APIL does not have any sizeable exports to provide a natural hedge against its import payables, which exposes its profitability to adverse movement in foreign exchange rates. APIL registered forex loss of ₹0.10 crore in FY25 (FY24: ₹ (0.01) crore).

Key strengths

Moderate scale of operations

APIL's TOI grew by ~15% y-o-y to ₹ 119.88 crore in FY25, driven by increase in government subsidy and sales volumes. Company derived ~91% of net sales from manufacturing segment and remaining from trading segment (FY24: ~90%). In the manufacturing segment, sales volume increased by ~5% while realisations improved by ~6%, whereas revenue from the trading segment remained largely stable on a y-o-y basis.

The growth momentum continued in 9MFY26, with APIL reporting TOI of ₹ 115.84 crore, supported by improved subsidy rates and healthy growth in sales volumes of manufacturing segment.

Established marketing & distribution network

Over the years, APIL has established its distribution network consisting of over 200 dealers or distributors spread across various states viz. Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh, Chhattisgarh and Andhra Pradesh.

Comfortable capital structure and moderate debt coverage indicators

APIL's capital structure continues to remain comfortable marked by overall gearing at 0.65x as on March 31, 2025 (0.54x as on March 31, 2024). Also, with improvement in profitability in FY25 and 9MFY26, overall debt coverage indicators improved marked by interest coverage and TDGCA of 3.65x and 4.48x in FY25 (not meaningful in FY24).

Experienced management with established presence in fertilizers industry

Mr. Raj Kumar Gupta, Managing Director, holds experience of more than two decades in the fertilizer industry. He looks after the overall business of the company. Mr. Vishnu Kant Gupta, director, has around one decade of experience in the fertilizers industry and looks after production of the company. The directors are supported by tier II staff.

Liquidity: Stretched

The liquidity position of APIL remained stretched marked by negative cash flow from operation (CFO), almost full fund-based working capital utilization and elongated operating cycle. It is expected to report moderate GCA of ~₹9.5-10 crore as against negligible debt repayment obligations of ₹0.23 crore in FY26.

Average fund based working capital utilization remained almost full for past 12 months ended February 2026. The operating cycle of APIL remain elongated at 135 days in FY25 as against 132 days in FY24. The same was on account of elongated inventory and debtor days. APIL has low free cash and bank balance of ₹0.10 crore as on March 31, 2025. CFO stood at negative ₹3.29 crore in FY25 (FY24: negative 11.49 crore) owing to increase in subsidy receivables and inventory levels.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Fertilizer](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Fertilizers & Agrochemicals	Fertilizers

Indore based, Agro Phos (India) Limited (APIL: L24123MP2002PLC015285) was initially incorporated in 2001 as a partnership firm in the name of Agro (Phos) India by Mr. Raj Kumar Gupta and Mr. Virendra Kumar Gupta. Further, in 2002, it was converted into a private limited company and thereafter the company changed its constitution from a private limited to closely held public limited company in March 2004. Currently, APIL is listed on NSE. APIL is an ISO 9001:2008 certified company engaged in the manufacturing of P&K fertilizers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. APIL also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the market conditions. The manufacturing facilities of APIL are located at Dewas and Meghnagar in Madhya Pradesh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	103.83	119.88	115.84
PBILDT*	-5.75	13.97	14.77
Profit after tax (PAT)	-7.68	5.26	7.16
Overall gearing (x)	0.54	0.65	NA
Interest coverage (x)	NM	3.65	4.69

A: Audited UA: Unaudited; NM: Not Meaningful; NA: Not Applicable; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: ICRA has suspended rating assigned to the bank facilities of APIL vide press release dated November 07, 2014, on account of non-cooperation by APIL with ICRA's efforts to undertake a review of the ratings outstanding.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	17.75	CARE BB+; Stable
Fund-based/Non-fund-based-LT/ST	-	-	-	-	12.00	CARE BB+; Stable / CARE A4+
Non-fund-based - ST-Letter of credit	-	-	-	-	16.00	CARE A4+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	17.75	CARE BB+; Stable	-	1)CARE BB+; Stable (10-Mar-25)	1)CARE BB+; Stable (11-Mar-24) 2)CARE BB+; Stable (23-Feb-24) 3)CARE BBB-; Stable (06-Dec-23)	1)CARE BBB-; Stable (20-Oct-22)
2	Non-fund-based - ST-Letter of credit	ST	16.00	CARE A4+	-	1)CARE A4+ (10-Mar-25)	1)CARE A4+	1)CARE A3

							(11-Mar-24)	(20-Oct-22)
							2)CARE A4+ (23-Feb-24)	
							3)CARE A3 (06-Dec-23)	
3	Fund-based - LT-Working capital Term Loan	LT	-	-	-	1)Withdrawn (10-Mar-25)	1)CARE BB+; Stable (11-Mar-24)	-
4	Fund-based/Non-fund-based-LT/ST	LT/ST	12.00	CARE BB+; Stable / CARE A4+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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