Agro Phos (India) Limited

November 13, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BB+; Stable / CARE A4+ and Withdrawn
Long Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BB+; Stable and Withdrawn
Short Term Bank Facilities	RBI	-	-	Reaffirmed at CARE A4+ and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd (CareEdge Ratings) has reaffirmed and simultaneously withdrawn the outstanding rating of **CARE BB+; Stable / CARE A4+ [Double B Plus; Outlook: Stable/ A Four Plus]** assigned to the bank facilities of Agro Phos (India) Limited (APIL) with immediate effect. The above action has been taken at the request of APIL along with No Objection Certificate from the banks those have extended the facilities rated by CareEdge Ratings.

The 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.

Analytical approach: Standalone

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 profitability margins remained stable compared to FY25 as the higher cost of sales offset the improvement in scale of operations. Thus, PBILDT margin was moderate of 11.13% during FY26 compared to 11.65% during FY25. Further, PAT margin also remained satisfactory of 5.53% during FY26 compared to 4.38% during FY25. Further, during H1FY27(UA) PBILDT margin remained 10.51%.

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 ~91% of sales from single superphosphate (SSP) in last three years ended FY26.

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

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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 ₹0.43 crore in FY26 (FY25: ₹ (0.10) crore).

Key strengths

Moderate scale of operations

APIL's scale of operations grew by 23% y-o-y on the back of higher sales volumes and increased government subsidy. Thus, total operating income was ₹147.95 crore during FY26 compared to ₹119.88 crore in FY25. Further, during H1FY27, the company reported a revenue of ₹64.04 crore.

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

Given an adequate networth base vis-à-vis its overall debt, APIL's capital structure continued to remain comfortable marked by overall gearing at 0.55x as on March 31, 2026 (0.65x as on March 31, 2025). Also, with improvement in profitability in FY26 and stable debt level and interest costs, debt coverage indicators improved marked by interest coverage of 4.16x in FY26 (3.65x in FY25) whereas TD/GCA also remained stable at 3.71 years as on March 31, 2026 compared to 4.48 years as on March 31, 2025.

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

Despite negligible fixed repayment obligations, the liquidity position of APIL remained stretched marked elongated operating cycle leading to high utilization of its working capital limits. Average fund based working capital utilization remained close to 85% as on November 04, 2026. Despite a moderation, the operating cycle of APIL remained elongated at 110 days in FY26 as against 135 days in FY25. The same was on account of high inventory holding and collection period. Further, albeit the company reported a positive cash flow from operation worth ₹5.93 crore during FY26, whereas cash and bank balance remained low at ₹2.18 crore as on March 31, 2026.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Withdrawal Policy
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) (CIN: 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 Diammoium 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, 2025 (A)	March 31, 2026 (A)	H1FY27 (UA)
Total operating income	119.88	147.95	64.04
PBILDT*	13.97	16.47	6.73
Profit after tax (PAT)	5.26	8.18	3.08
Overall gearing (x)	0.65	0.55	0.47
Interest coverage (x)	3.65	4.16	3.74

A: Audited; UA: Unaudited; Note: these are latest available financial results
PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Not Applicable	-		-	-	0.00	Withdrawn
Fund-based/Non-fund-based-LT/ST	RBI	Not Applicable	-		-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit	RBI	Not Applicable	-		-	-	0.00	Withdrawn

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BB+; Stable (13-Nov-26)	1)CARE BB+; Stable (31-Mar-26)	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)
2	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A4+ (13-Nov-26)	1)CARE A4+ (31-Mar-26)	1)CARE A4+ (10-Mar-25)	1)CARE A4+ (11-Mar-24) 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	-	-	1)CARE BB+; Stable / CARE A4+ (13-Nov-26)	1)CARE BB+; Stable / CARE A4+ (31-Mar-26)	-	-

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: 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.

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