

Nagarjuna Fertilizers and Chemicals Limited

October 01, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1,276.14	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	1,179.67	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated July 12, 2023, placed the rating(s) of Nagarjuna Fertilizers and Chemicals Limited (NFCL) under the 'issuer non-cooperating' category as NFCL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. NFCL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 27, 2024, June 06, 2024, June 16, 2024 among others.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [July 12, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

About the Company

NFCL (ISIN: INE454M01024) is the flagship company of the Hyderabad based Nagarjuna group, promoted by late Shri. K.V.K. Raju. Along with Mr. Raju, Andhra Pradesh State Government and FIIs are the major shareholders of NFCL. NFCL has two Urea plants (capacity – 2,300 MT per day each) located at Kakinada, Andhra Pradesh. While Plant-I operates entirely on natural gas as the feedstock, Plant –II can use both natural gas (NG) and naphtha. Besides manufacturing, NFCL is also involved in trading of Urea (Government Pool Urea), Specialty Fertilizers and Agriinputs [viz. Muriate of Potash (MOP), Diammonium Phosphate (DAP), NPK etc.] A small proportion of NFCL's revenue also comes from micro irrigation business and manufacturing of PVC Pipes.

Brief Financials (Rs. crore)	March 31, 2023 (A) [^]	March 31, 2024 (A)	Q1FY25 (UA)
Total operating income	5642.20	4765.39	871.08
PBILDT	79.82	-156.68	-70.00
PAT	-900.09	-1283.89	2453.19
Overall gearing (times)	NM	NM	-
Interest coverage (times)	0.15	NM	NM

A: Audited, UA: Unaudited, NM: Not Meaningful; Note: 'the above results are latest financial results available'

[^]FY23 financials have been revised in line with CARE's revised criteria on classification of non-core item as part of non-operating income.

Status of non-cooperation with previous CRA: India Ratings has continued the ratings assigned to the bank facilities of NFCL to the 'issuer not-cooperating' category vide press release dated September 12, 2024 on account of its inability to carryout review in the absence of requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various 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		-	-	-	803.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	1179.67	CARE D / CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	July 2023	473.14	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Term Loan-Long Term	LT	473.14	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING * (15-Jul-22)	1)CARE D; ISSUER NOT COOPERATING * (06-May-21)
2	Fund-based - LT-Cash Credit	LT	803.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (12-Jul-23)	1)CARE D; ISSUER NOT COOPERATING * (15-Jul-22)	1)CARE D; ISSUER NOT COOPERATING * (06-May-21)
3	Non-fund-based - LT/ ST-BG/LC	LT/ ST	1179.67	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE D / CARE D; ISSUER NOT COOPERATING * (12-Jul-23)	1)CARE D / CARE D; ISSUER NOT COOPERATING * (15-Jul-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING * (06-May-21)

*Issuer did not cooperate; based on best available information.

LT: Long 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	Non-fund-based - LT/ ST-BG/LC	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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