

## National Seeds Corporation Limited

January 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	75.00	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	50.00	CARE AA; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of National Seeds Corporation Limited (NSC) at CARE AA; Stable /A1+. Reaffirmation of ratings to bank facilities of NSC continues to derive strength from the operational ties with the Government of India (GoI) and the importance of NSC to the GoI for the implementation of programmes of national importance and also aiding in making the country self-sufficient in agriculture output through seed production and distribution. Ratings also factor in NSC's established track record in seed processing and seed production across diverse certified crops and sowing seasons; the company's established market position with an extensive network of seed growers, owned farms, and processing-cum warehousing units across India. The company is able to modestly improve its operational profile year-over-year (y-o-y) supported by the robust Rabi season marked by improvement in sales volume and consequent healthy improvement in profitability margins. The company reported 17% y-o-y growth in the total operating income (TOI) in FY25 to reach ₹1,340.99 crore, while the profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin stood at 7.92% in FY25 (5.63% in FY24). Considering nil term loan and no debt-funded capex envisaged, the balance sheet remains unleveraged as the company relies on capital grants received from government and internal accruals only to meet its capital requirements.

However, these rating strengths are constrained by the elongated debtor days, susceptibility to agro-climatic conditions, and stiff competition from private players and state seed corporations.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustained growth in the income (15%-20%) and profitability (8-10%) and improvement in the working capital cycle (less than 90 days) with strategic importance to GoI remaining intact.

#### Negative factors

- Lower-than-expected accruals due to significantly declining income or profitability or continued elongating working capital cycle.
- Deteriorating liquidity and overall financial risk profile (overall gearing over 0.5x and total debt [TD]/PBILDT over 2x).
- Major change in the operational ties or reduction in the strategic importance to the GoI. Major disinvestment in the entity where GOI loses its control on the entity.
- Deteriorating receivables cycle with outstanding receivables remaining above ₹600 crore on a sustained basis or average collection period above 160 days.

#### Analytical approach: Standalone.

However, ratings factor in the strong linkages with the GoI and NSC being "Mini Ratna" category-1, the company is under the administrative control of the Ministry of Agriculture and Farmers Welfare having significant importance in the agriculture sector.

#### Outlook: Stable

The 'Stable' outlook signifies CareEdge Ratings' belief that the company will continue to maintain a healthy operational profile in the medium term and in the absence of long-term debt and strong liquidity position, the capital structure will remain comfortable.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Strong operational linkages with the GoI

NSC is a Schedule 'B'-Miniratna Category-I company wholly owned by the GoI (as on September 30, 2025) under the administrative control of the Department of Agriculture Cooperation & Farmer's Welfare Ministry of Agriculture and Farmers Welfare. With the launch of the National Seed Project in 1974, NSC was assigned the lead role to develop the seed industry in the country. NSC has played a pivotal role in the development of the industry since its inception in 1963 and contributes towards meeting the national requirement of supply of quality seeds of different crops and varieties to farmers.

NSC had made investments in 10 of 17 State Seeds Corporations (SSCs) in India in 1970s of the funds provided by the GoI under National Seeds Project (NSP) Scheme to enhance its reach in seed sector and exchange of seed technology with SSCs. NSC plays a key role in the implementation of schemes of the GoI such as the 'Food and Nutrition Security (FNS) (erstwhile- NFSM)', the 'Mission for Integrated Development of Horticulture (MIDH)' and 'Krishonnati Yojna', among others aimed at making the country self-sufficient in agriculture output. To support its operations, NSC receives capital grants for the implementation of projects and revenue subsidies related to the production and distribution of seeds. GoI has representation through two nominee directors on the board.

#### Well-established track record of operations

NSC was established in 1963 and has over five decades of track record in seed production and related activities. NSC has pioneered the growth and development of the seed industry in India. NSC produces test stock, breeder, foundation, and certified seeds of crops in different regions of the country. Over the years, the company has established a strong market presence for the production and distribution of seeds. NSC undertakes seed production at its own farms and through registered seed growers. NSC has eight farms consisting of ~22,000-hectare land and over 14,100 registered seed growers all over the country to undertake seed production programmes in different agro-climatic conditions.

#### Diversified product portfolio and strong distribution network

NSC's portfolio covers 80+ crops consisting of ~627 varieties across cereals, oilseeds, pulses, millets, fodder, fibres, green manure, and a wide range of vegetables. Sales of seeds for cereals, pulses, and oilseeds contribute ~80% of the company's total sales in FY25 (78% in FY24). The diversified product portfolio and the large network of seed growers mitigate the risks arising due to specific crop failures or demand risks. NSC is a national-level company with presence across all states. NSC has 11 regional offices, 48 area offices, 107 marketing centres, 30 seed production centres, and four seed testing and quality control labs across the country, thus providing a strong market presence.

#### Improving scale of operations and profitability margins

NSC's primary objective being a central public sector enterprise (CPSE) unit is to multiply the seeds of new varieties being bred by National Agriculture Research System (NARS). NSC provides seeds to farmers, enabling them to grow agricultural crops, which are mainly low-value and high-volume seeds. NSC also carries out objectives of the GoI. Hence, due to these reasons, the profitability will be lower than private sector entities.

However, the company is able to improve its operational performance y-o-y. In the last three years, the company reported a compound annual growth rate (CAGR) of ~15% in TOI. In FY25, it reported a y-o-y improvement of 17% in the TOI to ₹1,340.99 crore from ₹1,143.27 crore in FY24 driven by a robust kharif season evidenced by a 10% y-o-y growth in sales volume. In H1FY26, the company's net sales stood at ₹505.00 crore against the sales of ₹472.90 crore in H1FY25.

Consequently, the PBILDT margins improved to 7.92% in FY25 from 5.63% in FY24 and 0.66% in FY22, which was primarily driven by higher production subsidy of ₹56 crore in FY25 (FY24: ₹30 crore) and reduction in selling expenses. However, the profitability margin remains inherently volatile to fluctuations in seed pricing, weather-dependent demand, and GoI programme-related developments.

#### Comfortable capital structure

The company has a healthy net worth of ₹806.51 crore as on March 31, 2025 (PY: ₹743.24 crore.) Typically, the company does not avail long-term loans for capital expenditure (capex) or expansion activities. It relies on capital grants received from the government and internal accruals only. However, the company utilises debt in the form of cash credit or short-term loans to support its working capital requirements only in the peak procurement seasons. Thus, the balance sheet is largely unleveraged as on March 31, 2025, similar to the fiscal endings FY24, FY23 and FY22. Going forward, no major working capital debt usage as on the balance sheet ending date is expected. The PBILDT interest coverage stood strong at 40.99x in FY25 (against 47.72x in FY24). Over the medium term as well, the coverage indicators are anticipated to remain comfortable considering negligible debt and sustenance of improved profitability.

**Key weaknesses****Elongated debtor days, however, static in last three years**

The company receives production and distribution subsidies for the sales, respectively, under schemes of the government. Typically, subsidies for a year are received in the subsequent year. However, the company has a significant portion of its sales being derived from government agencies.

The gross trade receivables stood at ₹575.53 crore as on March 31, 2025, compared to ₹531.03 crore as on March 31, 2024, however, improved to ₹369 crore as on September 30, 2025. While the company has faced no challenges in realising new trade receivables, receivables exceeding three years continue to be associated with state debtors attributed to financial constraints faced by certain government agencies. The total debtors in the age bracket of one year to over three years have not increased and remain stable in the range of ₹280-300 crore in the past three years, and hence, the absence of significant accumulation of overdue receivables in this category underlines the improvement in the receivable position, reflecting positively on debtors' days with improvement from 160 days in FY24 to 142 days in FY25. The gross trade receivables have remained stable in the range of ₹525 – ₹580 crore at the year ended March 31 for the last three years in FY25 and receivables exceeding the three years age bracket continue to be associated primarily with state debtors due to the financial constraints faced by certain government agencies. The major regional offices with the highest receivables are Jaipur, Hyderabad, and Bhopal where sanctions are in place but due to the unavailability of funds, receivables are outstanding. The company has made provisions against trade receivables aged beyond three years to address this and so far, provisioning of ₹93.81 crore have been made as on March 31, 2025, while ₹20-30 crore of provisions are expected to be made yearly.

The company's creditors have consistently ranged between ₹380-430 crore with ₹421 crore recorded as on March 31, 2025. ~50% of these creditors are dealers tied to sales made to state governments. Due to payment delays from state governments, these creditors remain outstanding on the company's books.

Thus, the company has been able to improve the overall working capital cycle from 161 days in FY22 to 79 days in FY25 (88 days in FY24), though remain, stretched. Going forward, the company's ability to manage its working capital cycle will be critical for its operations and significant elongation in the working capital cycle is the negative rating sensitivity.

**Increasing competition from private sector and state corporations**

The seed industry in India is a mix of large, medium, and small seed companies in the public and private sectors. The public sector is represented by NSC and the state seed corporations. Typically, private sector companies specialise in high-value-low volume seeds, while NSC, and other state seed corporations, provide low-value-high-volume seeds to farmers. With a growing preference towards hybrid seeds, the role of the private sector in the industry has been growing in recent years. NSC also faces competition from state seed corporations for the production of certified seeds, as some state governments prefer to procure seeds from their own corporations. It is to be noted that state corporations also receive subsidies from governments similar to NSC, while the private players do not.

**Agro-climatic risks**

Similar to agriculture-based sector, the seed industry is also seasonal and depends on agroclimatic conditions. Adverse agroclimatic conditions such as drought or heavy rainfall, or pest, weed or disease outbreak can hamper crop cultivation, leading to lower demand for seeds. NSC's pan-India presence limits these risks to an extent.

**Liquidity: Strong**

NSC has strong liquidity profile with cash accruals of ~₹118 crore in FY25 and with expectations of ₹110-130 crore in the medium term against no long-term loan obligations for the company currently. The company had free cash and bank balance of ₹127.60 crore as on March 31, 2025 (March 31, 2024: ₹133.94 crore). The company has no debt repayments considering nil term loans. The company has an average CC utilisation of 37% over the last 12 months ending November 2025. It had current ratio of 1.69x as on March 31, 2025, and unleveraged balance sheet which provides considerable capability to raise additional debt if required without adversely impacting its credit profile.

**Assumptions/Covenants:** Not applicable

**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](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Factoring Linkages with Government Support](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Agricultural food and other products	Other agricultural products

NSC is a Schedule 'B' – Miniratna Category-I company wholly owned by GoI under the administrative control of the Department of Agriculture Cooperation and Farmer's Welfare, Ministry of Agriculture and Farmers Welfare. NSC, established in 1963, is engaged in the production, processing, marketing, testing, storage, and distribution of seeds (breeder, foundation, and certified). Effective April 01, 2014, the State Farms Corporation of India Limited (SFCI), which was another GoI entity undertaking similar business activities, was merged with NSC. As on date, NSC produces ~627 varieties across 80+ crops consisting of cereals, pulses, oilseeds, fibre, fodder, and vegetables.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1,143.27	1,340.99	505.00
PBILDT	64.38	106.19	47.72
Profit after tax (PAT)	73.64	110.88	NA
Overall gearing (x)	0.00	0.00	NA
Interest coverage (x)	47.72	40.99	NA

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

**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

**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		-	-	-	75.00	CARE AA; Stable
Fund-based - LT/ ST-Working Capital Limits		-	-	-	50.00	CARE AA; Stable / CARE A1+

**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	75.00	CARE AA; Stable	-	1)CARE AA; Stable (08-Jan-25) 2)CARE AA; Negative (02-Apr-24)	-	1)CARE AA; Negative (03-Jan-23)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	50.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (08-Jan-25) 2)CARE AA; Negative / CARE A1+ (02-Apr-24)	-	1)CARE AA; Negative / CARE A1+ (03-Jan-23)

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 - LT/ ST-Working Capital Limits	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated:** Not applicable

**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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Sabyasachi Majumdar Senior Director <b>CARE Ratings Limited</b> Phone: 91-120-4452006 E-mail: <a href="mailto:Sabyasachi.Majumdar@careedge.in">Sabyasachi.Majumdar@careedge.in</a></p> <p>Ravleen Sethi Director <b>CARE Ratings Limited</b> Phone: 91-120-4452016 E-mail: <a href="mailto:ravleen.sethi@careedge.in">ravleen.sethi@careedge.in</a></p> <p>Sahil Goyal Assistant Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:Sahil.goyal@careedge.in">Sahil.goyal@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge 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 Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge 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, CareEdge 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. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**