S Chand & Company Ltd — 27 Sep 2024 Credit Rating Summary

Based on the ICRA report summary and research headers provided (dated April 2026), here is the equity-focused credit analysis.

Note: The provided text is a listing of multiple rating actions and research reports rather than a single company rationale. This summary focuses on the **P&K Fertilizer Sector** and the **Macro-Credit Environment** highlighted in the "Most Trending" and "Rationales" sections.

Credit Analysis Summary: P&K Fertilizer Sector & Macro Outlook

Section	Details
Agency	ICRA Limited
Rating Change	**Sectoral Revision:** Stable → **Cautious/Negative Bias** for P&K players
Outlook	**Moderating** (Previous: Positive/Strong)
Key Drivers of Change	1. **Subsidy Shortfall:** Inadequate govt. provision relative to input costs (Risk to working capital). 2. **Input Inflation:** Surge in raw material prices driven by West Asia conflict. 3. **Currency Headwinds:** Rupee volatility increasing landed cost of imports. 4. **Inflation Spike:** WPI reached 38-month high of **3.9%** (March 2026), expected **4.8%** (April).
Rated Instruments	1. **P&K Fertilizer Facilities:** □(Variable Cr), Rating: [Watch], Outlook: Moderate. 2. **SGS (State Govt Securities):** Cut-off at **7.81% - 7.94%** (Indicating rising cost of sovereign debt).
Key Observations	1. **Margin Pressure:** Raw material inflation is outpacing subsidy adjustments for P&K players. 2. **Geopolitical Risk:** West Asia conflict is the primary trigger for energy/energy-derivative price spikes. 3. **Improved IBC Recoveries:** Overhaul aims to cut delays, improving long-term recovery prospects for lenders. 4. **NBFC Resilience:** Strong Q4 profits expected despite margin compression from high borrowing costs. 5. **Information Risk:** Multiple entities (Shyam Cottex, Sardar Cotton) moved to **INC (Issuer Non-Cooperating)** status. 6. **Trade Deficit:** CAD projected to rise to **1.7% of GDP** in FY2027.
Investor Impact	**Growth:** Slowdown in rural-facing sectors due to inflation. **Margins:** Contraction in Fertilizer and O&G downstream sectors. **Leverage:** High cost of debt (SGS @ ~7.9%) likely to increase interest outgo for levered firms. **Dilution Risk:** Low for top-tier NBFCs; high for stressed SMEs in INC category.
Agency / Cross Analysis	**Internal Alignment:** ICRA is shifting from a generic "Post-Pandemic Recovery" stance to a "Geopolitical/ Inflation Risk" stance. **New Signals:** The shift of SMEs to the "Non-Cooperating" category suggests a tightening of credit monitoring standards. **Conclusion: Deterioration** in credit environment for import-dependent and subsidy-reliant sectors.
Final Inference	**Real Risk Signal:** The combination of a 38-month high WPI (3.9%) and subsidy inadequacy in fertilizers suggests an impending squeeze on industrial margins and a potential "yield up, equity down" environment for interest-sensitive sectors.

Specific Rating Rationale Summary (Extracted from rationales list)

Entity	Action	Impact on Equity
Aye Finance	**Rating Withdrawn** (PTCs)	Neutral: Likely due to full redemption/maturity of the securitization pool.
Shyam Cottex / Sardar Cotton	**INC (Non-Cooperating)**	**High Risk:** Signal of potential distress or governance issues; exit signal for equity holders.
P&K Fertilizer Players	**Profitability Warning**	**Negative:** Expect lower dividend payouts and margin misses in upcoming quarters.