

Nagarjuna Fertilizers & Chemicals Ltd — 18 Dec 2025 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd.
Rating Change	CARE D / CARE D (Reaffirmed) ; Remains in Issuer Not Cooperating (INC) category.
Outlook (Current vs Previous)	N/A vs N/A (Outlook is not applicable for ratings in the 'D' category).
Key Drivers of Change	<ol style="list-style-type: none"> Ongoing Default: Reaffirmation due to continued non-payment of debt obligations across all facilities (₹2,455.81 Cr). Operational Collapse: Revenue plummeted from ₹4,765.39 Cr (FY24) to a negligible ₹0.85 Cr (H1FY26), indicating a total halt in manufacturing/trading. Information Blackout: Company failed to provide data for monitoring despite multiple requests (Aug–Sept 2025), leading to the INC status. Severe Losses: Persistent operating losses (PBILDT of -₹8.41 Cr in H1FY26) with "Not Meaningful" debt coverage ratios.
Rated Instruments	<ul style="list-style-type: none"> Non-fund-based (BG/LC): ₹1,179.67 Cr
Key Observations	<ul style="list-style-type: none"> Revenue Vaporization: The 99.9% drop in revenue in H1FY26 suggests the Kakinada plants (Urea) may be non-operational. Financial Anomaly: FY25 showed a PAT of ₹2,424.87 Cr despite negative EBITDA, likely due to massive exceptional items or debt restructuring/write-offs, which does not reflect operational health. Systemic Distrust: Both CARE and India Ratings (Aug 2025) have tagged the company as "Non-Cooperative," signaling a breakdown in corporate governance. Negative Solvency: Overall gearing and interest coverage are "NM" (Not Meaningful), implying eroded net worth and total insolvency. Resource Constraints: Heavy reliance on natural gas/naphtha; lack of info prevents assessment of feedstock availability or subsidy receivables.
Investor Impact	<ul style="list-style-type: none"> Equity Value: Effectively near-zero or speculative; terminal distress signals high risk of delisting or insolvency proceedings. Dilution/Recovery: In a potential resolution, equity holders face 100% wipe-out risk given the massive debt pile (₹2,455+ Cr). Margins: Non-existent; the company is burning cash even at the operating level.
Agency / Cross Analysis	<p>Same Agency: CARE has maintained "D; INC" since July 2022. No improvement in transparency or repayment capacity over 3 years.</p> <p>New/Other Agency: India Ratings confirmed the INC status in August 2025, showing consistency across the credit landscape regarding the company's "default" and "non-transparent" status.</p> <p>Conclusion: Deterioration. The company has transitioned from a distressed operating entity to a defunct/non-reporting one.</p>
Final Inference	Terminal Credit Failure. The massive FY25 PAT is a red herring; the near-zero H1FY26 revenue confirms the business has collapsed. Equity holds no fundamental value; the situation is a candidate for liquidation or NCLT.