

March 26, 2026

Chambal Fertilisers & Chemicals Limited: Update on entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper programme	2,500.00	2,500.00	[ICRA]A1+; outstanding
Total	2,500.00	2,500.00	

*Instrument details are provided in Annexure I

Rationale

On February 28, 2026, after the breakout of the conflict in West Asia, a major share of the supply of liquified natural gas (LNG) and ammonia to India has been disrupted. Nearly 50% of the LNG being sourced by India passes through the Strait of Hormuz (SoH), which currently remains blocked, thereby impacting the availability of LNG. West Asia also meets 80-85% the Indian fertiliser sector's ammonia requirement, although a large part of the ammonia (30-40% of the total requirement in FY2025) comes from Oman which is located outside the SoH.

Given the disruptions in LNG supplies, which met nearly 85% of the gas requirement for the urea sector in the country, the Government of India (GoI) notified the Natural Gas (Supply Regulation) Order (NGS order), 2026 on March 9, 2026. The NGS order indicates that urea plants in the country will continue to get natural gas up to 70% of the average natural gas consumption for the last six months. The move will enable the urea plants to run at lower capacity utilisation till the LNG disruptions in West Asia are resolved or the gas suppliers in the country are able to source LNG from alternative sources.

For the non-urea segment, ammonia and sulphur remain the key raw materials wherein India has significant dependence on West-Asia and international prices have gone up for both the commodities amid the constrained supplies. At present, Indian fertiliser players are scouting for ammonia/sulphur supplies from alternative sources. The current retail prices and subsidy levels will remain inadequate for a profitable production and sale of phosphatic fertilisers because of the sharp increase in prices and the depreciation of the Indian rupee against the US dollar. Thus, the upcoming revision in subsidy rates under the Nutrient Based Subsidy (NBS) regime will remain a key monitorable, apart from the industry's ability to source adequate raw material for undertaking production in the upcoming season.

Chambal Fertilisers & Chemicals Limited (CFCL/the company) has undertaken maintenance shutdown for one of its urea trains (this was planned before the West Asia conflict broke out) and the other train will go for maintenance shutdown shortly post resumption of earlier plant taken for shutdown. Third train continues to operate. As natural gas availability will be constrained in the near term, the company's urea plants will continue to operate at lower operating rates till additional gas is made available through other sources or the West Asia conflict gets resolved and normal gas supplies resume. Given the strong operational track record of CFCL's plants, ICRA expects the units to maintain energy consumption better than the normative norms despite the lower operating rates. The Gadepan-3 (G-3) plant under CFCL will continue to generate healthy profitability and, thus, ICRA expects the company's credit profile to remain stable despite a moderation in its operating profits. The trading portfolio will also remain exposed to the volatility in the international prices of phosphatic fertilisers along with the constrained availability. However, ICRA takes comfort from the robust credit profile of CFCL, characterised by low working capital debt, healthy free cash and liquid investments of ~Rs. 780 crores and nil long-term debt along with strong financial flexibility.

For details on key rating drivers and their description, liquidity position and rating sensitivities please refer to the previous detailed rationale here: [link to the previous rationale](#).

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Fertilizers
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating for CFCL is based on the standalone financials of the company

About the company

Chambal Fertilisers & Chemicals Limited (CFCL) was promoted by Zuari Industries Limited, a K.K. Birla Group company, in 1985. The company has three urea manufacturing units at Gadepan (Kota, Rajasthan), based on natural gas feedstock. The total installed capacity of these units is around 3 million metric tonnes per annum (MMTPA). CFCL is India's largest private sector manufacturer of urea. The plants get natural gas through the Hazira-Vijaypur-Jagdishpur (HVJ) gas pipeline of GAIL. The company is also involved in the trading of agri-inputs such as complex fertilisers (DAP, MOP, SSP), pesticides, seeds, etc. CFCL also has a 33.33% stake in Indo Maroc Phosphore SA (IMACID), Morocco, a major producer of phosphoric acid, apart from having subsidiaries in the software and power businesses

Key financial indicators (audited)

CFCL Standalone	FY2024	FY2025	9M FY2026*
Operating income	18,025.6	16,691.6	18,008.6
PAT	1,331.4	1,656.8	1,804.3
OPBDITA/OI	11.7%	15.3%	13.5%
PAT/OI	7.4%	9.9%	10.0%
Total outside liabilities/Tangible net worth (times)	0.6	0.3	
Total debt/OPBDITA (times)	0.8	0.0	
Interest coverage (times)	12.2	52.7	571.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation*result

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	March 26, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Commercial paper	2500.00	[ICRA]A1+	January 29, 2026	[ICRA]A1+	January 29, 2025	[ICRA]A1+	January 30, 2024	[ICRA]A1+	January 31, 2023	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
Unplaced	Commercial paper programme*	NA	NA	NA	2,500.0	[ICRA]A1+

Source: Company; * - Unplaced

Annexure II: List of entities considered for consolidated analysis: Not applicable

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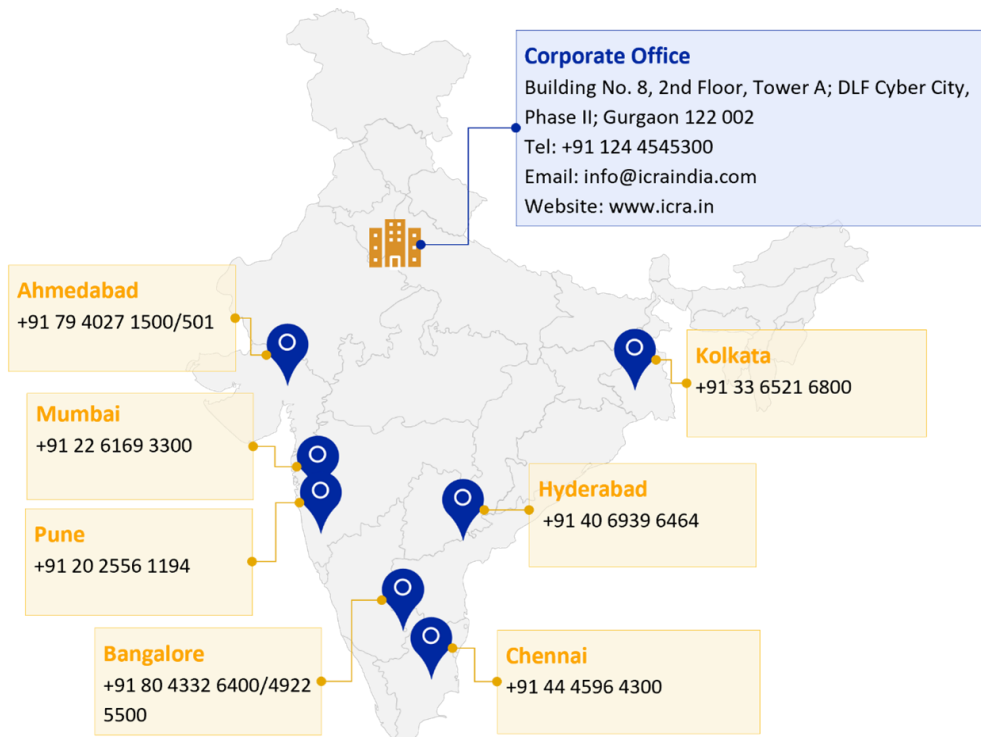


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