

March 26, 2026

## National Fertilizers Limited: Update on entity

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based cash credit	9,000.0	9,000.0	[ICRA]AA (Stable); outstanding
Short term - Non-fund based facilities	9,600.0	9,600.0	[ICRA]A1+; outstanding
Commercial paper^	4,000.0	4,000.0	[ICRA]A1+; outstanding
<b>Total</b>	<b>18,600.0</b>	<b>18,600.0</b>	

\*Instrument details are provided in Annexure-I; ^the commercial paper programme is carved out of the fund-based limits of the company

### 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.

Owing to the aforementioned developments, National Fertilizer Ltd's (NFL) urea plants would have to operate at lower operating rates while some planned shutdowns have been preponed. The import of traded fertilisers may also witness headwinds if the conflict in West Asia prolongs, given the sizeable share of this region in the supply of phosphatic fertilisers, particularly di-ammonium phosphate (DAP).

ICRA continues to draw comfort from the sovereign ownership of NFL as well as a sizeable urea capacity. Additionally, the healthy cushion in the working capital limits and the company's robust financial flexibility will provide liquidity cushion to tide itself over any near-term cash flow requirements. ICRA takes note of all the aforementioned developments and will continue to monitor the impact of the supply disruptions on NFL's operations and credit profile.

A detailed rating rationale, highlighting the key rating drivers and their description, liquidity position and rating sensitivities can be found here: [Link to previous rating rationale.](#)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Fertilizers</a>
Parent/group Support	Parent: Government of India; The ratings factor in the parentage of the GoI and the strategic importance of NFL for the GoI as the company is a major fertiliser supplier in the country and ensures lower reliance on imported urea
Consolidation/standalone	For arriving at the ratings, ICRA has considered the standalone financials of NFL

## About the company

National Fertilizers Limited (NFL), incorporated in 1974, is a public sector Navratna undertaking, primarily engaged in the manufacturing of urea. The company's operations are spread across five units, one each at Nangal and Bhatinda (Punjab) and Panipat (Haryana), and two units at Vijaipur (MP). NFL commenced operations by setting up two FO/LSHS-based urea units at Bathinda (Punjab) and Panipat (Haryana) in 1979. Subsequently, as part of the reorganisation of public sector fertiliser companies, the Nangal (Punjab) unit of Fertilizer Corporation of India (FCI) came under NFL's fold. These three plants subsequently shifted to natural gas-based ammonia production. The company set up another urea plant at Vijaipur (Vijaipur-I), Madhya Pradesh, in 1988 when the Hazira-Vijaipur-Jagdishpur (HVJ) gas transmission pipeline was set up. NFL undertook brownfield expansion of the Vijaipur plant (Vijaipur-II) in 1997.

NFL has a combined urea production capacity of 3.57 MMTPA as on date, making it the second-largest producer of urea in the country. The GoI currently holds a 74.71% stake in the company. In 2022, the GoI identified NFL for a stake sale through the Department of Investment and Public Asset Management (DIPAM) and invited proposals from legal advisers, merchant bankers and brokers. However, there has been no new update regarding the same.

## Key financial indicators (audited)

NFL Standalone	FY2024	FY2025	9MFY2026*
Operating income	23560.3	19794.5	17,167.0
PAT	64.7	76.3	51.5
OPBDIT/OI	2.6%	3.1%	3.0%
PAT/OI	0.3%	0.4%	0.3%
Total outside liabilities/Tangible net worth (times)	3.2	2.4	
Total debt/OPBDIT (times)	6.6	3.3	
Interest coverage (times)	2.2	2.6	3.0

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore.

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortization; \*provisional

Status of non-cooperation with previous CRA: 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
<b>Commercial paper</b>	Commercial paper	4000.00	[ICRA]A1+	May 02, 2025	[ICRA]A1+	May 17, 2024	[ICRA]A1+	April 10, 2023	[ICRA]A1+	April 14, 2022	[ICRA]A1+
					-	-	-	May 23, 2023	[ICRA]A1+	-	-
<b>Fund based - Cash credit</b>	Long term	9000.00	[ICRA]AA(Stable)	May 02, 2025	[ICRA]AA (Stable)	May 17, 2024	[ICRA]AA (Stable)	April 10, 2023	[ICRA]AA (Stable)	April 14, 2022	[ICRA]AA-(Stable)
					-	-	-	May 23, 2023	[ICRA]AA (Stable)	-	-
<b>Non-fund based - Others</b>	Short term	9600.00	[ICRA]A1+	May 02, 2025	[ICRA]A1+	May 17, 2024	[ICRA]A1+	April 10, 2023	[ICRA]A1+	April 14, 2022	[ICRA]A1+
					-	-	-	May 23, 2023	[ICRA]A1+	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Simple
Long term – Fund based - Cash credit	Simple
Short term - Non-fund based - Others	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
NA	Long term – Fund-based	NA	NA		9000.0	[ICRA]AA (Stable)
NA	Short term - Non-fund based	NA	NA		9600.0	[ICRA]A1+
Unplaced	Commercial paper^ -	NA	NA		4000.0	[ICRA]A1+

Source: Company; ^ The commercial paper programme is carved out of the fund-based limits of the company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

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

## ANALYST CONTACTS

**Girishkumar Kashiram Kadam**  
+91 22 6114 3406  
[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Prashant Vasisht**  
+91 124 4545 322  
[prashant.vasisht@icraindia.com](mailto:prashant.vasisht@icraindia.com)

**Varun Gogia1**  
+91 124 4545 823  
[varun.gogia1@icraindia.com](mailto:varun.gogia1@icraindia.com)

**Sahaj Gugliani**  
+91 124 4545 814  
[sahaj.gugliani@icraindia.com](mailto:sahaj.gugliani@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

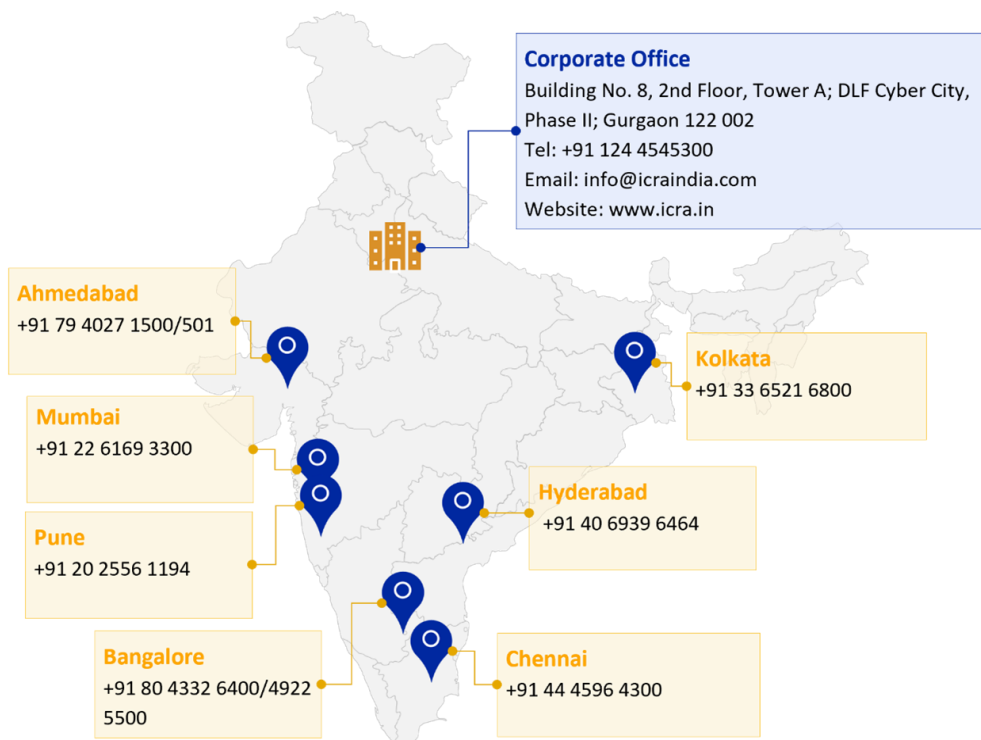


### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.