

Rating Rationale

10 April 2026

NG Fertilizers and Chemicals Pvt. Ltd.

Brickwork Ratings reaffirms the long-term ratings at BWR BB- /Stable for the bank loan facilities aggregating to Rs.59.67 Crs of NG Fertilizers and Chemicals Pvt. Ltd. and also withdraws the long-term rating of Rs.3.57 Crs.

Particulars:

Facilities**	Tenure		Tenure	Previous(06 Feb 2025) Present	
	Previous	Present		Previous(06 Feb 2025)	Present
Fund Based					
Term Loan -Outstanding	3.57	0.00	Long Term	BWR BB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	Withdrawal
Cash Credit -Sanctioned	57.00	57.00			BWR BB - /Stable Reaffirmation
GECL 2.0 -Outstanding	4.57	2.67			
Sub Total	65.14	59.67			
Grand Total	65.14	59.67	(Rupees Fifty Nine Crores and Sixty Seven lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings reaffirms the long-term ratings at BWR BB- /Stable for the bank loan facilities aggregating to Rs.59.67 Crs of NG Fertilizers and Chemicals Pvt. Ltd. and also withdraws the long-term rating of Rs.3.57 Crs.

The rating draws strength from experienced promoters and a long track record of operations, along with an improving liquidity position. However, the ratings remain constrained by profit margins, high dependence on external factors and a decline in net profitability due to rising costs and dependence on imported inputs and government subsidy impacts margins and cash flows.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. BWR believes NG Fertilizers and Chemicals Pvt. Ltd.'s business and financial risk profile will be maintained over the medium term. The outlook may be revised to Positive if a sustained increase in the scale of operations and higher than envisaged profitability result in an improved financial risk profile and leading to stronger cash accruals and improved leverage. The outlook may be revised to Negative if lower than expected revenue or profitability, deterioration in leverage indicators, or any stress in servicing debt obligations.

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY25, Provisional 9MFY26 and projected financials, and publicly available information and clarification provided by management.

KEY RATING DRIVERS

Credit Strengths:

- **Experienced promoters and long track record of operations :**
The company is led by its promoters, Mr N Hari Kiran (Managing Director) and Mrs. N Prashanthi (Director), who together bring over 11 years of active experience in the company. The promoters have extensive expertise in the fertiliser and chemicals industry.
- **Improving Liquidity Position :**
The current ratio stood at 1.36 times in FY 25 and 1.41 times in FY 24, reflecting an adequate short-term liquidity position. It is projected to further increase to 1.58 times in FY 26, indicating stronger working capital management and better financial stability.

Credit Risks:-

- **Declining Profit Margins :**
Despite revenue growth, the operating profit margin declined to 17.77% in FY2025 from 21.26% in FY2024 due to increases in operating expenses and input costs, and is further projected to drop to 9.24% in FY 26, highlighting potential challenges from cost pressures or competitive pricing.
- **High Dependence on External Liabilities :**
The TOL/TNW ratio, while improving, remains high at 2.14 times in FY 25 and is projected to be 1.95 times in FY 26, indicating significant reliance on external funding, which could strain financial flexibility in adverse conditions.
- **Exposure to raw material price volatility & subsidy risk :**
Dependence on imported inputs and government subsidy impacts margins and cash flows.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone performance of the company. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the ability of the company to improve its scale of operations, profitability margins, overall credit risk profile and efficiently manage its working capital requirement would be the key rating sensitivity.

Positive :

- Sustained improvement in scale of operations, with revenue increasing beyond Rs.100 crore, and improvement of profitability by 10% in the projected years.
- Strengthening of debt protection metrics, with DSCR above 1.5x and ISCR above 2.0x, while a reduction in Total Debt/TNW below 1.5x would indicate lower leverage dependency.

Negative :

- Substantial decline in scale of operation along with decline in profitability by 20% in the projected years.
- Deterioration in Long term liquidity ratio and debt protection metrics.
- Further elongation in working capital cycle, leading to higher reliance on short-term borrowings.

LIQUIDITY INDICATORS - Stretched

The company’s liquidity position is stretched, marked by low cash and bank balance of Rs. 2.43 crore in FY25 and modest net cash accruals of around Rs. 1.96 crore, which remain low vis-à-vis its debt obligations. The company continues to rely heavily on working capital borrowings, reflecting high dependence on external funding. The working capital cycle remains elongated at ~638 days, driven by high receivable days and inventory days . Although the current ratio stands at 1.36x, the cushion remains limited given the working capital intensive nature of operations. The company had high working capital utilization level of around 98%.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Chemicals	Fertilizers & Agrochemicals	Fertilizers

NG Fertilizers and Chemicals Pvt. Ltd. was incorporated on 06 Jul 2012 at Krishna District, AP. The commercial operations of the company started in 2014. The manufacturing unit is located in Krishna District. The company is primarily engaged in the manufacturing of Single Super Phosphate (SSP) in granule and powder form; Soil nutrients and soil conditioners with a total installed capacity of 200,000 MTPA. The Company is managed by Mr N Hari Kiran (Managing Director) and Mrs N Prashanthi (Director). The promoter of the company has around 20 years of experience in various businesses.

Major products manufactured by the company are SSP, Plant nutrient and Soil conditioner, and Growth booster, which are sold under their own brand name Aadhar Gold, Abhaya, and Amravathi, respectively, in South India through a dealer network of about 800, which is spread across Andhra Pradesh and Telangana.

ESG Profile

The company demonstrates an evolving ESG profile based on its environmental, social, and governance practices.

Environmental: The company has obtained necessary environmental clearances from the relevant authorities and adheres to prescribed environmental norms.

Social: Social factors hinge on adherence to labour laws, accident prevention frameworks, and human-capital development, with metrics such as workforce mix, safety performance , and training initiatives offering insights into operational resilience.

Governance: Governance assessment focuses on board independence, committee effectiveness, and robustness of compliance systems, supported by readily available disclosures on board structure, audit mechanisms, and risk-management practices.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 23-24	FY 24 - 25	FY 25 - 26
Result Type		Audited	Audited	(Provisional - (9M FY26))
Operating Revenue	Rs. Crs.	49.90	58.86	49.95
EBITDA	Rs. Crs.	10.61	10.46	7.00
PAT	Rs. Crs.	0.18	0.40	0.49
Tangible Net Worth	Rs .Crs.	32.76	33.18	33.67
Total Debt /Tangible Net Worth	Times	2.12	1.93	1.84
Current Ratio	Times	1.41	1.36	1.33

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

ICRA has reaffirmed the rating at ICRA B+/Stable under the Issuer Not Cooperating category on 12 Dec 2025

ANY OTHER INFORMATION

Nil

RATING HISTORY FOR LAST THREE YEARS (including withdrawal and suspended)

Facilities	Current Rating (2026)			2025		2024		2022	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Ratings	Date	Rating	Date	Rating
Fund Based	LT	59.67	BWR BB - /Stable Reaffirmation	06Feb2025	BWR BB - /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	11Jan2024	BWR B + /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	14Oct2022	BWR BB /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Fund Based	LT	0.00	Withdrawal	06Feb2025	BWR BB - /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	11Jan2024	BWR B + /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	14Oct2022	BWR BB /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
NFB SubLimit			NA	06Feb2025	Withdrawal	11Jan2024	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	14Oct2022	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Grand Total		59.67	(Rupees Fifty Nine Crores and Sixty Seven lakhs Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Manufacturing Company](#)
- [BWR Withdrawal Policy](#)

Analytical Contacts

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NG Fertilizers and Chemicals Pvt. Ltd.

**ANNEXURE I
Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	Bank of Maharashtra	Cash Credit -Sanctioned	57.00	-	57.00	Simple
2	Bank of Maharashtra	Term loan - outstanding	0.00	-	0.00	Simple
3	Bank of Maharashtra	GECL 2.0 -Outstanding	2.67		2.67	Simple
Total			59.67	-	59.67	Simple
(Rupees Fifty Nine Crores and Sixty Seven lakhs Only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to info@brickworkratings.com.

**ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS**

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE III
List of entities consolidated
NIL**

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) ¹	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) ⁻¹	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) ⁻¹	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis ⁻²	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme ⁻³	-
Issuer Ratings ⁴	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) ⁻¹	Investor-side Regulator such as IRDAI, PFRDA ⁵
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies ⁶	NA

- Includes securitisation transactions involving assignee payout, acquirer's payout.
- Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
- The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA

and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.

- There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
- These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

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