जय भगवान शर्मा
कार्यपालक निदेशक
(विधी एवं कंपनी सचिव)

Jai Bhagwan Sharma
Executive Director
(Legal & Company Secretary)

राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड
(भारत सरकार का उपक्रम)
साथ बढ़ें समृद्धि की ओर
"प्रियदर्शिनी",
ईस्टर्न एक्सप्रेस हाइवे,
सायन, मुंबई 400 022.

नवरत्न कंपनी

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(A Government of India Undertaking)
Let us grow together
"Priyadarshini",
Eastern Express Highway,
Sion, Mumbai - 400 022.

CIN - L24110MH1978GOI020185

दूरध्वनी / **Tel.**: (Off.): (022) 2404 5024 ● ई-मेल / **Email** : jbsharma@rcfltd.com ● वेबसाईट / **Website** : www.rcfltd.com

RCF/CS/Stock Exchanges /2025 **October 8,2025**

The Corporate Relations Department **BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051
Script Code: 524230 / 975890/ 976867 977150	**Script Code: RCF EQ** **ISIN: INE027A08028/ INE027A08036/ INE027A08044**

Dear Sir/Madam,

Sub; Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations)

Pursuant to Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that CARE Ratings Limited has Re-affirmed the credit rating of the Commercial Paper of the Company as per the details given below: -

Credit Rating Agency	Facilities/ Instrument rated	Rated Amount (Rs. in Crore)	Existing Rating	Remark	Date of receipt of Press Release
CARE Ratings Limited	Commercial Paper (CP)	3000	CARE A1+	Re-affirmed	October 8,2025

This is for your kind information and record.

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited

JAI BHAGWAN SHARMA
Digitally signed by JAI BHAGWAN SHARMA
Date: 2025.10.08 16:44:05 +05'30'

J. B. Sharma
Executive Director
Legal &Company Secretary

Encl: a/a

Rashtriya Chemicals and Fertilizers Limited

October 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Commercial Paper	3,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the Commercial Paper (CP) issue of Rashtriya Chemicals and Fertilizers Limited (RCF) continues to derive strength from its established position in domestic fertiliser industry, diverse product portfolio (urea, complex fertilisers and industrial chemicals), operations of the plant at optimum capacity and at healthy efficiency, comfortable capital structure and strong liquidity. The rating also favourably factors in RCF's strategic position with controlling (75%) equity stake held by Government of India (GoI), which also imparts high financial flexibility.

Rating strengths are offset by regulated nature of fertiliser industry with high reliance on subsidy budget of GoI, which can potentially result in an elongation of the operating cycle, and volatile raw material prices. The rating is also constrained by fluctuations in forex rates, cyclicality associated with industrial chemicals and its large-size capex plans, which are primarily debt funded.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Not applicable

Negative factors

- Dilution in the equity stake of GoI below 51%.
- Dilution in strategic importance of RCF to GoI.
- Interest coverage deteriorating below 2x on a sustained basis.
- Working capital borrowings exceeding 70% of subsidy receivables on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated approach factoring equity investments in its JVs. The rating also factors in substantial ownership by GoI and support it receives by virtue of its strategic importance to GoI. Companies consolidated have been listed under **Annexure–6.**

Detailed description of key rating drivers:

Key strengths

Established position in the domestic fertiliser industry, and vertically integrated operations with diverse product offering

RCF is the fourth-largest producer of urea in India in terms of manufacturing capacity. Furthermore, as per the latest available urea dispatch data, RCF holds a market share of ~5% for urea sales in India. RCF caters to the demand of ~24 states from its two manufacturing facilities in Maharashtra. The company's operations are marked by high level of vertical integration across fertilisers and industrial chemical product divisions. Its diverse product profile with revenues consisting of fertilisers: urea, complex fertilisers and industrial chemicals coupled with the flexibility to change its product mix in accordance with market conditions imparts stability to its revenues. The company has an established countrywide dealer distributor network of over 3,500+ points of contacts which helps in catering diverse geographies.

Operating at optimum capacity with healthy energy efficiency

RCF has maintained healthy operating efficiency at its Thal and Trombay plants in Maharashtra with capacity utilisation of over 90% in the last few years. In FY25, actual energy consumption continued to remain in line with the preset norm announced by GoI in New Urea Policy (NUP) 2015, which lays emphasis on urea subsidy payment based upon energy-efficiency level of unit rather than feedstock used in manufacturing and vintage of manufacturing units. Energy consumption levels of Thal and Trombay plants stood at 5.90 G. Cal/ MT and 6.50 G.Cal/ MT against set energy norms of 6.20 G. Cal/MT and 6.50 G. Cal/MT, respectively. In Q1FY26, energy-consumption level stood high at 6.17 G. Cal/MT and 6.89 G. Cal/MT, respectively (Q1FY25: 6.03 G. Cal/MT and 8.33 G. Cal/ MT, respectively). Increased energy consumption at both the plants was owing to maintenance shutdown

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

undertaken in Q1FY26, resulting in inefficiency in operations. Energy efficiency in Trombay unit has improved following implementation of energy improvement scheme. The company is further undertaking revamp of the ammonia plant at Thal towards improvement in energy efficiency of the plant, which is expected to be completed by FY27. Operating efficiency is expected to improve with completion of energy efficiency at Thal unit, which augurs well for its profitability.

Improvement in operating profit margin in FY25 and Q1FY26
After a substantial decline in total operating income (TOI) in FY24 led by correction in fertiliser prices and decline in subsidy rates and moderation in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin, RCF's operating performance recovered in FY25. While TOI stood flat, PBILDT margin improved to 3.16% in FY25 from 2.01% in FY24, primarily due to lower fuel cost on the back of decline in gas prices. PBILDT margin further improved to 4.68% in Q1FY26, despite 23% y-o-y decline in revenue on account of sales volumes of traded fertilisers, especially Di-ammonium phosphate (DAP). In Q1FY25, the company had undertaken substantial trading of complex fertilisers, at marginal profits, as per directives of GoI to ensure its availability. Absence of such trading in Q1FY26 led to decline in revenue in Q1FY26 against Q1FY25. Improvement in PBILDT margin has been supported by price increases undertaken in the complex fertilisers and better trading segment profit. PBILDT margin is expected to improve in FY26 supported by price increases coupled with benefit from energy efficiency measures undertaken by the company.

Comfortable capital structure
RCF continued to have a comfortable capital structure with an overall gearing improving to 0.58x as on March 31, 2025 (March 31, 2024 - 0.72x). Capital structure improved on account of decline in overall debt to ₹2,762 crore as on March 31, 2025, from ₹3,297 crore as on March 31, 2024, led by lower reliance on short-term borrowings following timely receipt of subsidy, with subsidy receivables declining to ₹2,575 crore as on March 31, 2025, from ₹2,953 crore on March 31, 2024 and liquidation of inventories, which had increased in previous year, on account of higher imports for trading. The company is undertaking a large capex over FY26-FY27 towards setting up a new NPK capacity and for revamping of ammonia plant at Thal, besides regular capex. CareEdge Ratings believes RCF's capital structure to continue to remain comfortable in the medium term in-spite this capex.

Liquidity: Strong
RCF's liquidity position is expected to remain strong, supported by adequacy of its cash accruals to meet its repayment obligations. The company has a scheduled term debt repayment of ₹623 crore in FY26, of which the company has repaid ₹500 crore of non-convertible debentures (NCDs) in August 2025. The company raised ₹300 crore and ₹395 crore in June 2025 and September 2025, respectively through NCDs. The company had cash and equivalents of ₹2,154 crore as on August 31, 2025. Utilisation of its fund-based limits stood comfortable at ~33% for 12 months ended July 2025. Further, its CP limit of ₹3,000 crore remains fully unutilised since April 2022. Current ratio of 1.20x as on March 31, 2025, also supports its liquidity position. The company has a comfortable capital structure, which provides headroom to raise additional debt going forward. Moreover, whenever there is stress in government-owned urea companies owing to delay in fertiliser subsidy, government funds under special banking arrangement are made available, wherein GoI bears a substantial portion of interest on loan, which further supports its liquidity.

Key weaknesses
Regulated nature of the fertiliser industry and inherent delays associated with release of subsidy from GoI
Profitability of fertiliser manufacturers is influenced by regulations governing different types of fertilisers, where the government controls fertiliser prices and provides subsidies. Quantum of subsidy receivables and delays associated with the receipt of this inherently impacts liquidity of fertiliser industry, albeit differs with the type of fertiliser. With release of large amount of subsidy payments in FY21, subsidy receivables declined significantly leading to significant decline in debt level of fertiliser companies. Lower subsidy budget may lead to companies resorting to higher short-term borrowings to fund the extended subsidy receivables. Following moderation in raw material prices from FY24 onwards, GoI reduced the subsidy budget from ₹1.88 lakh crore in FY24 to ₹1.71 lakh crore for FY25 and further to ₹1.68 lakh crore for FY26. Nonetheless, regular intervention by government to increase the subsidy budget, recalibrate NPK nutrient rates, and minimum selling prices (MSP) help the sector to work in a regulated manner.

Cyclicality in industrial chemical business
RCF manufactures ~20 industrial chemicals, which contributed ~10% of its TOI in FY25 (FY24: 10%). Chemicals manufactured by RCF have diverse industrial applications in user industries including pharma & drugs, civil aviation and pesticides. Since these chemicals are highly commoditised and cyclical; prices remain volatile on the back of global demand and supply, cheaper imports from other countries, prices of its substitutes and key raw material prices. As a result, operating profit margin for the segment is susceptible to volatility associated with products. Operating performance of industrial chemicals division improved in FY25, after having witnessed a moderation in FY24. PBIT margins of the segment improved to 21.72% in FY25, from 12.50% in FY24 (FY23: 27.50%). Improvement in operating performance continued in Q1FY26 with segment PBIT margin of 26.41%.

Large-size debt-funded capex over medium term to moderate debt coverage indicators

RCF has a planned a substantial capex of ~₹3,000 crore over the next two years. This is towards setting up a new NPK plant (1200 TPD) at Thal (~₹1,400 crore), revamp of the ammonia plant at its Thal unit for enhancing energy efficiency and setting up of new ammonia storage capacity. This with regular capex, is planned to be funded with term loan of ₹2,200 crore and balance from its internal accruals/available liquidity. The NPK plant is expected to commence commercial operations from FY28. The company shall remain exposed to project execution risk. Also, large debt funded capex plans is likely to keep debt protection metrics moderate with debt/PBILDT over 5x in the medium term.

RCF does not plan to further make an equity investments in its JV, Talcher Fertilisers Limited, given its large capex plans. The company has infused ~₹1,100 crore in Talcher Fertilizers Limited till June 30, 2025. Additionally, the company extended unsecured loans amounting to ₹233 crore to the JV in Q1FY26, for a tenure of six months. Talcher Fertilizers Limited is setting up a coal gasification-based fertiliser complex comprising of 2,200 MTPD of Ammonia plant and 3,850 MTPD of Urea plant at Talcher, Odisha at the total cost of ~₹19,000 crore (revised from ₹17,080 crore). Talcher Fertiliser Limited is a JV between the company, Gas Authority of India Limited, Coal India Limited and Fertilizer Corporation of India Limited.

Environment, social, and governance (ESG) risks

Risk Factors	Compliance and action by the company
Environmental	RCF has upgraded existing Effluent Treatment Plant at Thal for recycling the treated effluent as raw water. In the first phase, ~5000 cubic metres of fresh water will be recycled and in the second phase balance effluent will be recycled, to achieve Zero Effluent Discharge. The company has set-up two Sewage Treatment Plants (STPs), which generates ~30 million litres per day treated water, which is used as process water in the Trombay unit. These STPs serve dual purpose – treat waste sewage generated and convert it into treated water. With a view to harness renewable energy sources, the company has set-up 2 MWp ground mounted solar power generation plant at Trombay Unit and rooftop PV solar power generating facilities with an aggregate capacity 2.25 MWp at Trombay and Thal. RCF has also implemented different projects for improving energy efficiency, including Ammonia Plant Revamp at Trombay and setting up Nano Urea Plant at Thal. The company is setting up Briquette Fired Boiler at Thal unit which will reduce carbon emissions.
Social	RCF conducts regular plant audits to evaluate processes in place from safety aspects and regularly tries to enhance safety at workplace. The company also has an in-house primary health centre. The company has implemented an Occupational Health and Safety Management System (OHSMS), an internationally recognised framework for managing occupational health and safety to ensure the safety and wellbeing of employees and contract workers. RCF has undertaken several projects in the areas of rural development, promoting health care, nutrition and education aimed for the benefit of society. The company incurred ₹16.15 crore as a part of CSR expenses in FY25 (FY24: ₹17.93 crore.)
Governance	RCF is held 75% by GoI. The company's board of directors comprises of ten members including three independent director and two GoI nominee director. The company has strong investor grievance redressal mechanism and makes extensive disclosures.

Applicable criteria

Consolidation
Definition of Default
Factoring Linkages Government Support
Liquidity Analysis of Non-financial sector entities
Fertilizer
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Fertilizers & Agrochemicals	Fertilizers

RCF was incorporated in 1978, following reorganisation of erstwhile Fertilizer Corporation of India Limited. The Government-owned (GoI has 75% equity stake) RCF is one of the leading fertiliser manufacturers in India and has been awarded ''Navratna'' status in August 2023. It operates with two manufacturing facilities at Thal (Raigad district) and Trombay (near Mumbai). Thal unit primarily focuses on manufacturing urea and has capacity to manufacture 2.00 Million Metric Tonnes Per Annum (MMTPA) of Urea, while the Trombay unit operates with Urea capacity of 0.33 MMPTA and other complex fertilisers capacity of 0.69 MMTPA. Apart from manufacturing fertiliser, RCF is also engaged in manufacturing a wide range of industrial chemicals such as concentrated nitric acid, ammonium bi-carbonate, methylamines, and ammonium nitrate melt, among others targeted at diverse industries and marketing of bought-over items such as single superphosphate (SSP) and imported fertilisers including Di-ammonium phosphate (DAP), muriate of potash (MOP) & nitrogen, phosphorus and potassium (NPK) fertilisers.

Brief Financials (₹ crore) - Consolidated	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	16833.32	16828.64	3370.58
PBILDT	337.87	532.20	157.73
PAT	225.28	242.45	54.43
Overall gearing (times)	0.72	0.58	NA
Interest coverage (times)	1.78	2.05	2.84

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results
Financials are reclassified per CareEdge Ratings' standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)#	-	-	-	7-364 days	3000.00	CARE A1+

 # There is no outstanding commercial papers as on Sept. 26, 2025

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Commercial Paper-Commercial Paper (Standalone)	ST	3000.00	CARE A1+	-	1)CARE A1+ (08-Oct-24)	1)CARE A1+ (19-Oct-23)	1)CARE A1+ (20-Oct-22)

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Urvarak Videsh Ltd.	Moderate	Joint Venture
2.	Talcher Fertilizers Ltd.	Moderate	Joint Venture

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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