

जय भगवान शर्मा
कार्यपालक निदेशक
(विधि 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 - 400022



**Rashtriya Chemicals and
Fertilizers Limited**

(A Government of India Undertaking)

Let us grow together

“Priyadarshini”,

Eastern Express Highway,

Sion, Mumbai - 400022

CIN: L24110MH1978GOI020185

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RCF/CS/Stock Exchange/2026

October 7, 2026

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: I NE027A08028/ INE027A08036/ INE027A08044

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)

Pursuant to Regulation 30 (6) of SEBI LODR, we hereby inform that CARE Ratings Limited has Re-affirmed the credit rating of companies Commercial Paper per the details given below: -

Sr no.	Credit Rating Agency	Facilities/ Instrument rated	Rated Amount (Rs. in crore)	Rating action	Date of Receipt of Press Release
1.	CARE Ratings Limited	Commercial Paper	3000	CARE A1+; Reaffirmed	October 6, 2026

This is for your kind information and record.

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited


J.B. Sharma

Executive Director
Legal and Company Secretary

Rashtriya Chemicals and Fertilizers Limited

October 06, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Commercial paper	RBI	3,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The 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 fertilizer industry, diverse product portfolio (urea, complex fertilizers 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 fertilizer 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, cyclicity 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. The rating also factors in substantial ownership by GoI and support it receives by virtue of its strategic importance to GoI. Accordingly, CareEdge Ratings has applied its government notch-up framework to arrive at the rating. Companies consolidated have been listed under Annexure-5.

Detailed description of key rating drivers

Key strengths

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

RCF is the leading producer of urea in India in terms of manufacturing capacity. The company holds a market share of ~7% in the domestic urea production in the country. The company 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 fertilizers and industrial chemical product divisions. Its diverse product profile with revenues consisting of fertilizers: urea, complex fertilizers and industrial chemicals 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 continues to maintain healthy operating efficiency at its Thal and Trombay urea plants, with capacity utilisation remaining healthy over the past few years. Overall capacity utilisation of its urea plant across the two units stood at 91% in FY26 (FY25: 89%), while it stood at 92% in FY26 (FY25: 88%) for complex fertilizers. Actual energy consumption continued to remain in line with the GoI norms, 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. In FY26, energy consumption at Thal and Trombay units stood at 5.85

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

giga calorie (Gcal)/MT and 6.40 Gcal/MT, respectively, against norms of 5.984 Gcal/MT (revised) and 6.50 Gcal/MT. In July 2026, the Department of Fertilizers revised the energy norm under the Urea Pricing Policy for the Thal unit to 5.984 Gcal/MT from 6.20 Gcal/MT, with retrospective effect from April 1, 2025, while there is no change in the norms of Trombay unit. This resulted in an adverse impact of ~₹172 crore, including ~₹133 crore for FY26 and ~₹39 crore for Q1FY27. Energy consumption stood at 5.85 Gcal/MT at Thal and 6.33 Gcal/MT at Trombay, compared to 6.17 Gcal/MT and 6.89 Gcal/MT, respectively, in Q1FY26. The company has undertaken capex towards energy efficiency, which has led to improvement in the energy efficiency. With company currently operating its Thal unit at ~5.7 Gcal/MT the company continues to maintain its energy efficiency. Accordingly, revision in energy norms of is unlikely to impact the operating performance of the company. The company is undertaking a large capex towards ammonia revamp for improving its energy efficiency, which is expected to be incurred over the years till FY30. This is expected to further result in reduction in energy efficiency over the medium term.

Improvement in operating performance in FY26 and Q1FY27

RCF's operating performance improved in FY26, with revenue increasing 9.4% YoY to ₹18,406 crore, driven by strong growth of 27% yoy in the fertilizer trading business. PBILDT margin improved to 4.43% in FY26 from 3.16% in FY25, supported by improved energy efficiency, better realisations in the complex fertilizer segment, and higher profitability from fertilizer trading operations partially offset by lower margin in industrial chemicals segments, though it continued to remain healthy. Segment margin in the fertiliser manufacturing business improved to 2.8% in FY26 from 1.1% in FY25, while segment margin in trading business witnessed a sharp improvement to 4.0% from 1.7% supported by better realisation the complex fertilisers. Industrial chemical segment margin continued to remain healthy at 19.3% against 21.7%. Fertiliser trading business accounted for ~32% of the total revenue in FY26 (FY25: 32%).

The improvement continued in Q1FY27, with revenue rising 6.4% YoY to ₹3,586 crore, aided by higher subsidy realisations in the urea segment considering the pass-through of increased gas prices under the GoI subsidy framework and a strong growth of ~85% YoY in the industrial chemicals segment revenue, aided by significantly increase in realisations, which further supported improvement in the overall profitability margin to 6.1% in Q1FY26 (Q1FY26: 4.7%). Industrial chemical segment profit stood at ~₹300 in Q1FY27 against ~₹315 for FY26. Sharp improvement in the profitability of the industrial chemical segment offset the loss in fertiliser manufacturing segment, which had been impacted adversely by ~₹172 crore owing to change in the energy norms with retrospective effect from April 01, 2025.

Comfortable capital structure

RCF's overall gearing increased to 0.81x as on March 31, 2026, from 0.58x as on March 31, 2025, primarily due to higher working capital borrowings led by increase in subsidy receivables. Working capital borrowings increased to ~₹2,158 crore as on March 31, 2026 from ~₹1,205 crore as on March 31, 2025, to fund the subsidy receivables which increased to ₹3925 crore as on March 31, 2026 from ₹2575 crore as on March 31, 2025.

The company is undertaking sizeable debt-funded capex, including a ~₹1,400 crore NPK project at Thal with a capacity of 1200 TPD and a ~₹1,200 crore ammonia plant revamp project, which is being funded with a term loan of ~₹2,200 crore. Till August 2026, the company has incurred ₹477 crore towards the NPK project and ₹216 crore towards the Ammonia Plant Revamp Project. The company plans to complete the NPK project in FY27, and is likely to commence commercial operations in Q1FY28. The ammonia revamp project is expected to be incurred over the years through FY30. RCF plans to set up a 300-TPD phosphoric acid plant as part of its backward integration strategy at a cost of ₹865 crore, which is expected to be funded in the debt (70%) and equity (30%). However, it is at a preliminary stage. The company has committed significant investments in Talcher Fertilizers Limited (TFL), with balance equity infusion of ~₹1,070 crore expected over FY27-FY28. The company has also entered a Memorandum of Understanding (MoU) with GAIL (India) Limited for establishing a gas-based fertilizer project with a capacity of 1.27 MT in Vidarbha, Maharashtra, through a special purpose vehicle (SPV). The company is expected to make investment in the proposed JV over the medium term.

Given the large capex and investment pipeline, debt levels are expected to remain elevated. Notwithstanding expected elevated debt levels, capital structure is expected to remain comfortable with gearing of ~1.0x, supported by healthy cash generation, and expected benefits from ongoing capex programme from FY28 onwards. Timely subsidy receipts from the Government have historically supported liquidity, although delay in subsidy disbursements remains a key monitorable. Timely commencement of commercial operations of NPK project and healthy profitability shall remain a key monitorable.

Key weaknesses

Regulated nature of the fertilizer industry and inherent delays associated with release of subsidy from GoI

The fertilizer industry remains exposed to regulatory risks, with product pricing and subsidy mechanisms determined by GoI. Accordingly, profitability of fertiliser manufacturers is influenced by regulations governing different types of fertilizers. Quantum of subsidy receivables and delay in its receipt inherently impacts liquidity of fertiliser industry, though differs with the type of fertiliser. Lower subsidy budget may lead to companies resorting to higher short-term borrowings to fund the extended subsidy receivables. However, GoI has extended continued support to the sector through additional subsidy allocations, which partially offsets the risk.

While FY27 fertilizer subsidy budget of ₹1.71 lakh crore may remain inadequate in view of significant increase in fertilizer and raw material prices, expectations of additional budgetary support, in line with past, is likely to limit any significant build-up in subsidy receivables. Timely announcement and disbursement of subsidy payments remain critical for the sector, as any delay could increase working capital borrowings and weaken credit metrics. Any adverse change in the government's policy support framework or a prolonged delay in subsidy releases remains a key monitorable.

Cyclicality in industrial chemical business

RCF manufactures ~20 industrial chemicals, which contributed ~9% of its TOI in FY26 (FY25: 10%). Chemicals manufactured by the company 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 owing to 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 largely stable in FY26. Profit before interest and tax (PBIT) margins of the segment slightly moderated to 19.36% in FY26, from 21.72% in FY25 (FY24: 12.50%). PBIT margin though improved substantially to 42.4% in Q1FY27 supported by substantial improvement in the prices.

Large-size debt-funded capex and planned investments to keep debt coverage indicators moderate

RCF plans to incur substantial capex of over ~₹3,000 crore over the next three years, which is expected to be primarily debt funded. The company has planned equity investments in its JV, Talcher Fertilizers Limited. The company has infused ~₹1,100 crore in Talcher Fertilizers Limited till June 30, 2026. The company has investments of ~₹1,070 crore to be made over FY27-FY28. 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. The company is expected to make an investment in the proposed JV with GAIL, which plans to set up 1.27 MT fertiliser plant in Vidarbha, Maharashtra. Large debt-funded capex and planned investments is expected to keep debt/PBILDT high over the medium term. The company has taken board approval for FPO of ~₹1,500 crore, which if materialises, is likely to support the debt protection metrics.

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 ₹213 crore in FY27. The company had cash and equivalents of ~₹506 crore as on June 30, 2026. Utilisation of its fund-based limits stood comfortable at ~40% for 12 months ended July 2026. The company has a comfortable capital structure, which provides headroom to raise additional debt going forward. The company also enjoys a strong financial flexibility to raise funds. Whenever there is stress in government-owned urea companies owing to delay in fertilizer subsidy, government funds under special banking arrangement are made available, where GoI bears a substantial portion of interest on loan, which further supports its liquidity.

Environment, social, and governance (ESG) risks

Particulars	Risk factors
Environmental	RCF has upgraded its Effluent Treatment Plant at Thal to recycle treated effluent as raw water, with the first phase commissioned in January 2025, generating ~4,000 m³/day of recycled water. The company also operates two sewage treatment plants at Trombay, treating municipal sewage for use as process water. RCF has installed 5.21 MWp of solar power capacity across Thal and Trombay units, generating 5,014 MWh of renewable energy in FY26 for captive consumption, reducing dependence on grid power. 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 contractor 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 ₹12.15 crore as a part of CSR expenses in FY26 (FY25: ₹16.15 crore.)
Governance	RCF is held 75% by GoI. The company's board of directors comprises of eight members including two independent director and two GoI nominee director. The company has strong investor grievance redressal and makes extensive disclosures.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Fertilizer](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation](#)

[Factoring Linkages with Government](#)

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 fertilizer 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 fertilizers capacity of 0.69 MMTPA. Apart from manufacturing fertilizer, the company 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 fertilizers including diammonium phosphate (DAP), muriate of potash (MOP), and nitrogen, phosphorus and potassium (NPK) fertilizers.

Brief Consolidated Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	16,829	18,406	3,586
PBILDT*	532	816	220
Profit after tax (PAT)	242	427	74
Overall gearing (x)	0.58	0.81	NA
Interest coverage (x)	2.05	2.76	3.11

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Financials are reclassified per CareEdge Ratings' standards.

Status of non-cooperation with previous CRA:

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

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

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 2026-2027	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
1	Commercial Paper-Commercial Paper (Standalone)	ST	3000.00	CARE A1+	-	1)CARE A1+ (07-Oct-25)	1)CARE A1+ (08-Oct-24)	1)CARE A1+ (19-Oct-23)

ST: Short-term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: 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.

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About us:

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