

March 24, 2026

Rashtriya Chemicals and Fertilizers Limited: Update on Entity

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Short term: Commercial Paper	3,000.00	3,000.00	[ICRA]A1+; Outstanding
Long Term Fund Based - Term Loan	3,500.00	3,500.00	[ICRA]AA (Stable); Outstanding
Long-Term/ Short Term Non Fund based limits	500.00	500.00	[ICRA]AA (Stable)/ [ICRA]A1+; Outstanding
Long Term – Fund based/ Cash Credit	1,100.00	1,100.00	[ICRA]AA (Stable); Outstanding
Long-Term – Non-Convertible Debentures	1,200.00	1,200.00	[ICRA]AA (Stable); Outstanding
Total	9,300.00	9,300.00	

*Instrument details are provided in Annexure I

Rationale

On February 28, 2026, with the breakout of the conflict in West-Asia, a major share of the supplies of Liquefied Natural Gas (LNG) and ammonia to India have been disrupted. Nearly 50% of the LNG being sourced by India passed through the Strait of Hormuz (SoH) which currently remains blocked thereby impacting the availability of LNG. Indian fertilizer sector remains significantly dependent on West-Asian nations for meeting its ammonia requirements as well with 80-85% of the ammonia requirement being met from West-Asia, although a large part of ammonia (~30%-40% of the total requirement in FY2025) comes from Oman which is located outside the SoH.

Given the supply disruptions in LNG supplies, which met nearly 85% of the gas requirement for the urea sector in the country, Government of India (GoI) has 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 to the extent of 70% of the average natural gas consumption for the last six months. The same will enable the urea plants to run albeit at lower capacity utilization till the LNG disruptions in West-Asia are resolved or the gas suppliers in the country are able to source LNG from alternate sources.

For the non-urea segment, ammonia and sulphur remain key raw materials wherein India has significant dependence on West-Asia, and the international prices have also gone up for both the commodities amid constrained supplies. Currently, Indian fertilizer players are scouting for ammonia/sulphur supplies from alternate sources. With the sharp increase in the prices coupled with the depreciation of the Indian rupee against the US dollar, the current retail prices and subsidy levels will remain inadequate for profitable production and sale of phosphatic fertilisers. Thus, the upcoming revision in the 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 aforementioned developments, Rashtriya Chemicals and Fertilizers Limited's (RCF) urea plants have been operating at lower capacity utilization levels as the gas availability has been constrained while some planned shutdowns have been preponed. While RCF currently has adequate raw material inventory, production is contingent on gas availability. ICRA takes note of all the aforementioned developments and will continue to monitor the impact of the supply disruptions on RCF's operations and credit profile.

ICRA continues to draw comfort from RCF’s strong parentage, with the Government of India holding a 75% stake in the company, and the exceptional financial flexibility arising from its strategic importance to the GoI. Additionally, the healthy cushion in working capital limits, and expected subsidy inflows provide liquidity cushion to meet near term cash flow requirements.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Fertilizers Chemicals
Parent/Group support	Parent: Government of India The ratings factor in the parentage of the GoI and the strategic importance of RCF for the GoI, as the company is a major fertiliser supplier in the country
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Rashtriya Chemicals and Fertilizers Limited. As on March 31, 2025, the company has two JVs, which are enlisted in Annexure II

About the company

Rashtriya Chemicals & Fertilizers Limited (RCF), established in 1978, has a diversified product portfolio of urea (~46% of overall sales in FY2025), complex fertilisers (~15%), traded fertilisers (~28%) and industrial chemicals (~10%). RCF has two plants in Maharashtra—one each at Trombay and Thal. The Thal unit is primarily engaged in the production of urea (capacity of 2 MMTPA), besides a few industrial chemicals. The Trombay unit manufactures a wide range of industrial products, complex fertilisers (capacity of 0.66 MMTPA) and urea (capacity 0.33 MMTPA). The company’s industrial chemicals portfolio comprises 15 products, such as ammonium nitrate, nitric acid and methylamines. The Government of India holds a 75% stake in the company.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Mar 24, 2026	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	1,100.00	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Term loan	Long term	3,500.00	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Non-fund based	Long term /Short term	500.00	[ICRA]AA (Stable)/ [ICRA]A1+	Jan 15, 2026	[ICRA]AA (Stable)/ [ICRA]A1+	26-NOV-2024	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	-	-
				July 17, 2025	[ICRA]AA (Stable)/ [ICRA]A1+						
Commercial paper	Short term	3,000.00	[ICRA]A1+	Jan 15, 2026	[ICRA]A1+	28-JUN-2024	[ICRA]A1+	30-JUN-2023	[ICRA]A1+	20-OCT-2022	[ICRA]A1+
				July 17, 2025	[ICRA]A1+	26-NOV-2024	[ICRA]A1+	-	-	27-MAR-2023	[ICRA]A1+
Non-convertible debentures	Long term	-	-	Jan 15, 2026	[ICRA]AA (Stable); Withdrawn	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Non-convertible debentures	Long term	300.00	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Non-convertible debentures	Long term	300.00	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Non-convertible debentures	Long term	205.00*	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)
				July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
Non-convertible debentures	Long term	395.00	[ICRA]AA (Stable)	Jan 15, 2026	[ICRA]AA (Stable)	28-JUN-2024	[ICRA]AA (Stable)	30-JUN-2023	[ICRA]AA (Stable)	20-OCT-2022	[ICRA]AA (Stable)

July 17, 2025	[ICRA]AA (Stable)	26-NOV-2024	[ICRA]AA (Stable)	-	-	27-MAR-2023	[ICRA]AA (Stable)
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*Yet to be placed

Complexity level of the rated instrument

Instrument	Complexity indicator
Cash credit	Simple
Term loan	Simple
Non-fund based limits	Simple
Non-convertible debentures	Simple
Commercial paper programme	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
INE027A08028	NCD	Aug 7, 2024	7.99%	Aug 7, 2027	300.0	[ICRA]AA(Stable)
INE027A08036	NCD	Jun 30, 2025	7.49%	Jun 30, 2028	300.0	[ICRA]AA(Stable)
INE027A08044	NCD	Sep 25, 2025	7.60%	Jul 25, 2029	395.0	[ICRA]AA(Stable)
Yet to be placed	NCD	NA	NA	NA	205.0	[ICRA]AA(Stable)
NA	Cash credit	NA	NA	NA	1,100.0	[ICRA]AA(Stable)
NA	Term loan 1	Dec 2020	NA	Jun 2028	121.0	[ICRA]AA(Stable)
NA	Term loan 2	Jun 2023	NA	Jun 2029	168.0	[ICRA]AA(Stable)
NA	Term loan 3	Mar 2025	NA	Mar 2031	300.0	[ICRA]AA(Stable)
NA	Term loan 4	May 2025	NA	Apr 2027	144.0	[ICRA]AA(Stable)
NA	Term loan 5	Aug 2025	NA	Sep 2037	2200.0	[ICRA]AA(Stable)
NA	Proposed term loans	NA	NA	NA	567.0	[ICRA]AA(Stable)
NA	Non-fund based limits	NA	NA	NA	500.0	[ICRA]AA(Stable)/ [ICRA]A1+
Not placed	Commercial paper	NA	NA	1-365 days	3,000.0	[ICRA]A1+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	RCF ownership	Consolidation approach
Urvarak Videsh Limited (UVL)	33.33%	Equity method
Talcher Fertilizers Limited (TFL)	33.33%	Equity method

Source: Company

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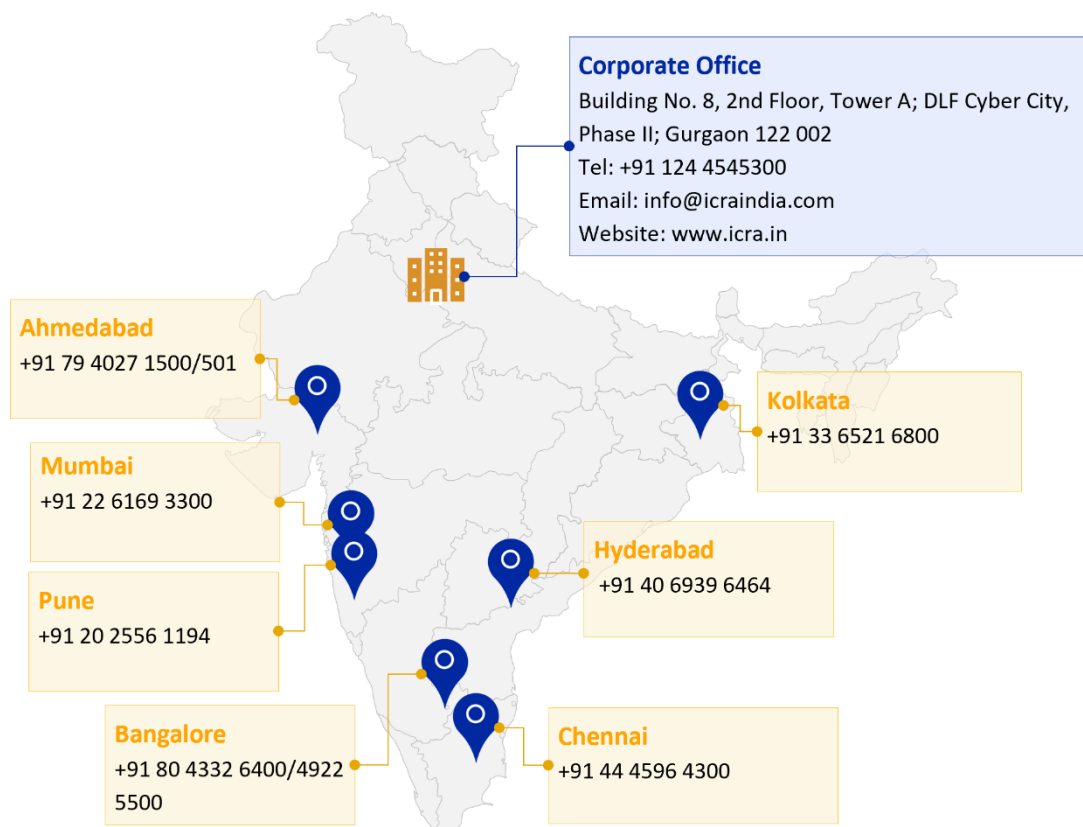


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