

## Rashtriya Chemicals & Fertilizers Ltd — 24 Mar 2026 Credit Rating Summary

Based on the provided ICRA rating rationales and research reports dated March 31, 2026, here is the equity-focused credit analysis summary.

### Credit Rating Summary: ICRA Portfolio Update & Macro Outlook (March 2026)

Section	Details
Agency	ICRA Limited
Rating Change	<b>Mixed Actions:</b> New Assignment ([ICRA]A-) for Thapar Institute; Downgrade for MGSSK (to <b>INC</b> category).
Outlook (Current vs Previous)	<b>Stable</b> (for new assignments) vs. <b>Weakening Macro Outlook</b> (GDP growth moderating).
Key Drivers of Change	<ol style="list-style-type: none"> <li><b>Macro Moderation:</b> GDP growth projected to slow to <b>6.5% in FY27</b> (vs. FY26), signaling a peak in the growth cycle.</li> <li><b>Fiscal Pressure:</b> FY2026 deficit at <b>4.5% of GDP</b>; sticky G-sec yields and excise cuts increasing fiscal risk.</li> <li><b>External Shocks:</b> West Asia conflict and surging energy prices expected to compress corporate margins in FY2027.</li> <li><b>Monetization:</b> Healthy NHA1 toll asset pipeline and record RE capacity addition providing infrastructure support.</li> </ol>
Rated Instruments	<ul style="list-style-type: none"> <li>• <b>Thapar Institute (TIET):</b> □Cr (Not Disclosed), [ICRA]A- (Stable) / [ICRA]A2+ (Assigned)</li> <li>• <b>NeoGrowth (Avni Trust):</b> Series A1 PTC [ICRA]A+(SO); Series B PTC [ICRA]A(SO)</li> <li>• <b>MGSSK:</b> Downgraded to Issuer Non-Cooperating (INC) status.</li> </ul>
Key Observations	<ul style="list-style-type: none"> <li>• <b>Strengths:</b> Robust RE capacity addition in FY26; private mining driving coal production growth.</li> <li>• <b>Strengths:</b> Strong monetization potential in public-funded toll assets (NHA1).</li> <li>• <b>Positive:</b> Apparel exports identifying trade opportunities despite geopolitical volatility.</li> <li>• <b>Risk:</b> Transmission infrastructure delays are hindering the renewable energy (RE) sector momentum.</li> <li>• <b>Risk:</b> West Asia conflict is a primary threat to domestic macro stability and energy costs.</li> <li>• <b>Risk:</b> Credit transparency issues in the cooperative sector (e.g., MGSSK downgrade).</li> </ul>
Investor Impact	<p><b>Growth:</b> Negative (Expect 6.5% GDP slowdown).</p> <p><b>Margins:</b> Downside risk due to elevated energy prices/West Asia conflict.</p> <p><b>Leverage:</b> Cost of debt to remain high/sticky; G-sec yields not expected to soften.</p> <p><b>Dilution Risk:</b> Low for top-tier rated entities, but high for MSME/Co-op sectors.</p>
Agency / Cross Analysis	<p><b>Same Agency:</b> Shifting from "Growth-Led" to "Risk-Averse" stance. While new ratings (TIET) are investment grade, the downgrade of MGSSK and the warning on "sticky yields" suggest tightening credit conditions.</p> <p><b>Conclusion: General Deterioration.</b> The macro-financial environment is worsening despite record performance in specific sectors (RE/Mining) in FY26.</p>
Final Inference	<b>Real Risk Signal:</b> The combination of a 4.5% fiscal deficit, moderating GDP (6.5%), and energy price volatility suggests equity investors should rotate into "Defensive" or "Monetization-ready" sectors (Infrastructure/Coal) while avoiding margin-sensitive industries.

**Analyst Note:** The report indicates a "Late Cycle" environment where record-high infrastructure achievements (RE/Toll assets) are being overshadowed by geopolitical shocks and fiscal stickiness. The [ICRA]A- assignment to Thapar Institute suggests continued institutional credit strength, but the macro-research points to a broader margin squeeze for corporate India in FY27.