CHAIRMAN'S SPEECH

48TH ANNUAL GENERAL MEETING OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

FRIDAY , SEPTEMBER 25, 2026 AT 3.00 PM

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DEAR VALUED SHAREHOLDERS OF RCF,

The financial year 2025-26 unfolded against a backdrop of global economic uncertainty, fluctuating energy and commodity prices, evolving policy frameworks and persistent geopolitical tensions. The continuing Russia-Ukraine conflict, together with disruptions to critical maritime trade routes, including the Strait of Hormuz, has further heightened volatility in energy markets, raw material availability and global supply chains. These developments have presented significant challenges to the fertilizer industry, while also underscoring the strategic importance of fertilizer security, supply-chain resilience and sustainable agricultural practices. Against this challenging backdrop, the Company demonstrated resilience, agility and a strong sense of responsibility towards the nation. By maintaining operational continuity and ensuring the availability of quality fertilizers, the Company continued to contribute meaningfully to India's agricultural ecosystem, strengthen food security and support the livelihoods and well-being of millions of farmers across the country.

It is my great privilege to address you today as we convene the 48th Annual General Meeting of Rashtriya Chemicals and Fertilizers Limited for the financial year 2025-26. On behalf of the Board of Directors, I extend a warm and cordial welcome to all our esteemed shareholders and stakeholders joining us for this important occasion.

The Directors' Report and Audited Financial Statements along with report of the Statutory Auditors and report of Comptroller and Auditor General of India are already with you. I am sure you are fully aware of the physical and financial health of the Company.

In this context, I would like to take a few moments to highlight the broader economic environment in which your Company operated during the year, the challenges faced by the fertilizer industry, and the measures adopted by your Company to sustain performance, strengthen operational efficiency and continue its contribution to the nation's agricultural growth.

1.0 ECONOMIC SCENARIO

The financial year 2025-26 was marked by a challenging global environment characterised by geopolitical tensions, trade uncertainties, supply-chain disruptions and volatility in commodity prices. Despite these headwinds, India continued to demonstrate strong economic resilience, supported by robust domestic consumption, sustained public capital expenditure, increasing private investment and the continued strength of the services sector.

According to the Provisional Estimates released by the Ministry of Statistics and Programme Implementation (MoSPI), India remained one of the fastest-growing

major economies, with real GDP estimated to have grown by 7.7% during FY 2025-26, from 7.1% in the previous year, reflecting the strength of its domestic economic fundamentals. Continued policy reforms, infrastructure development, manufacturing initiatives, digital transformation and increasing formalisation of the economy further strengthened India's growth prospects.

For the fertilizer sector, global geopolitical developments, energy and commodity price volatility, availability of key raw materials and disruptions in international supply chains remained key areas of concern. Nevertheless, the sector continued to play a vital role in supporting agricultural productivity and national food security.

2.0 INDUSTRY SCENARIO

Overall fertiliser production marginally declined by 0.04% during FY 2025-26 as compared to FY 2024-25, primarily due to a reduction in urea production as several Urea units preponed their shutdowns owing to lean season & on the wake of West Asia crisis which impacted availability of gas. Accordingly, Urea production decreased by 4.32% during the year. However, production of other major fertilisers registered growth, with DAP production increasing by 3.49%, NPK production by 6.03%, and SSP production by 9.45% over the previous financial year.

Fertiliser imports witnessed a significant increase of 44.44% during FY 2025-26, driven mainly by higher imports of Urea, DAP and NPK. Urea imports surged by 83.28%, DAP imports by 35.57%, and NPK imports by 63.20% compared to FY 2024-25. In contrast, imports of MOP declined by 18.10% during the year.

Total fertiliser sales increased by 2.14% during FY 2025- 26 as compared to the previous year, supported by higher sales of Urea, DAP, MOP and SSP. Sales of urea, DAP, MOP & SSP increased by 2.23%, 1.24%, 2.46% and 12.19% respectively. In contrast, sales of NPK declined 1.03% over the previous year.

For FY 2026-27, the Government has provided a budgetary allocation of Rs 1.71 lakh crore towards fertiliser subsidies, comprising Rs 1.17 lakh crore for urea subsidy and Rs 0.54 lakh crore under the Nutrient Based Subsidy (NBS) scheme. However, the recent increase in international prices of natural gas, key raw materials and fertilisers indicates that the budgeted allocation may prove inadequate to meet the actual subsidy requirement, potentially necessitating supplementary budgetary support during FY 2026-27.

3.0 OUTLOOK AND CHALLENGES

The fertilizer industry, however, continued to operate in an environment of global supply-chain uncertainties and dependence on imported raw materials and feedstocks. Volatility in the prices and availability of natural gas, ammonia, phosphatic and potassic raw materials, together with fluctuations in international freight and exchange rates, remained important considerations for the industry. At the same time, the sector witnessed increasing emphasis on domestic production, efficient utilisation of resources, balanced and judicious application of nutrients, and the adoption of innovative products and technologies.

The sector is also undergoing a gradual transformation towards greater sustainability and resource efficiency. Initiatives promoting nano fertilizers, bio-fertilizers, fortified and speciality fertilizers, precision nutrient management and balanced use of fertilizers are gaining increasing importance. These developments are expected to contribute towards improving nutrient-use efficiency, reducing environmental impact and promoting sustainable agricultural productivity.

Rising dependence on imports for fertilisers and raw materials, escalating input costs, geopolitical uncertainties, and the possibility of a below-normal monsoon could pose challenges for the sector during FY 2026-27. These factors may increase the overall subsidy burden on the Government and exert pressure on industry profitability. Furthermore, elevated raw material prices, coupled with any delay in subsidy disbursements, could increase the working capital requirements of fertilizer companies, resulting in higher borrowings and finance costs across the sector.

Despite these challenges, the long-term outlook for the Indian fertiliser industry remains favourable, supported by sustained agricultural demand, government policy support, initiatives to enhance agricultural productivity, and the strategic importance of fertilisers in ensuring the country's food security

4.0 OPERATIONAL PERFORMANCE DURING FY 2025-26

The Company has time and again proved that no challenge is greater than RCFians dedication and commitment which brings the Company to greater heights with every passage of time.

During the year, the Company achieved Revenue from Operations of Rs 18,480.17 crore as against Rs 16,933.64 crore in the previous year, registering a growth of 9.13%. The growth in revenue was primarily driven by higher sales volumes of Urea, Suphala 15:15:15 and traded fertilizers, higher subsidy income due to increased P&K fertilizer sales and revision in NBS rates, and higher volumes of Urea imports handled on behalf of the Government of India.

Profit Before Tax (PBT) for the year stood at Rs 611.76 crore as against Rs 327.50 crore in the previous year, reflecting a significant increase of 86.80%. The improvement was primarily driven by higher margins in Suphala 15:15:15, improved operational efficiencies in Urea operations at the Trombay and Thal Units, a better product mix and improved realisations from traded fertilisers, along with additional compensation for DAP and TSP, higher freight subsidy income pursuant to notification of revised freight subsidy rates by the Department of Fertilizers and exceptional income recognised towards the fair valuation of TDRs received/receivable from MCGM/MMRDA and also against the surrender of land.

The Company achieved Earnings Before Interest, Depreciation and Tax (EBIDTA) of Rs 1,151.56 crore as compared to Rs 839.57 crore in the previous year and Profit After Tax (PAT) for the year stood at Rs 429.81 crore as against Rs 241.63 crore in the previous year, representing a growth of 77.88%, reflecting the Company's improved operational performance, favourable product mix and better contribution from fertilizer and trading operations. In the face of intense market competition & falling international prices, Industrial Products Division has achieved the net sales turnover of Rs 1625.94 Crore from its Industrial Chemicals segment.

During the year, the Company has achieved the following milestones:

- Achieved highest ever total fertiliser sale of 37.60 LMT (excl. Imp. Urea), registering growth of 2.3% over last year.
- Suphala 15:15:15 recorded highest ever sale of 6.53 LMT, increased by 2% over last year.
- Ever highest NPK (Ind+Imp) sales of 10.50 LMT achieved, registering increase of 27% over last year.

- Ever highest Imp. TSP sales of 1.33 LMT achieved, registering increase of 1.08 LMT (439%) over last year.
- Ever highest Imp. 20:20:0:13 sales of 2.59 LMT achieved, registering increase of 1.78 LMT (220%) over last year.
- Ever highest Imported products sale of 9.27 LMT achieved, maintaining upward trend over last year (9.20 LMT).
- Urea sales reached to 21.25 LMT, increased by 3% (0.53 LMT) over last year.
- Achieved all-time high PDM sale of 40,550 MT, nearly doubling over last year (94% growth).
- Highest yearly sale of Liquid CO2 of 10,831 MT.
- Highest yearly sale of Phosphoric Acid of 7,450 MT.
- Highest yearly sale of STP Water of 28,54,096 M3.
- Highest yearly sale of Refrigerant Ammonia of 1,525 MT.

Your Company achieved sales volume of 36.76 lakh MT during the year 2024-25 as compared to 36.01 lakh MT during the previous year. Your Company sold 20.72 lakh MT of Urea, 6.39 lakh MT of NPK 15:15:15, 0.36 lakh MT of City Compost/PDM/PROM/FOM and 9.20 lakh MT of other bought out products i.e. DAP, MOP, Imp NPK etc.

The Company achieved fertilizer sales volume of 38.12 lakh MT during 2025-26 as compared to 37.12 lakh MT during the previous year. The Total sale of manufactured fertilizers during 2025-26 was 27.78 lakh MT as against 27.11 lakh MT during the previous year. Sales of manufactured fertilizers registered increase of 2.47% over previous year owing to higher sales of Urea.

The frame of reference in which your Company operates i.e. the state of economy in general and fertilizer industry in particular, during 2025-26, is briefly outlined for better understanding of the performance of your Company. I am glad to inform you that against all odds, your Company stood up to the challenges and delivered a stellar performance.

5.0 AWARDS

I am also happy to share with you the several recognitions and awards have been received by the Company under various categories from Central as well as State Government and Institutes of repute. Details of the same can be seen in the annual report already available with you.

6.0 DIVIDEND

Considering the consistent profits being made by the Company and based on the Company's performance, your Directors are pleased to recommend a final Dividend of Rs 1.34 per equity share of Rs.10/- each for the financial year 2025-26, and would involve a total cash outflow of Rs 73.93 Crore, in addition to Interim Dividend paid of Rs 1.00 per equity share amounting Rs 55.17 Crore paid in month of March 2026. The final dividend pay-out is subject to the approval of members at the ensuing Annual General Meeting.

7.0 MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT

The Company has secured "Very Good" rating for the year 2024-25. The performance rating for 2025-26 MoU is yet to be finalised by the Government and the Company expects to achieve "Good" rating this year.

8.0 FUTURE PLANS

The road ahead is filled with challenges and opportunities. The Company is fully equipped to grab the opportunities and face any challenges that the market throws up.

The Company has been regularly undertaking expansion and modification projects to improve efficiencies, reduce emissions, reduce costs and augment capacities of its manufacturing plants. The same are detailed in the Annual report.

I will briefly mention some of the major projects that have been planned for the growth of the Company and are under implementation at Trombay and Thal.

- **Setting up new NPK Fertilizer plant at Thal**

India is largely dependent upon Imported NPK nutrients to meet its domestic requirements. As an "Atmanirbhar Bharat" initiative, the Company is setting up NPK Fertilizer plant having capacity of 1200 MTPD (DAP basis) at Thal. The plant would be capable of producing various grades of NPK fertilizer as per market requirements. The work order for execution of the project on LSTK basis is awarded to M/s Larsen & Toubro Limited in October 2024. The estimated Project Cost of the project is Rs 1494 Crore including taxes. Project is expected to be completed by March 2027.

- **Ammonia Plant revamp (Topsoe scheme) at Thal**

The Company is implementing energy schemes suggested by M/s Topsoe A/S – Technology supplier of Ammonia plant at Thal. Estimated Project Capital Cost is about Rs 1308 Crore including taxes. The expected energy saving is 0.40 Gcal/MT of Ammonia at existing Ammonia production level and expected to be completed by June 2029.

- **ETP up-gradation at Thal**

The Company is upgrading the existing Effluent Treatment Plant at Thal for treating 10,000 M3/day effluent to ensure the quality of treated effluent not only for meeting the statutory norms but also suitable for recycling the treated effluent as raw water.

Benefit of the project will be better environment management on sustained basis through recycling of treated effluent as a raw water. The project has been partially commissioned on January 19, 2025 and around 4000 M3 per day treated water is generated.

- **Phosphoric Acid Plant at Thal Unit:**

Phosphoric acid is one of the key raw materials for the NPK plant. The Company is planning to set up a captive 300 MTPD capacity Phosphoric Acid Plant at Thal unit. The estimated project cost is Rs 865.25 Crore including taxes.

Joint Venture Projects: Plan for expansions through JV route are envisaged as under:

- ✓ **Coal Based Fertilizer Plant**- The Company, along with Coal India Limited (CIL), GAIL (India) Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), is setting-up a Coal Gasification based fertilizer complex, comprising of 2200 MTPD Ammonia plant and 3850 MTPD Urea plant, at FCIL, Talcher, Odisha at estimated to cost approx. Rs.19,062.22 Crore Crore (RCF equity share is Rs 2,169.67 Crore).

- ✓ **Russia Project:** The Company along with NFL and IPL are exploring possibility of setting-up Urea plant in Russia. RCF, NFL and IPL have signed a Memorandum of Understanding (MoU) with Russian Company – M/s JSC Uralchem in December 2025 for setting up a Joint Venture Urea plant in Russia. The feasibility study for the project is currently underway.

- ✓ **Proposed Joint Venture Urea Project at Vidarbha,Maharashtra:** The Company along with GAIL (India) Limited (GAIL) have signed a Memorandum of Understanding (MoU) to jointly establish a gas-based fertilizer project in the state of Maharashtra through a Special Purpose Vehicle (SPV). The proposed Urea production facility, with a planned capacity of 1.27 Million Metric Tonnes Per Annum (MMTPA), is envisaged to be established in the Vidarbha region of Maharashtra along GAIL's Mumbai–Nagpur– Jharsuguda Natural Gas Pipeline (MNJPL).

9.0 RESEARCH AND DEVELOPMENT

The tool to future sustainability is Research and Development (R&D). Your Company has taken up several Research and Development projects, some of which are for commercial scale design and engineering. Our strong R&D team has been analysing soil, weather, and crop data through various new-age technologies, in order to empower the farmers with predictive farming skills.

10.0 HUMAN RESOURCES

Your Company has always maintained good industrial relations with all its employees. All Industrial relations issues are settled through regular discussions, meetings and dialogues. Your Company has a very strong corporate management team. The systems and procedures are constantly upgraded and improved imbibing the best of management techniques and Corporate Governance norms.

11.0 CSR ACTIVITIES

As part of its initiatives under "Corporate Social Responsibility', the Company has undertaken several projects in the areas of rural development, health care and education, with the aim of serving the needy. During the year, your Company has spent Rs 12.15 Crore on CSR activities. The activities, in brief, are mentioned in Directors' Report.

12.0 SUSTAINABLE DEVELOPMENT

Your Company has taken up several Sustainable development activities such as Building of Check Dams, Prevention of soil erosion and watershed management, reduction of Green House Gas emissions, sustainable electricity distribution based on Solar Energy, etc. Details of the same can be seen in the annual report already available with you.

13.0 HEALTH, SAFETY AND ENVIRONMENT

Your Company is committed to ensuring clean environment, beyond satisfying all stipulated requirements laid down by the statutory authorities, around its operating units.

Your Company has established ISO 14001 compliant Environment Management System (EMS) at its both manufacturing units. The Systems are constantly upgraded and regular Internal Audits and Management Reviews are carried out to ensure compliance and continuous improvement in the system.

The Effluent Treatment plants at Trombay and Thal have ensured that the environment in and around the Units are fully protected. Various schemes with state-of-the-art technologies and modernization schemes are implemented to reduce energy consumption and wastages of the scarce natural resources. The waste streams from the plants are recycled/ reused for useful purposes.

Trombay and Thal units of the Company have taken up massive tree plantation drives in factory premises, in residential colonies and, surrounding areas during the year 2025-26.

14.0 CORPORATE GOVERNANCE

Your Company believes that sound corporate governance is fundamental to the enhancement of the value of the Company and its long term growth. Based on the core principles of fairness, transparency and accountability, your Company strives to maintain a high standard of governance through comprehensive and efficient frame work of policies, procedures and systems to promote responsible corporate culture. The Company expects "Excellent" Rating on Corporate Governance on compliance of DPE guidelines for the year 2025-26.

15.0 MEMBERS' ACTIVE INTEREST IN THE COMPANY

It is heartening to see the share owners taking very active interest in the Company by interacting with senior management regularly.

16.0 ACKNOWLEDGEMENT

I convey my heart felt gratitude and sincere thanks to all the stakeholders of the Company for their unstinted support; faith and trust reposed in the Company which has helped us to perform in an excellent manner. I would like to thank all my colleagues, both past and present, on the Board for their unstinted support and guidance. I would also like to thank the Government of India particularly the Department of Fertilizers and FICC, Government of Maharashtra, MCGM and other State Governments, Statutory, Cost, Secretarial and

Government Auditors, Banks, Financial Institutions, Railways, MoU Task Force, Local authorities, Factory Inspectorate and IBR, customers, suppliers, vendors and contractors for their continued support.

Finally, I thank "Team RCF" with All the Unions and Associations for their dedication and sincere efforts in ensuring the smooth and excellent functioning of the Company, without whose continuous support and hard work none of this would have been possible.

Thank you Ladies and Gentlemen. ***"Let us Grow Together"***.

I now move the annual accounts for adoption.

(Shivakumar Subramaniam)
Chairman & Managing Director

Date: September 25, 2026

Place: Mumbai