

Compagnie Indo-Francaise De Commerce Private Limited

September 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	5.00	CARE BBB-; Negative	Reaffirmed
Short-term bank facilities	115.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

While arriving at ratings of Compagnie Indo-Francaise De Commerce Private Limited (CIFC), CARE Ratings Limited (CareEdge Ratings) has taken a combined view of CIFC and Coastal Chemical Company Private Limited (CCCPL), as all entities (together referred to as 'group') have common promoters, common management, and operational linkages.

Reaffirmation of ratings assigned to bank facilities of CCCPL derives comfort from promoters' experience with long track record of operations in fertilizer trading business, established relationship with customers and suppliers, mitigated counterparty credit risk with sales backed by letter of credit, and adequate risk mitigation policies in place. Ratings also draw comfort from the group's comfortable capital structure marked by nil external debt as on March 31, 2025, and adequate liquidity position. However, ratings are constrained by decline in operational performance coupled with operational losses in FY25 (refers to April 01 to March 31) owing to industry-wide headwinds translating into pressure on its credit metrics and liquidity position. Ratings are also constrained by customer and supplier concentration risk and working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in total operating income (TOI) above ₹1,500 crore with profit before interest, lease rentals, depreciation and taxes (PBILDT) margin above 3% and return on capital employed (ROCE) above 14% on a sustained basis.
- Improvement in financial risk profile marked by PBILDT interest coverage above 3x on a sustained basis.

Negative factors

- Decline in scale of operations as marked by TOI below ₹1,000 crore and PBILDT margin below 0.50% on a sustained basis.
- Deterioration in capital structure leading to total outstanding liability to tangible net worth (TOL/TNW) above 3.50x on a sustained basis.
- Deterioration in terms with any of its key suppliers or customers, leading to a significant impact on the group's operations.

Analytical approach: Combined

CareEdge Ratings has combined the financials of entities listed under **Annexure-6**, factoring in operational and financial synergies between group entities since these entities are controlled by common promoters with cash flow fungibility among group entities.

Outlook: Negative

"Negative" outlook reflects vulnerability to geopolitical instability which could further weaken the group's operational performance. The outlook may be revised to stable based on group's ability to improve its operational performance marked by growth in TOI with operationally profitable operations.

Detailed description of key rating drivers:

Key strengths

Comfortable capital structure

The group's overall gearing stood comfortable at 0.13x as on March 31, 2025 (PY: 0.12x), mainly due to a reduction in total debt as the group had no liability for bill discounting as on March 31, 2025. Additionally, working capital limits remained unutilized as on March 31, 2025. Looking ahead, with the improvement in the scale of operations, the debt profile is anticipated to moderate with high bill discounting facilities availed from the bank to make payments to suppliers allowing a credit period of 30 days. However, these facilities will be backed by secured Letters of Credit (LC) from the customer's bank, thus providing comfort to the

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

financial risk profile. However, debt coverage metrics subdued during the year driven by subdued operational performance resulting in operational losses.

Experienced promoters and long track record of operations in fertilizer business

The group has a long track record of around five decades in the fertilizer industry, leading to an established position in this segment. The group was promoted by the late Amir Ali Rahimtula, who was also the founder chairman of the Fertilizer Association of India (FAI). He was the first Indian chairman of the Marketing Association of European Nitrogen and Complex Producers, known as NITREX and COMPLEX. The group is currently managed by H.N. Rahimtula, son of Amir Ali Rahimtula, who has around five decades of extensive experience in the fertilizer trading industry.

Adequate risk mitigation policy

The group is engaged in trading (high seas sale) ammonia and is exposed to risks associated with price fluctuations of the traded product and foreign exchange fluctuations. To mitigate price fluctuation risk, the group enters into back-to-back buy and sell orders. The pricing formula is fixed at the time of the order, with both the buyer and the supplier agreeing to the price, thus transferring the price fluctuation risk to the buyer and insulating the group from adverse price movements. The group procures its products in US dollar (USD) and bills to its buyers also in USD. However, the group receives the payment in Indian rupees thus exposing it to foreign exchange fluctuation risk. The group hedges all its exposure by buying forward contracts as per the Reserve bank of India (RBI) reference rate similar to the one that buyer uses for conversion of USD invoice to INR.

Concentrated yet well-established suppliers and customers

The group has a longstanding relationship with its customers and suppliers, albeit with high concentration. Approximately 98% of its revenue in FY25 came from its top five customers (PY: 98%). The group primarily serves government undertakings and other leaders in the agro chemical industry in India, entering into medium-term contracts ranging from 1 to 1.5 years with its customers. The supply price is determined by the USD invoice amount converted to equivalent INR as per the RBI reference rate on the payment due date. Sunshine Fertilizers and P.T. Kaltim Parna Industries are the primary suppliers, accounting for ~61% of the total purchases in FY25 (PY: 80%), with the top five suppliers covering 100% of purchases. Despite this concentration, the risk is mitigated as these suppliers are renowned for manufacturing high-quality ammonia and are major suppliers in global markets.

Key weaknesses

Subdued operational performance albeit expected to rebound in FY26

The group reported subdued operational performance marked by moderation in scale of operations coupled with operational losses. The TOI of the group declined by ~15% in FY25 to ₹964.61 crore (PY: ₹1,137.87 crore) significantly influenced by geopolitical developments. In the Russia-Ukraine conflict, demand remained strong; however, the onset of the Middle East Gulf War has led to supply chain disruptions. Additionally, China has also halted the export of fertilizers such as Urea and Ammonia, commonly referred to as 'Khad' in India. This move has further strained global supply chains, adding to the challenges already posed by geopolitical tensions.

The group registered losses at operating level as marked by PBILDT and profit (PAT) margin of -0.73% and -0.25%, respectively, in FY25 (PY: 0.82% and 0.58%, respectively). The group has incurred operating losses since the prices (purchase and sale) are typically governed; however, disruptions in the Arabian Sea led to a sharp rise in freight costs. Additionally, ammonia storage is costly due to limited availability and requirement of maintaining temperatures at -33°C, and any inconsistency in supply further escalates these storage expenses. Although these costs are recoverable from customers with a lag.

The group has achieved operating income of ₹191.50 crore in 4MFY26 (refers to April 01 to July 31) and profitability levels as marked by net profit of ₹2.43 crore. The group expects a recovery, supported by sustained demand for ammonia, and China's recent decision to lift export restrictions on fertilizers aims to improve bilateral relations. CareEdge Ratings believe the group's ability to generate sufficient operational profits to meet its operational needs will remain a key monitorable in the short to medium term.

Industry and geopolitical exposure risks

The group operates in the highly regulated fertilizer industry, which exposes it to stringent government policies and regulations that can impact its operations. As a major importer of fertilizer raw materials, the group is also vulnerable to agro-climatic risks, such as erratic weather patterns and unpredictable climatic conditions, which can affect the supply and demand dynamics of fertilizers. Global geopolitical scenarios, such as the Ukraine-Russia war, the Red Sea crisis, and the Israel-Palestine conflict, can significantly influence the availability and pricing of raw materials, such as ammonia and urea. These factors collectively pose challenges to the group's operations and financial stability.

Liquidity: Adequate

The liquidity profile of the group is adequate as marked by nil utilisation of working capital limits during the year and unencumbered cash and cash equivalent balance of ₹53.30 crore as on March 31, 2025. The group has no long-term debt repayment obligations in the near term and the repayment of unsecured loans from promoters of ₹14.49 crore is also contingent upon the group generating excess cash accruals. The current ratio of the group stood high at 2.64x as on March 31, 2025 (PY: 3.20x). The group has no immediate capex plans as of date. The group's net cash flow from operations stood at ₹4.94 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Consolidation and Combined Approach](#)

[Notching by Factoring Linkages with Parent](#)

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

[Rating Outlook and Rating Watch](#)

[Fertilizer](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Trading and distributors

CIFC was incorporated in June 1967 by late Amir Ali Rahimtula. His son, H N Rahimtula is the current Managing Director. The company was operating as a commission agent for importing fertilizer till 2004. Thereafter, the company ventured into trading fertilizer raw materials and allied products. The company is currently engaged in trading fertilizer and allied products, where it imports from foreign suppliers to supply primarily to domestic PSUs on high seas sale basis.

CCCPL was incorporated in October 1967 by Rahimtula Group. The company initially provided liaison and follow-up services related to fertilizers and fertilizer raw materials, such as rock phosphate. However, since 2022, with the growth in CIFC's operations, the management decided to separate the Urea and Ammonia business by shifting ammonia trading to CCCPL. Currently, the majority of the group's ammonia trading is conducted through CCCPL, while urea, sulphur, rock phosphates, and some ammonias are traded through CIFC.

Brief Financials (₹ crore) - Combined	March 31, 2024 (UA)	March 31, 2025 (UA)	4MFY26 (UA)
Total operating income	1137.87	964.61	191.50
PBILDT	9.29	-7.00	NA
PAT	6.56	-2.38	2.43
Overall gearing (times)	0.12	0.13	NA
Interest coverage (times)	0.37	NM	NA

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

Basis for combination: Numbers have been combined through row-by-row addition of all line items of all entities mentioned under Analytical approach, after excluding inter-group transactions and balances.

Brief Financials (₹ crore) – CIFC Standalone	March 31, 2024 (A)	March 31, 2025 (UA)	4MFY26 (UA)
Total operating income	318.22	372.88	36.12
PBILDT	1.22	0.68	NA

Brief Financials (₹ crore) – CIFIC Standalone	March 31, 2024 (A)	March 31, 2025 (UA)	4MFY26 (UA)
PAT	0.86	5.12	1.24
Overall gearing (times)	0.00	0.00	NA
Interest coverage (times)	0.23	0.65	NA

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

Status of non-cooperation with previous CRA: CRISIL has placed the rating assigned to bank facilities of CIFIC into Issuer Not Cooperating category vide their press release dated July 21, 2025, on account of their inability to carry out a review in the absence of requisite information.

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
Fund-based-Working capital facilities	-	-	-	-	5.00	CARE BBB-; Negative
Non-fund-based - ST-BG/LC	-	-	-	-	115.00	CARE A3

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	Fund-based-Working capital facilities	LT	5.00	CARE BBB-; Negative	-	1)CARE BBB-; Negative (25-Mar-25) 2)CARE BBB-; Stable (05-Jul-24) 3)CARE BB+; Stable; ISSUER NOT COOPERATING* (18-Jun-24)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (28-Mar-23) 2)CARE BBB-; Stable (06-Apr-22)
2	Non-fund-based - ST-BG/LC	ST	115.00	CARE A3	-	1)CARE A3 (25-Mar-25) 2)CARE A3 (05-Jul-24) 3)CARE A4+; ISSUER NOT COOPERATING* (18-Jun-24)	-	1)CARE A4+; ISSUER NOT COOPERATING* (28-Mar-23) 2)CARE A3 (06-Apr-22)

*Issuer did not cooperate; based on best available information.

LT: Long term; 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	Fund-based-Working capital facilities	Simple
2	Non-fund-based - ST-BG/LC	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	Compagnie Indo-Francaise De Commerce Private Limited	Full	Operational and financial linkages
2	Coastal Chemical Company Private Limited	Full	Operational and financial linkages

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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