

राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

साथ बढ़ें समृद्धि की ओर



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

Let us grow together

"प्रियदर्शिनी", ईस्टर्न एक्सप्रेस हाईवे, सायन, मुंबई - 400022.

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K. C. PRAKASH
COMPANY SECRETARY

Sec/2013

4th Marc, 2013

The National Stock Exchange,
Corporate Plaza,
Plot No. C/1, C-Block,
Bandra kurla Complex,
Bandra East,
Mumbai 400051

Dear Sirs,

Sub: Pre-PIB Clearance for Thal III Project

In the recently held Pre-PIB (Public Investment Board) meeting, the Company's major expansion plan at its Thal unit (Thal III Project) for setting up additional streams of Ammonia and Urea for adding 12.7 lakh MT per annum of Urea capacity at a cost of ₹ 4112.5 crore has been cleared. The Company is now seeking PIB approval for the Project. Upon clearance by PIB, the proposal needs to be cleared by the Cabinet Committee on Economic Affairs (CCEA) for construction to begin. Company has identified LSTK Contractor and is in the process of lining up other construction and project management consultancy contracts and expects to start process, design and construction work on the project in May 2013 after CCEA clearance.

The Company has recently completed major revamp of its plants at Thal at a cost of ₹ 489 crore which has increased its Urea capacity from 17 lakh MT to 20 lakh MT per annum. The revamped plants have been commissioned and have already achieved the day to day high capacity and low energy consumption targets. Company will be able to reap benefits under the IPP (Import Parity Price) based pricing mechanism for the extra production beyond the cut-off capacity in the current fiscal.

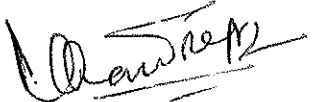
Company has also taken initiative for revival of closed fertilizer unit at Talcher for setting up a world class Urea project with coal as feedstock. The project will be a Joint Venture effort with Coal India Ltd. who will supply the coal to the project. Urea from this project will be cheaper than that produced from natural gas. The other major initiative is to set up a joint venture urea facility in Ghana where gas has been found and the same will be supplied at competitive price. Urea from this project will also be cheaper and shall be shipped to India after fulfilling local requirement.

The Company is also expecting to get Transfer of Development Rights (TDR) of approx. value of ₹ 130 – 150 crore, for the land taken by MMRDA for the completion of their Eastern Freeway Project.

The new developments may please be brought to the notice of all concerned.

Thanking you,

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Ltd


K.C. Prakash
Company Secretary