

राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

साथ बढ़ें समृद्धि की ओर

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

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RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

(A Government of India Undertaking)

Let us grow together

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K. C. PRAKASH
COMPANY SECRETARY

No.Secy./01/2014

7th January, 2014

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block

Bandra-Kurla Complex

Bandra [E]

Mumbai 400 051.

Dear Sir,

Sub: Recovery of undue benefits to fertilizer companies producing P&K fertilizers on account of usage of cheaper domestic gas as feedstock-reg.

Company has received an Office Memorandum no.23011/5/2012-MPR dated 6th January, 2014 from Department of Fertilizers (DoF), informing us that, pending finalization of guidelines on recovery, it has been decided to recover undue benefit to the Company on account of use of cheap domestic gas in the production of P&K fertilizers from the date of the OM considering differential prices of fertilizers based on cost of imported ammonia and the APM gas, subject to reconciliation after final decision by EGoM.

Company feels that the proposed recovery is not justified and is discriminatory. The proposed recovery/ad hoc recovery is against the principles of Nutrient based Subsidiary (NBS) and amounts to an unfair treatment of one segment of the Fertilizer sector due to an erroneous presumption that they are making windfall profits on the premise that they are using cheap gas, which otherwise they were not entitled to.

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Company had taken up this matter in the past with DoF with full justification for not making any such recovery and would also take up the matter again strongly. Company is hopeful that its views in the matter would ultimately prevail.

However the Company is in the process of calculating the impact, if any, of this decision on its profitability for the year 2013-14.

This is submitted for the information and kindly display on the Notice Board.

Thanking you,

**Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited**


[K.C. Prakash]
Company Secretary