

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

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K. C. PRAKASH
COMPANY SECRETARY

Secy./34[1]/2013

6th May, 2013

The General Manager
Market Operations
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001

Dear Sir,

Sub: Subsidy rates for P&K Fertilizers for Financial year 2013-14

This is in reference to the news item appearing in leading Business newspapers. The views of Rashtriya Chemicals and Fertilizers in this respect are as under:

“Government has announced the NBS rates for P&K fertilisers for the year 2013-14. Subsidy on DAP has been reduced by 14% to ₹ 12,350 PMT (₹ 14,350PMT in the previous year), MoP by 22% to ₹11,300PMT (₹ 14,400 PMT in the previous year). These rates have been reduced by Government in line with the decline in global prices of DAP and potash.

The subsidy rates for Complex fertilizers have been reduced based on the nutrients. Subsidy on “N” is revised from ₹ 24.0/kg to ₹ 20.9/kg, “P” is reduced from ₹21.8/kg to ₹ 18.7/kg and on “K” from ₹ 24.0/kg to ₹ 18.3.

With the reduction in subsidy, the subsidy out go to government would reduce. As the prices of inputs in the global markets are showing downward trend, it is expected that there would be reduction in farm gate prices. Manufacturers such as RCF, therefore, would not be affected. Further, due to lower prices, demand is likely to increase and the working capital requirement is likely to be lower than at present.

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As the subsidy outgo to government would be lower, there would be lesser budget constraint for making subsidy payments to the manufacturers.

RCF welcomes the move of the government”.

Thanking you,

**Yours faithfully,
for Rashtriya Chemicals and Fertilizers Ltd**



**[K.C.Prakash]
Company Secretary**