

Press Backgrounder

I take this opportunity to extend warm welcome and greetings to you all from Media and Press on behalf of Rashtriya Chemicals and Fertilizers Ltd.

Rashtriya Chemicals and Fertilizers Ltd. (RCF) is a leading Public Sector Undertaking in India, engaged in the production and marketing of fertilizers and industrial chemicals. Manufacturing facilities of RCF are located at Chembur in Mumbai and Thal in Raigad district. RCF is one of the major producers of fertilizers and caters to about 8% of Country's demand of Urea and also supplies around 6 lakh tonne (Production + trading) of NPK fertilizers. Thus RCF is playing a vital role in enhancing the agricultural productivity and food security for our country and sharing social responsibilities throughout the cross sections of the country.

Both units are certified under Integrated Management System (IMS) for ISO 9001 (Quality Management System Certification), ISO14001 (Environmental Management System), OHSAS-18001(Occupational Safety and Health Management System) and for ISO 50001: 2011(Energy Management System Certification).ISO-27001

A. Financial Performance:

(In Rs. Crore)

<u>Particulars</u>	2018-19	2017-18
Total Revenue	8965.14	7343.20
Total Operating Costs	8441.79	7015.23
Operational Profit	523.35	327.97
Depreciation/Impairment	155.69	137.04
Finance Cost	155.85	62.59
Profit/ (Loss) before Exceptional Items	211.81	128.34
Exceptional Items	(23.44)	0.12
Profit/ (Loss) before tax	235.25	128.22
Net Profit / (loss)	139.17	78.80

Awards Won by the Company :

As in the past, RCF Company has won many awards during the year 2018-19, some of which are as under:

Trombay Unit

- Prestigious “31st CFBP- Jamanalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices” for the year 2018 in the category of Manufacturing Enterprises –Large.
- “Governance Now 6th PSU Award” in CSR category.
- “Certificate of Merit” for conservation of energy in Chemical Sector from Maharashtra Energy Development Agency (MEDA) for the year 2017-18
- 2nd Rank for Excellence in Suggestion Scheme Contest 2018 organized by INSSAN in the Fertilizer Industries Group.
- “Bombay Chamber of Commerce and Industry CIVIC AWARDS: Sustainable Environmental Initiatives”- 2017-18
- “ICC Award for Excellence in Environment Management 2017.
- Authorized Economic Operator-T1 certificate from Central Board of Indirect Taxes and Customs.

Thal Unit

- Heavy Water Plant received National Safety Council, (Maharashtra Chapter) “Certificate of Merit” for Meritorious Performance in Industrial Safety for the year 2017
- FAI award for Excellence in Safety for the year 2017- 18.
- First prize in 12th State Level Award for “State level Excellence in Energy Conservation & Management” for the year 2017-18 from Maharashtra Energy Development Agency (MEDA), Govt. of Maharashtra.
- “Maharashtra Safety Award-2017” for achieving Lowest Accident Frequency Rate and Longest Accident Free Period in Chemicals & Fertilizers Industrial Group Highest Accident Free Days and “Zero Accident Frequency Rate” for the year 2017 from National Safety Council’s.
- Five (5) Star Green rating for air quality for the year 2018-19 by Maharashtra Pollution Control Board for the third consecutive year.

B. CSR Initiatives:

As part of its initiatives under “Corporate Social Responsibility’, the Company has undertaken several projects in the areas of rural development, promoting health care and education

aimed for the benefit of needy and for general good of the society. During the year, Company has spent Rs 3.88 Crore on CSR activities which, inter alia, includes the Scholarship to meritorious students of SC / ST/ OBC communities. In addition to this, Company has been providing drinking water for last 23 years to seven villages around Thal unit through pipelines laid down from the water reservoir in the unit which benefited more than 15,700 residents of the villages.

Company is supporting Community Medical Facility by Running two Mobile Medical Vans in collaboration with Wockhardt Foundation, at Thal, Alibag. Each medical van attends approximately 25,000 patients per annum. Paddy, fruit saplings and free fertilizers are supplied to needy villagers near Thal.

Government of India issued Guidelines to utilize CSR funds in a focussed manner towards national priorities. Company has selected "Osmanabad" as Aspirational district for utilizing CSR fund for this year's theme of "School Education and Health Care". Under this, RCF has set "Mini Science Centres" in 40 Zilha Parishad Schools and medical Equipment's are supplied to Civil Hospital of Osmanabad

C. Projects:

The company is poised for growth through implementation of major projects.

1. Talcher Fertilizers Limited:

RCF along with Coal India Limited (CIL), GAIL (India) Limited (GAIL) and Fertilizer Corporation of India Limited (FCIL), is setting up a fertilizer complex, comprising of 2200 MTPD Ammonia plant and 3850 MTPD Urea plant, at FCIL, Talcher, Odisha based on coal gasification technology.

The project is of strategic importance for the country as it aims to make breakthrough for an alternative source of feedstock in the form of abundantly available coal from domestic sources in place of natural gas. Success of this project will be a game changer and shall pave a way forward to the production of chemicals and fertilizers from abundantly available coal resulting in less dependency on RLNG imports. It will also help in meeting much needed Urea production capacity for the eastern part of the Country.

Contracts for Coal Gasification and Ammonia-Urea awarded to M/s Wuhan ---on 11th September and 19th September 2019 respectively.. Project is scheduled for commissioning by September-2023.

2. FACT-RCF Building Products Limited, Kochi:

RCF has formed joint venture Company with Fertilizers and Chemicals Travancore Limited (FACT) by incorporating FACT-RCF Building Products Limited to set up a Rapid wall Project at Kochi. RCF and FACT has 50:50 equity holding in the Company. The plant is in operation.

There is a substantial reduction in the losses and products manufactured by the Company have very good potential.

3. Sewage Treatment Plant (STP) at Trombay:

Water supply situation in Mumbai is getting more and more difficult day by day. Ensuring water availability has become critical for the smooth functioning of the Trombay unit given the competing demand for water in the city. Recognizing this, Company is has set-up one more new Sewage Treatment Plant (STP) adjacent to the existing STP with a capacity to treat 22.75 Million Litres per Day (MLD) of Municipal Sewage to produce about 15 MLD of treated water. A portion of the treated water will be supplied to M/s Bharat Petroleum Corporation Ltd. (BPCL), on mutually agreed terms. This plant will reduce fresh water intake of RCF and BPCL by 15-MLD making it available to the residents of Mumbai. Estimated project capital cost is about Rs. 209 Crore.

The plant is successfully commissioned on 10th Sept 2019.

RCF is also exploring following Joint Venture Projects

1. Revival of Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) – Namrup Unit:

DoF has nominated RCF and NFL along with Oil India Ltd., Govt. of Assam and BVFCL in joint venture for revival of Namrup unit of Brahmaputra Valley Fertilizer Corporation Limited. The proposed project entails setting up a Urea plant with an annual capacity of 1.27 Million MT. The estimated Project Cost is about Rs.7,600 Crore. The feasibility study for the project is carried out by PDIL.

2. JV Project in Gabon:

Republic of Gabon plans to set up green-field Ammonia Urea fertilizer complex at Mandji Island near port – Gentil of West coast of Gabon. The Urea plant capacity is envisaged to be 1.27 Million MT. Invitation to participate in Gabon Fertilizer Project comprising Ammonia-Urea fertilizer complex was received from DoF. Due diligence study is completed. There is likelihood of induction of another Indian JV Partner. The estimated Project Capital Cost is USD 1469.43 Million i.e. about Rs.10,286 Crore.

3. JV Project in Syria and Jordan:

In Syria and Jordon, investment opportunities for development of rock phosphate mines and production of phosphoric acid are being explored.

Company has also undertaken major projects in the direction of improving energy efficiency:

The projects completed in the year 2018-19 are:

GT-HRSG project has been successfully commissioned at RCF Thal, in the year 2018-19. Energy saving of about 0.30 Gcal/MT of Urea has been achieved in the year 2018-19 and additional 0.05 Gcal/MT will be achieved by Dec-2019 after installation of new motor driven ARC-IV compressor. The project cost is about Rs.363.80 Crore.

Other energy schemes completed in Thal unit include installation of Vortex Mixer and Conversion Booster in the Urea Reactors, installation of Vapour Absorption Machine (VAM) for Process Air Compressor in Ammonia Plant, Installation of VAM for CO₂ compressor suction cooling, Revamp of CO₂ compressor is completed in the year 2018-19. Energy saving of 0.116 Gcal/MT of Urea is achieved with implementation of these schemes.

Energy saving schemes under implementation:

1. Installation of Gas Turbine Generator (GTG) and Heat Recovery Steam Generator (HRSG) at Trombay Unit:

New energy norms for Trombay Urea are scheduled to be effective from 01.04.2020. As a part of energy reduction projects , RCF is installing Gas Turbines Generator (GTG) of 2 x 25 MW along with Heat Recovery Steam Generator (HRSG) of 2 x 65 MTPH capacity with an aim to reduce the specific energy consumption in Ammonia and Urea Plants at Trombay.

Work has been awarded to M/s Thermax on 18.04.2018 for implementing the project on LSTK basis. Estimated project capital cost is about Rs.427 Crore.

Excepted Energy Saving is 0.30 Gcal/MT of Urea and expected completion by April 2020

2. Energy Conservation Projects.

- At Trombay unit with installation of Gas Turbine, Urea Casale revamp and KBR Schemes in Ammonia V, reduction in energy consumption by around 0.64 GCal/MT of Urea will be achieved by March 2021. (Investment Rs. 635.03 Crore)

RCF 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, RCF strives to maintain a high standard of governance through comprehensive and efficient frame work of policies, procedures and systems and promote responsible corporate culture.

