



Dear Friends,

1st April, 2014

As another financial year draws to a close and we enter into a new Financial Year. I foresee some 'challenging challenges' that awaits us in the forthcoming financial year. Lets see some of the challenges in 2014 -15.

A Challenging Market Scenario

In 2013-14, we managed to sell around 96 Lakh Metric Tonne (MT) of fertilisers (65.4 Lakh MT of Urea and 30.6 lakh MT of NPK, NP, DAP and WSF put together) with marketing productivity of around 7268 MT per employee. But we achieved these sales figure in the backdrop of a rapidly changing market scenario.

Today, the fertiliser market is getting competitive with every passing day and companies in the fertiliser sector are shedding the traditional ways of marketing their products and are finding new and ingenious ways of getting their product from their factories to the farms.

It's time that we embrace this change and become more vigilant, aggressive and transparent while marketing our product to the farmer. In India and globally, IFFCO products are known for their quality but we should not let this make us overconfident in any way. Going forward the

market will get even more competitive and it's upto us to match up this competition.

Safety of Employee, Equipment and Environment (the 3 E's)

Production is another critical arm of IFFCO and we are proud to have in our fold some of the best fertiliser manufacturing units in the world today. In 2013-14, these units produced around 76 lakh MT of fertilisers with 44 lakh MT of Urea and 32 lakh MT of NP, NPK, DAP and WSF with a plant productivity of around 1644 MT per employee and lowest composite energy of 5.796 GCal/MT of Urea. But these figures are not the only indicator of our prowess in manufacturing Fertilisers.

Safety of employees, equipments and the environment is another major issues that must be taken into account when we talk about our manufacturing prowess and under no circumstances should there be a compromise on the safety of the three E's (Employees, Equipments and Environment).

All necessary precautions must be taken by employees for their own safety and the safety of

their peers. We should also make sure that all equipment's are in good fettle because only then will we be able to ensure responsibly without affecting the environment and also produce more by consuming up less energy.

A Rapidly Changing Political and Policy Environment

The world around us is adapting its dynamics with every passing day, it seems different whenever you put on the television or log on to a social networking site.

When we talk of change, we can't help but talk about the uncertainty that is associated with change. As we operate in a sector that is highly regulated it becomes even more important for us to be prepared to face both uncertainty and change.

2013-14 taught us this fairly well when we registered a profit of around Rs. 405 Crore (Before Tax) largely due to delays in receivables from Cooperatives and Federations, and also due to delay in the receipt of subsidy / concession to IFFCO.

We should learn to work around the policy limitations and not let it bog us down or reduce our enthusiasm in any way. We can't change the business environment we work in but we can certainly make it more conducive in order to achieve the larger goal of serving the farmer cooperatively and cohesively.

Recycle and Reuse Ideas

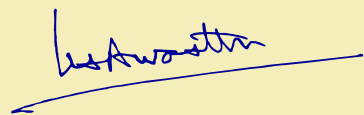
In a four decade old organisation with over 90% employee satisfaction rate we have a treasure trove of knowledge in every department. I would therefore urge every seasoned employee of IFFCO to share their knowledge with their peers, especially the young ones so that they could carry out functioning by combining it with the most modern methods. In this way we can collectively improve and refurbish every small process in the organisation. Friends, this is a necessity, a need of the hour.

The most precious resource in the organisation is the knowledge, the ideas and the experience that each one of you have garnered over the years in IFFCO. Hence, I urge everyone to contribute in improving the organisation by being more inter-connected and by being more proactive in sharing this knowledge with each other.

Following a model of Financial Austerity

The new financial year (2014-15) will be a year of practicing financial austerity i.e. spending the money of the organization carefully, which in other words means saving as much as possible. This, I know will not go down well with some people. But this is how we all should work from now on. I therefore solicit everyone's cooperation on this.

With this I wish all of you all the best of luck for the new financial year (2014-15) and thank our Chairman Sh. N.P Patel, our Vice- Chairman Sh. B.S Nakai and all the Directors on the board of IFFCO for their continual support and direction. I would also thank all the employees of IFFCO, IFFCO Employees Union and IFFCO Officers Association. I am equally thankful to all our Joint Venture partners, Department of Fertilizers & Ministry of Agriculture and Cooperation along with the Indian and International Media for their valuable support and assistance from time to time.



Dr. U.S Awasthi
(Managing Director)

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