

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
RAJYA SABHA
QUESTION NO 27.11.2009
ANSWERED ON
FERTILIZER BONDS AND SUBSIDY TO FERTILIZER COMPANIES .

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Shri Nand Kumar Sai

Will the Minister of COAL AND CHEMICALS AND FERTILIZERS be pleased to state :-

- (a) the number of fertilizer units operating both in public/private sector at present, State-wise;
- (b) the names of fertilizer manufacturing companies to whom subsidy has been given during the years 2008-09 and 2009-10 along with the amount given to each company;
- (c) whether Government has issued fertilizer bonds during 2008-09 and 2009-10;
- (d) if so, the details in this regard; and
- (e) the details of the terms and condition of such bonds along with the details of funds collected?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

a) Statement indicating State-wise and Sector –wise number of major fertilizers units operating in the country are at Annexure. I

b) Company-wise details of subsidy given during the year 2008-09 & 2009-10 are at Annexure- II. Details of subsidies released through bonds during 2008-09 are at Annexure-III

c) & d) During the year 2008-09, the fertilizer industry have been allotted following fertilizer bonds :-

(Rs. In Crores)

Year	Tranche	Date	of	Coupon rate	Amount
	Notification				
2008-09	I	10-12-2008	7%	10000	
2008-09	II	24-12-2008	6.20%	4000	
2008-09	II	29-1-2009	6.65%	6000	
Total					20000

Government has not issued Fertilizer Bonds during the current year 2009-10.

(e) The terms and conditions of the bonds can be seen at Annexure- IV.

ANNEXURE

State-wise and Sector-wise no. of major Fertilizer units operating in the country

Sl. Name of No.of operating unit and Sector Name of the units

No. States Public Co-operative Private

1 Andhra Pradesh 4 Nagarjuna Fertilizers and Chemicals Ltd. Kakinada-I (Urea)

Nagarjuna Fertilizers and Chemicals Ltd. Kakinada-II (Urea)

Coromandal International Ltd. Kakinada (DAP, Complexes)

Coromandal International Ltd.. Vizag (Complexes)

2 Assam 2 Brahmaputra Valley Fertilizers Corporation Ltd. Namrup-III (Urea)

Brahmaputra Valley Fertilizers Corporation Ltd. Namrup-II (Urea)

3 Goa 1 Zuari Industries Ltd. Goa (Urea, DAP & Complexes)

4 Gujarat 3 5 Gujarat Narmada Valley Fertilizer Ltd. Bharuch (Urea, Comp.

Gujarat State Fertilizers & Chemicals Ltd. Vadodara (Urea, DAP& Complexes)

Gujarat State Fertilizers & Chemicals Ltd. Sikka-I (DAP & Complexes)

Gujarat State Fertilizers & Chemicals Ltd. Sikka-II (DAP & Complexes)

Hindalco Industries Ltd. Dahej (DAP)

Indian Farmers Fertilizers Co-operative Ltd.- Kandla (DAP & Complexes)

Indian Farmers Fertilizers Co-operative Ltd.- Kalol (Urea)

Krishak Bharati Co-operative Ltd.- Hazira (Urea)

5 Haryana 1 National Fertilizers Ltd. Panipat (Urea)

6 Karnataka 1 Manglore Chemicals & Fertilizers Ltd. Manglore (Urea, DAP & Complexes)

7 Kerala 2 Fertilizer and Chemicals & Travancore Ltd. Udyogamandal (Comple

Fertilizer and Chemicals & Travancore Ltd. Cochin (Complexes)

8 Madhya Pradesh 2 National Fertilizers Ltd. Vijaipur-I (Urea)

National Fertilizers Ltd. Vijaipur-II (Urea)

9 Maharashtra 4 1 Rashtriya Chemicals & Fertilizers Ltd. Trombay (Complexes)

Rashtriya Chemicals & Fertilizers Ltd. Trombay-IV (Complexes)

Rashtriya Chemicals & Fertilizers Ltd. Thal (Urea)

Rashtriya Chemicals & Fertilizers Ltd. Trombay-V (Urea)

Deepak Fertilizers & Petrochemicals Corporation Ltd.- Taloja (Complexes)

10 Orissa 1 1 Indian Farmers Fertilizer Co-operative Ltd. Paradeep (DAP, Complexes)

Paradeep Phosphate Ltd. Paradeep (DAP, Complexes)

11 Punjab 2 National Fertilizers Ltd. - Nangal-II (Urea)

National Fertilizers Ltd. (Bhatinda (Urea)

12 Rajasthan 3 Chambal Fertilizers and Chemicals Ltd. Gadepan-I (Urea)

Chambal Fertilizers and Chemicals Ltd. Gadepan-II (Urea)

Shriram Fertilizers & Chemicals Ltd. Kota (Urea)

13 Tamilnadu 1 2 Madras Fertilizer Ltd. Chennai (Urea)

Coromandal International Ltd.- Ennore (Complexes)

Southern Petrochemical Inds.Corpn.Ltd- Tuticorin (Complexes)

14 Uttar Pradesh 5 2 Indian Farmers Fertilizer Co-operative Ltd. Phulpur-I Urea)

Indian Farmers Fertilizer Co-operative Ltd. Phulpur-II (Urea)

Indian Farmers Fertilizer Co-operative Ltd. Aonla-I (Urea)

Indian Farmers Fertilizer Co-operative Ltd. Aonla-II (Urea)

Indo-Gulf Fertilizer Jagdishpur (Urea)

Tata Chemicals Ltd. Babrala (Urea)

Kribhco Shyam Fertilizers Ltd. Shahjahanpur (Urea)

15 West Bengal 1 Tata Chemicals Ltd. Babrala (DAP & Complexes)

Total 14 9 21

ANNEXURE-II

FERTILIZER INDUSTRY COORDINATION COMMITTEE

Statement showing sectorwise/unitwise subsidy paid on Indiegenous Urea

during the years 2008-09 & 2009-10 (till 20 Nov 09)

S.No. Unit Subsidy paid

2008-09 `2009-10

(till 20 Nov 09)^

(A) Public Sector

1 RCF-Thal	2217.27	788.18
2 MFL	1045.66	610.61
3 NFL-BHATINDA	892.72	632.87
4 NFL-PANIPAT	873.00	497.72
5 NFL-VIJAIPUR-I	384.97	145.94
6 NFL-VIJAIPUR-II	508.52	220.40
7 NFL-NANGAL	839.58	556.64
8 BVFCL-Namrup-III	42.83	23.82
9 BVFCL-Namrup-II	33.38	15.43
10 GSFC (State Govt.)	121.37	130.42
11 GNFC (State Govt.)	664.13	673.25
TOTAL	7623.43	4295.28

Cooperative Sector

12	KRIBHCO	1050.35	460.04
13	IFFCO-PHULPUR-II	702.84	666.18
14	IFFCO-PHULPUR-I	604.96	339.47
15	IFFCO-KALOL	1483.21	544.53
16	IFFCO-AONLA-I	721.41	357.97
17	IFFCO-AONLA-II	764.19	329.21
	TOTAL	5326.96	2697.40

Private Sector

18	NFCL-I	352.80	103.59
19	NFCL-II	879.12	523.32
20	CFCL-I	561.28	257.52
21	CFCL-II	842.34	414.53
22	TATA CHEMICALS	817.62	358.53
23	ZIL	1066.19	684.75

24 SFC	649.46	320.63
25 INDOGULF	598.30	402.04
26 SPIC	19.87	0.00
27 KSFL	1188.80	251.51
28 MCFL	988.59	569.38
TOTAL	7964.37	3885.80
GRAND TOTAL	20914.76	10878.48

Company-wise payment released in r/o Indigenous P&K Fertilizers

COMPANY NAME	2008-09	2009-10
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upto 23/11/2009

Indigenous DAP/Complex

1 Coromandel Fertilizers Ltd	7176.89	1722.171
2 Deepak Fertilizers & Petrochemicals Corp	119.66	36.96

3	Fertilizers and Chemicals Travancore Ltd	1215.92	409.82
4	Godavari Fertilisers & Chemical Ltd	175.80	0.00
5	Gujrat Narmada Valley Fertilisers Co.Ltd	699.98	70.38
6	Gujrat State Fertilisers & Chemical Ltd	3347.48	803.16
8	Hindalco Industries Ltd	564.09	178.75
10	Indian Farmers Fertiliser Cooperative Ltd (IFFCO)	10007.45	3602.29
11	IFFCO(GFCL)	0.00	0.00
12	Indo Gulf	0.00	0.00
13	Manglore Chemicals & Fertilisers Ltd	692.85	218.88
14	Madras Fertilisers Ltd	1.02	0.00
15	Oswal Chemical and Fertiliser Ltd	7.33	0.00
16	Paradeep Phosphate Ltd.	2961.93	1015.25
18	Rashtriya Chemicals & Fertilisers Ltd	740.93	356.21
19	Southern Petrochemical Industries Corp Ltd	50.88	43.66
20	ZIL Industries Ltd	1840.07	642.36

21 Tata Chemicals Ltd (HLL)	2311.85	602.62
Total	31914.13	9702.51
TOTAL PAYMENT TO SSP	1040.73	764.09
Exp. Pre-Oct, 2000	0.00	0.00
Exp. On Special Freight	2.24	0.83
GROSS TOTAL	32957.10	10467.43

Annexure-III

DETAILS OF SUBSIDIES RELEASED THROUGH BONDS during 2008-09

Company Bonds issued during 08-09

Company	7% Fertilizers Companies`	6.65% Fertilizers Companies`	Total
Fertilizer Bonds			

govt of India Special govt of India Special issued during 2008-09

Bonds, 2022 Bonds, 2023

(issued during Dec 08) (issued during Feb & Mar 09)

CFCL	72.00	133.41	205.41
GNVFC	167.00	86.68	253.68
GSFC	4.00	6.75	10.75
IFFCO	326.00	354.86	680.86
INDOGULF	23.00	42.54	65.54
KRIBHCO	36.00	77.55	113.55
KSFL	42.00	63.57	105.57
MCFL	108.00	89.74	197.74
NFCL	78.00	71.69	149.69
NFL	248.00	297.44	545.44
RCF	234.00	80.31	314.31
SFC	56.00	50.47	106.47
TCL	60.00	69.25	129.25
ZIL	46.00	75.74	121.74
TOTAL	1500.00	1500.00	3000.00

Payment of Imported P&K Fertilizer through Bonds during 2008-09

S. No.	Name of Company	Amount (In Lakhs of Rupees)
1	Zuari Industries Limited	46919.90
2	Indian Potash Limited	322149.30
3	Chambal Fertilizers Co. Ltd.	29174.70
4	Paradeep Phosphates Limited	6086.50
5	Deepak Fertilizers Petro Chemicals Limited	2583.50
6	Fertilizers and Chemicals Travancore Limited	1748.80
7	Gujrat Narmada Valley Fertilizer Company	413.20
8	Coromandal International Limited	28135.80
9	Indian Farmers Fertilizer Cooperative Ltd.	337644.80

10 Mosiac India Pvt. Ltd.	53397.80
11 Tata chemicals Limited	22379.60
12 Mangalore Chemicals and Fertilizers Limited	2931.20
13 Rashtriya Chemicals& Fertilizers Limited	20733.40
TOTAL	874980.00

Payment in r/o indigenious P&K fertilizers through Bonds during 2008-09

S.No	Name of The Company	Amount(Rs.)	Amount In Crore
1	Coromandel Fertilizers Ltd	17113680000	1711.368
2	Deepak Fertilizers & Petrochemicals Corp	397210000	39.721
3	Fertilizers and Chemicals Travancore Ltd	2431180000	243.118
4	Gujrat Narmada Valley Fertilisers Co.Ltd	608110000	60.811
5	Gujrat State Fertilisers & Chemical Ltd	10549720000	1054.972

6 Hindalco Industries Ltd	1313630000	131.363
7 Indian Farmers Fertiliser Cooperative Ltd (IFFCO)	26616370000	2661.637
8 Manglore Chemicals & Fertilisers Ltd	1759430000	175.943
9 Paradeep Phosphate Ltd.	8707770000	870.777
10 Rashtriya Chemicals & Fertilisers Ltd	1756950000	175.695
11 Southern Petrochemical Industries Corp Ltd	43490000	4.349
12 ZIL Industries Ltd	4542290000	454.229
13 Tata Chemicals Ltd (HLL)	6660170000	666.017
Total	82500000000	8250

Annexure-IV

The terms and conditions of Issue of '7.00 per cent Fertilizer Companies' Government of India Special Bonds 2022',

(hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.10,000 crore (nominal) on December 10, 2008.

1. Eligibility for making subscription to the Special Bonds and limits of subscription.

The companies as referred to in the Annex I hereto shall be eligible to subscribe to the Special Bonds and their subscription to the Special Bonds shall be limited to the extent of the amount. No other person including

any bank, company, corporation or any other body, except the companies as referred to in the aforesaid Annexure,

shall be eligible to subscribe to the Special Bonds.

2. Price

The Special Bonds shall be issued on application at par for the amounts as per the application made by the eligible companies. The Special Bonds will be issued for a minimum amount of Rs.10,000 (Nomial) and in multiples of Rs.10,000 thereafter.

3.Application

The Special Bonds shall be issued on application as per proforma in Annexure-II, from the eligible companies.

4.Form of Security

The Special Bonds will be issued in the form of stock i.e. 'Stock Certificates' or by credit to Constituent Subsidiary General Ledger account maintained by a Subsidiary General Ledger account holder.

5.Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from December 10, 2008. Interest on the Special Bonds will accrue from the

date of commencement of tenure. The Special Bonds will be repaid at par on December 10, 2022 at Public

Debt Office,
Reserve of India, Mumbai.

6. Interest

The Special Bonds will bear interest at the rate of 7.00 per cent per annum. Interest will be reckoned from the date of commencement of tenure of the Special Bonds and will be payable half yearly on June 10 and December 10 till maturity of the Special Bonds.

Interest on the Special Bonds will be payable at Public Debt Office, Reserve Bank of India, Fort, Mumbai. Interest will be paid after rounding off the amount of interest to the nearest rupee.

7 Transferability

(i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, subdivided, consolidated, converted and transferred by the holder in accordance with the provisions of the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

(ii) Notwithstanding what is stated in paragraph 1 hereinabove, there will be no restriction on the transfer of the Special Bonds by the subscribers in favour of any other person including banks, corporation or any other body and the transferee of such security would also be entitled to hold and transfer the same in such manner.

8. Statutory Provisions

With respect to any such matter which has not been provided under this Notification, the Special Bonds shall be governed by the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

9. Applicability of Tax Law

The value of the investment in the Special Bonds and the interest payable thereon will be governed by the provisions of tax laws at applicable from time to time.

10. Eligibility of Bonds

The investment in Special Bonds by the banks and insurance companies will not be reckoned as an eligible investment in Government securities for their statutory requirements. However, such investment by the insurance companies will be eligible to be reckoned as investment under "other Approved Securities" category as defined under Insurance Regulatory and Development Authority (Investment) Regulations, 2000. Further, the investment by the Provident Funds, Gratuity Funds, Superannuation Funds, etc. in the Special Bonds will be treated as an eligible investment under the administrative order of the Ministry of Finance.

11. Eligibility for Repo

The Special Bonds will be transferable and eligible for market ready forward transactions (Repo).

The terms and conditions of Issue of '6.20 per cent Fertilizer Companies' Government of India Special Bonds 2022',

(hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.4,000 crore (nominal) on December 24, 2008.

1. Eligibility for making subscription to the Special Bonds and limits of subscription.

The companies as referred to in the Annex I hereto shall be eligible to subscribe to the Special Bonds and their subscription to the Special Bonds shall be limited to the extent of the amount. No other person including any bank, company, corporation or any other body, except the companies as referred to in the aforesaid Annex, shall be eligible to subscribe to the Special Bonds.

2. Price

The Special Bonds shall be issued on application at par for the amounts as per the application made by the eligible companies. The Special Bonds will be issued for a minimum amount of Rs. 4,000 (Nomial) and in multiples of Rs. 4,000 thereafter.

3.Application

The Special Bonds shall be issued on application as per proforma, from the eligible companies.

4.Form of Security

The Special Bonds will be issued in the form of stock i.e. 'Stock Certificates' or by credit to Constituent Subsidiary General Ledger account maintained by a Subsidiary General Ledger account holder.

5.Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from December 24, 2008. Interest on the Special Bonds will accrue from the date of commencement of tenure. The Special Bonds will be repaid at par on December 24, 2022 at Public Debt Office, Reserve of India, Mumbai.

6.Interest

The Special Bonds will bear interest at the rate of 6.20 per cent per annum. Interest will be reckoned from the date of commencement of tenure of the Special Bonds and will be payable half yearly on June 24 and December 24 till maturity of the Special Bonds. Interest on the Special Bonds will be payable at Public Debt Office, Reserve Bank of India, Fort, Mumbai. Interest will be paid after rounding off the amount of interest to the nearest rupee.

7. Transferability

(i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, subdivided, consolidated, converted and transferred by the holder in accordance with the provisions of the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed there under.

(ii) Notwithstanding what is stated in paragraph 1 hereinabove, there will be no restriction on the transfer of the Special Bonds by the subscribers in favour of any other person including banks, corporation or any other body and the transferee of such security would also be entitled to hold and transfer the same in such manner.

8. Statutory Provisions

With respect to any such matter which has not been provided under this Notification, the Special Bonds shall be governed by the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed there under.

9. Applicability of Tax Law

The value of the investment in the Special Bonds and the interest payable thereon will be governed by the provisions of tax laws at applicable from time to time.

10. Eligibility of Bonds

The investment in Special Bonds by the banks and insurance companies will not be reckoned as an eligible investment in Government securities for their statutory requirements. However, such investment by the insurance companies will be eligible to be reckoned as investment under "other Approved Securities" category as defined under Insurance Regulatory and Development Authority (Investment) Regulations, 2000. Further, the investment by the Provident Funds, Gratuity Funds, Superannuation Funds, etc. in the Special Bonds will be treated as an eligible investment under the administrative order of the Ministry of Finance.

11. Eligibility for Repo

The Special Bonds will be transferable and eligible for market ready forward transactions (Repo).

The terms and conditions of Issue of '6.65 per cent Fertilizer Companies' Government of India Special Bonds(hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.6,000 crore (nominal) on January 29, 2009.

1. Eligibility for making subscription to the Special Bonds and limits of subscription.

The companies shall be eligible to subscribe to the Special Bonds and their subscription to the Special Bonds shall be limited to the extent of the amount, allocated to fertilizer company. No other person including any bank, company, corporation or any other body, except the fertilizer company to whom the special bonds are issued shall be eligible to subscribe to the Special Bonds.

2. Price

The Special Bonds shall be issued on application at par for the amounts as per the application made by the eligible companies. The Special Bonds will be issued for a minimum amount of Rs. 10,000 (Nomial) and in multiples of Rs. 10,000 thereafter.

3. Application

The Special Bonds shall be issued on application as per proforma in Annexure-II, from the eligible companies.

4. Form of Security

The Special Bonds will be issued in the form of stock i.e. 'Stock Certificates' or by credit to Constituent Subsidiary General Ledger account maintained by a Subsidiary General Ledger account holder.

5. Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from January 29, 2009. Interest on the Special Bonds will accrue from the date of commencement of tenure. The Special Bonds will be repaid at par on January 29, 2023 at Public Debt Office, Reserve of India, Mumbai.

6. Interest

The Special Bonds will bear interest at the rate of 6.65 per cent per annum. Interest will be reckoned from the date of commencement of tenure of the Special Bonds and will be payable half yearly on July 29 and January 29 till maturity of the Special Bonds. Interest on the Special Bonds will be payable at Public Debt Office, Reserve Bank of India, Fort, Mumbai. Interest will be paid after rounding off the amount of interest to the nearest rupee.

7. Transferability

(i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, subdivided, consolidated, converted and transferred by the holder in accordance with the provisions of the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

(ii) Notwithstanding what is stated in paragraph 1 hereinabove, there will be no restriction on the transfer of the Special Bonds by the subscribers in favour of any other person including banks, corporation or any other body and the transferee of such security would also be entitled to hold and transfer the same in such manner.

8. Statutory Provisions

With respect to any such matter which has not been provided under this Notification, the Special Bonds shall be governed by the Government Securities Act, 2006 and Government Securities Regulations, 2007 framed thereunder.

9. Applicability of Tax Law

The value of the investment in the Special Bonds and the interest payable thereon will be governed by the provisions of tax laws at applicable from time to time.

10. Eligibility of Bonds

The investment in Special Bonds by the banks and insurance companies will not be reckoned as an eligible investment in Government securities for their statutory requirements. However, such investment by the

insurance

companies will be eligible to be reckoned as investment under “other Approved Securities” category as defined under

Insurance Regulatory and Development Authority (Investment) Regulations, 2000. Further, the investment by the

Provident Funds, Gratuity funds, Superannuation Funds, etc. in the Special Bonds will be treated as an eligible

investment under the administrative order of the Ministry of Finance.

11. Eligibility for Repo

The Special Bonds will be transferable and eligible for market ready forward transactions (Repo).