#### Import of fertilizers

†939. SHRI BRIJ BHUSHAN TIWARI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the total production of fertilizers in the country;
- (b) the quantity of fertilizers that we import from abroad; and
- (c) the measures being taken to reduce the quantity of imported fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The total production of major fertilizers namely urea, DAP and complexes in the country during the year 2008-09 and 2009-10 (April, 2009 — October, 2009) is given below:—

(Lakh MT)

| Product   | 2008-09 | 2009-10 (April — October, 2009) |
|-----------|---------|---------------------------------|
| Urea      | 199.22  | 120.28                          |
| DAP       | 29.93   | 29.08                           |
| Complexes | 68.48   | 44.17                           |

(b) The quantity of fertilizers imported from abroad during the year 2008-09 and 2009-10 (April, 2009 — October, 2009) is given below:—

(Lakh MT)

| Product | 2008-09       | 2009-10 (April — October 2009) |
|---------|---------------|--------------------------------|
| Urea    | <b>56.6</b> 7 | 32.76                          |
| DAP     | 66.29         | 45.09                          |
| MOP     | 56.33         | 27.08                          |

(c) The Government has announced a New Investment Policy for urea sector on 4th September, 2008. The policy is expected to attract investments in urea sector subject to availability of gas. The policy is also aims at creation of additional production capacity through revamp, expansion and revival of existing urea units in the country and new Green fields projects in the country.

The Government has also announced on 6th March, 2009, policy for conversion of FO/LSHS urea units to Natural Gas, restart of existing urea units and resumption of urea production by RCF-Trombay to increase indigenous production.

The indigenous production of phosphatic fertilizers is largely dependent on imported raw material and intermediates, the Government has been encouraging fertilizer industry to actively pursue joint ventures abroad in order to secure future supplies of fertilizer inputs and finished fertilizers.

#### Fertilizer bonds and subsidy to fertilizer companies

940. SHRI NAND KUMAR SAI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

<sup>†</sup>Original notice of the question was received in Hindi.

- (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 conditions of such bonds along with the details of funds collected?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) State-wise and Sector-wise number of major fertilizers units operating in the country are enclosed as Statement-I (See below).

- (b) Company-wise details of subsidy given during the year 2008-09 and 2009-10 are enclosed as Statement-II (See below). Details of subsidies released through bonds during 2008-09 are enclosed as Statement-III (See below).
- (c) and (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 | Î       | 10.12.2008   | 7%             | 10000  |
| 2008-09 | II      | 24.12.2008   | 6.20%          | 4000   |
| 2008-09 | 11      | 29.1.2009    | 6 <b>.</b> 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 in the enclosed Statement-IV.

Statement-I
State-wise and Sector-wise no of major Fertilizers units operating in the country

| SI. | Name of | No. of operating Name of the units |          | Name of the units |  |
|-----|---------|------------------------------------|----------|-------------------|--|
| No. | States  | unit and Sector                    |          | ctor              |  |
|     |         | Public                             | Co-      | Private           |  |
|     |         |                                    | operativ | е                 |  |
| 1   | 2       | 3                                  | 4        | 5                 | 6  |
| 1.  | Andhra  |                                    |          | 4                 | Nagarjuna Fertilizers and Chemicals Ltd. |
|     | Pradesh |                                    |          | Kakinada-I (Urea) |  |

| 1  | 2         | 3 | 4 | 5 | 6   |
|----|-----------|---|---|---|---|
|    |           |   |   |   | Nagarjuna Fertilizers and Chemicals Ltd.<br>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 and Complexes)                            |
| 4. | Gujarat   |   | 3 | 5 | Gujarat Narmada Valley Fertilizer Ltd. Bharuch (Urea, Complexes)                |
|    |           |   |   |   | Gujarat State Fertilizers and Chemicals Ltd. Vadodara (Urea, DAP and Complexes) |
|    |           |   |   |   | Gujarat State Fertilizers and Chemicals Ltd. Sikka-I (DAP and Complexes)        |
|    |           |   |   |   | Gujarat State Fertilizers and Chemicals Ltd. Sikka-II (DAP and Complexes)       |
|    |           |   |   |   | Hindalco Industries Ltd. Dahej (DAP)  |
|    |           |   |   |   | Indian Farmers Fertilizers Co-operative Ltd. Kandla (DAP and Complexes)         |
|    |           |   |   |   | Indian Farmers Fertilizers Co-operative Ltd.<br>Kalol (Urea)                    |
|    |           |   |   |   | Krishak Bharati Co-operative Ltd. Hazira (Urea)                                 |
| 5. | Haryana   | 1 |   |   | National Fertilizers Ltd. Panipat (Urea)  |
| 6. | Karnataka |   |   | 1 | Manglore Chemicals and Fertilizers Ltd. Manglore (Urea, DAP and Complexes)      |
| 7. | Kerala    | 2 |   |   | Fertilizer and Chemicals and Travancore Ltd. Udyogamandal (Complexes)           |
|    |           |   |   |   | Fertilizer and Chemicals and Travancore Ltd. Cochin (Complexes)                 |

| 1   | 2                 | 3 | 4 | 5 | 6   |
|-----|-------------------|---|---|---|---|
| 8.  | Madhya<br>Pradesh | 2 |   |   | National Fertilizers Ltd. ∀ijaipur-I (Urea)                               |
|     |                   |   |   |   | National Fertilizers Ltd. ∀ijaipur-II (Urea)                              |
| 9.  | Maharashtra       | 4 |   | 1 | Rashtriya Chemicals and Fertilizers Ltd. Trombay (Complexes)              |
|     |                   |   |   |   | Rashtriya Chemicals and Fertilizers Ltd. Trombay-IV (Complexes)           |
|     |                   |   |   |   | Rashtriya Chemicals and Fertilizers Ltd. Thai (Urea)                      |
|     |                   |   |   |   | Rashtriya Chemicals and Fertilizers Ltd. Trombay-V (Urea)                 |
|     |                   |   |   |   | Deepak Fertilizers and 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-I (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 and Chemicals Ltd. Kota (Urea)                        |
| 13. | Tamil Nadu        | 1 |   | 2 | Madras Fertilizer Ltd. Chennai (Urea)                                     |
|     |                   |   |   |   | Coromandal International Ltd. Ennore (Complexes)                          |
|     |                   |   |   |   | Southern Petrochemical Inds. Corporation 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.<br>Aonla-I (Urea)             |

| 1     | 2           | 3  | 4 | 5  | 6  |  |
|-------|-------------|----|---|----|--|--|
|       |             |    |   |    | Indian Farmers Fertilizer Co-operative Ltd.<br>Aonla-II (Urea) |  |
|       |             |    |   |    | Indo-Gulf Fertilizer Jagdishpur (Urea)                         |  |
|       |             |    |   |    | Tata Chemicals Ltd. Babrala (Urea)                             |  |
|       |             |    |   |    | Kribhco Shyam Fertilizers Ltd. Shahjahanpur (Urea)             |  |
| 15. V | West Bengal |    |   | 1  | Tata Chemicals Ltd. Babrala (DAP and Complexes)                |  |
| Í     | Готац:      | 14 | 9 | 21 |  |  |

Statement-II

A. Sectorwise/unitwise subsidy paid on Indigenous Urea during the years 2008-09 and 2009-10 (till 20 November, 2009)

| SI. Unit                    | Si      | ubsidy paid            |
|-----------------------------|---------|------------------------|
| No.                         |         |                        |
|                             | 2008-09 | 2009-10                |
|                             |         | (till 20 November, 09) |
| 1 2                         | 3       | 4                      |
| 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-∀ijaipur-I           | 384.97  | 145.94                 |
| 6. NFL-∀ijaipur-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 Government) | 121.37  | 130.42                 |
| 11. GNFC (State Government) | 664.13  | 673.25                 |
| TOTAL:                      | 7623.43 | 4295.28                |

| 1    | 2                            | 3                           |                | 4            |  |
|------|------------------------------|-----------------------------|----------------|--------------|--|
| Coc  | pperative 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      |  |
| Priv | ate 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.  | Indo Gulf                    | 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     |  |
|      | B. Company-wise              | payment released in r/o Ind | igenous P&K Fe | ertilizers   |  |
| SI.  | Company N                    | lame                        | 2008-09        | 2009-10 upto |  |
| Vo.  |                              |                             |                | 23/11/2009   |  |
| Į    | 2                            |                             | 3              | 4            |  |
|      | Indigenous DAP/Complex       |                             |                |              |  |
|      | Coromandel Fertilizers Ltd.  |                             | 7176.89        | 1722.171     |  |
| 2.   | Deepak Fertilizers and Petro | ochemicals Corporation      | 119.66         | 36.96        |  |
| 3.   | Fertilizers and Chemicals Tr | avancore Ltd.               | 1215.92        | 409.82       |  |

| 1   | 2  | 3        | 4        |
|-----|--|----------|----------|
| 4.  | Godavari Fertilizers and Chemical Ltd.             | 175.80   | 0.00     |
| 5.  | Gujarat Narmada Valley Fertilizers Co. Ltd.        | 699.98   | 70.38    |
| 6.  | Gujarat State Fertilizers and Chemical Ltd.        | 3347.48  | 803.16   |
| 8.  | Hindalco Industries Ltd.                           | 564.09   | 178.75   |
| 10. | Indian Farmers Fertilizer Cooperative Ltd. (IFFCO) | 10007.45 | 3602.29  |
| 11. | IFFCO (GFCL)                                       | 0.00     | 0.00     |
| 12. | Indo Gulf  | 0.00     | 0.00     |
| 13. | Manglore Chemicals and Fertilizers Ltd.            | 692.85   | 218.88   |
| 14. | Madras Fertilizers Ltd.                            | 1.02     | 0.00     |
| 15. | Oswal Chemical and Fertilizer Ltd.                 | 7.33     | 0.00     |
| 16. | Paradeep Phosphate Ltd.                            | 2961.93  | 1015.25  |
| 18. | Rashtriya Chemicals and Fertilizers Ltd.           | 740.93   | 356.21   |
| 19. | Southern Petrochemical Industries Corporation Ltd. | 50.88    | 43.66    |
| 20. | ZIL Industries Ltd.                                | 1840.07  | 642.36   |
| 21. | Tata Chemicals Ltd. (HLL)                          | 2311.85  | 602.62   |
| ă.  | Total:   | 31914.13 | 9702.51  |
|     | Total Payment to SSP                               | 1040.73  | 764.09   |
|     | Exp. Pre-October, 2000                             | 0.00     | 0.00     |
|     | Exp. On Special Freight                            | 2.24     | 0.83     |
|     | GROSS TOTAL:                                       | 32957.10 | 10467.43 |

Statement-III

# A. Details of subsidies released through Bonds during 2008-09

|         | Bonds issued during 2008-09 |                     |                  |  |  |  |
|---------|-----------------------------|---------------------|------------------|--|--|--|
| Company | 7% Fertilizers              | 6.65% Fertilizers   | Total Fertilizer |  |  |  |
|         | Company's                   | Company's           | Bonds issued     |  |  |  |
|         | Government of India         | Government of India | during 2008-09   |  |  |  |
|         | Special Bonds, 2022         | Special Bonds, 2023 |                  |  |  |  |
|         | (issued during              | (issued during      |                  |  |  |  |
|         | December, 2008)             | February and        |                  |  |  |  |
|         |                             | March, 2008)        |                  |  |  |  |
| 1       | 2                           | 3                   | 4                |  |  |  |
| CFCL    | 72.00                       | 133.41              | 205.41           |  |  |  |

| 1        | 2       | 3              | 4              |
|----------|---------|----------------|----------------|
| GNVFC    | 167.00  | 86.68          | 253.68         |
| GSFC     | 4.00    | 6.75           | <b>10.</b> 75  |
| IFFCO    | 326.00  | 354.86         | 680.86         |
| INDOGULF | 23.00   | 42.54          | 65.54          |
| KRIBHCO  | 36.00   | 77 <b>.</b> 55 | 113.55         |
| KSFL     | 42.00   | <b>63.</b> 57  | <b>105.</b> 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        |

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

| SI.  | Name of Company                              | Amount (Rs. in lakh) |  |
|------|--|----------------------|--|
| No.  | unit unit                                    | G00 9,400            |  |
| 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 | 17 48.80             |  |
| 7.   | Gujarat 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 and Fertilizers Limited  | 20733.40             |  |
| 14.  | Tungbhadra Fertilizers and Chemicals Ltd.    | 681.50               |  |
| is . | TOTAL:                                       | 874980.00            |  |

(C) Payment in r/o indigenous P&K fertilizers through Bonds during 2008-09

| SI. | Name of the Company                                | Amount (Rs.) | Amount in crore |
|-----|--|--------------|-----------------|
| No. | )  |              |                 |
| 1.  | Coromandel Fertilizers Ltd.                        | 17113680000  | 1711.368        |
| 2.  | Deepak Fertilizers and Petrochemicals Corp.        | 397210000    | 39.721          |
| 3.  | Fertilizers and Chemicals Travancore Ltd.          | 2431180000   | 243.118         |
| 4.  | Gujarat Narmada Valley Fertilisers Co. Ltd.        | 608110000    | 60.811          |
| 5.  | Gujarat State Fertilisers and 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 and Fertilisers Ltd.            | 1759430000   | 175.943         |
| 9.  | Paradeep Phosphate Ltd.                            | 8707770000   | 870.777         |
| 10. | Rashtriya Chemicals and 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         |
| ş.  | Total:   | 82500000000  | 8250            |

#### Statement-IV

A. 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 Bank 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.

## Transferability

- (i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, sub-divided, 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).

B. 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.

#### 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.

#### Transferability

- (i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, sub-divided, 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 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).

C. 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.

## Transferability

(i) Subject to the provisions of paragraph 4 of the notification, the Special Bonds can be renewed, sub-divided, 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).

## Time frame for rehabilitation of HFCL and FCIL

941. SHRI P. RAJEEVE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that Government has decided to rehabilitate all closed urea producing units of HFCL and FCIL;
  - (b) if so, the exact time frame for such rehabilitation;
  - (c) the details of feedstock to be used, cost of rehabilitation of each unit; and
  - (d) whether all the plants in the public sector would be rehabilitated?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) The Government has decided to explore the feasibility of revival of the closed public sector fertilizer units of HFCL and FCIL subject to assured availability of natural gas, to meet the emerging demand production gap of urea in the country. The Government has constituted an Empowered Committee of Secretaries (ECOS) with the