

Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the December 7, 2007

NOTIFICATION

Issue of '8.30 per cent Fertilizer Companies' Government of India Special Bonds, 2023'.

F.No.4 (8)-W&M/2007: Government of India hereby notifies the issue of '8.30 per cent Fertilizer Companies' Government of India Special Bonds, 2023', (hereinafter briefly described as "Special Bonds") for an aggregate amount of Rs.3,890 crore (nominal) on December 7, 2007

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

The companies as referred to in the Annex 1 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, as shown against their respective names in the said Annex 1. 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. 10,000 (Nominal) and in multiples of Rs. 10,000 thereafter.

3. Application

The Special Bonds shall be issued on application as per proforma in Annex 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 with Subsidiary General Ledger Account holder.

5. Commencement of tenure and date of repayment

The tenure of Special Bonds will commence from December 7, 2007. Interest on the Special Bonds will accrue from the date of commencement of tenure. The special Bonds will be repaid at par on December 7, 2023 at Public Debt Office, Reserve Bank of India, Mumbai.

6. Interest

The Special Bonds will bear interest at the rate of 8.30 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 7 and December 7 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, 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 as applicable from time to time.

10. Eligibility of Bonds

The investment in the Special Bonds by the banks will not be reckoned as an eligible investment in Government securities by banks and insurance companies 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 bonds, however, will not be an eligible underlying security for ready forward transactions (Repo/reverse Repo) with the Reserve Bank of India.

By Order of the President of India

(L.M. Vas)

Joint Secretary to the Government of India

Annex- I

List of eligible Companies and allocation of ‘8.30 per cent Fertilizer Companies Government of India Special Bonds, 2023’.

Sl. No.	Name of the Company	(Rs. in crore)
		Amount
1	Chambal Fertilisers & Chemicals Limited	95.00
2	Gujarat Narmada Valley Fertilizers Company Limited	73.00
3	Gujarat State Fertilizers & Chemicals Limited	217.00
4	Indian Farmers Fertilizer Co-operative Limited	1031.00
5	Indo Gulf Fertilizers (A unit of Aditya Birla Nuvo Ltd.)	15.00
6	Krishak Bharti Co-operative Limited	10.00
7	Mangalore Chemicals & Fertilizers Limited	118.00
8	Nagarjuna Fertilizers & Chemicals Limited	45.00
9	National Fertilizers Limited	150.00
10	Kribhco Shyam Fertilizers Limited	25.00
11	Rashtriya Chemicals & Fertilizers Limited	177.00
12	Shriram Fertilisers & Chemicals.	40.00
13	TATA Chemicals Limited	182.00
14	Zuari Industries Limited	241.00
15	Coromandel Fertilizers Limited	211.00
16	Deepak Fertilizers & Petrochemicals Corporation Limited	4.00
17	Godavari Fertilisers & Chemicals Limited	195.00
18	HINDALCO Industries Limited (Unit: Birla Copper)	22.00
19	Indian Potash Limited	706.00
20	Mosaic India Private Limited	76.00
21	Paradeep Phosphates Limited	219.00
22	Southern Petrochemical Industries Corporation Limited	38.00
	Total	3890.00

ANNEX II

Place:

Date:

The Regional Director,
Public Debt Office,
Reserve Bank of India,
Mumbai-400 001

Subject: '8.30 per cent Fertilizer Companies' Government of India Special Bonds, 2023'.

Sir,

In terms of Government of India, Ministry of Finance, Notification F.No.4 (8) W&M/2007 dated December 7, 2007, we are eligible to subscribe to the captioned Bonds for an aggregate amount of Rs._____ crore.

We accept the terms and conditions governing the Special Bonds and request you to issue the bonds in our favour.

Yours faithfully,

Signature:
Name:
Designation:
Office Seal/Stamp