

File No.12012/39/2008 -MPR  
Government of India  
Ministry of Chemicals & Fertilizers  
Department of Fertilizers

Shastri Bhawan, New Delhi  
The 13<sup>th</sup> March, 2012

Office Memorandum

**Subject: Reimbursement of losses occurred to fertilizer companies on account of buy back of fertilizer bonds by RBI.**

The undersigned is directed to say that Government had agreed to reimburse 50% of losses incurred by fertilizer companies in buy back of bonds by RBI. The 50% of the total losses incurred by the fertilizer companies as communicated by FAI is Rs 890.94 crore. The 50% of the total losses incurred by the fertilizer companies as computed by Budget Division, Department of Economic Affairs in consultation with RBI and Middle Office is Rs.778.93 crore. The Budget Division of DoEA has directed to reconcile the figure of losses with RBI. Pending reconciliation, it has been decided to make partial payment to the extent of 70% of 50% of total losses on buy back of bonds by RBI in both the tranches as per the figures provided by DoEA. Accordingly, it has been decided to reimburse the losses to various fertilizers companies as per the amount mentioned in the attached statement.

Director (FA), DOF and Director (F&A), FICC (for indigenous urea) are requested to make payment to the concerned fertilizer companies as per the enclosed statement, based on the claims made by them duly vetted by auditors of the companies, as per the prescribed procedure.

These issues with the concurrence of IFD vide Dy. No 1940 dated 9/3/2012.

  
(Sanjay Kumar Sinha)  
Director

1. Director (FA), DOF,
2. Director (F&A), FICC

Copy to:

1. Consultant (Finance)/AFA/SO (Finance)
2. CA/P&AO
3. DG, Fertilizer Association of India for informing to all concerned fertilizer companies
4. NIC for uploading in the department' website.

Copy to ED (FICC) / JS (P&P) / PS to Hon'ble Minister (C&F) / PS to Hon'ble MOS (C&F) / PS to Secretary (F) for information.

Summary of companywise and categorywise break-up of loss on fertiliser bonds sold to RBI in Tranche I and Tranche II under the Buy Back Scheme of the Government as per the figures of DOEA

Sl.No.	Name of Company	Face Value (FV) of Bonds Sold (Rs.Crore)				Amount Realised (Rs.Crore) (FVxBuyback price)				Loss Incurred on Bonds Sold (Rs.Crore)				50% Loss Incurred on Bonds Sold (Rs.Crore)				70% of 50% Loss Incurred on Bonds Sold (Rs.Crore) (Payments to be made)			
		Indigenous	Indigenous	Imported	Total	Indigenous	Indigenous	Imported	Total	Indigenous	Indigenous	Imported	Total	Indigenous	Indigenous	Imported	Total	Indigenous	Indigenous	Imported	Total
		Urea	P & K	P & K		Urea	P & K	P & K		Urea	P & K	P & K		Urea	P & K	P & K		Urea	P & K	P & K	
1	FACT	0.00	265.76	0.00	265.76	0.00	234.59	0.00	234.59	0.00	31.17	0.00	31.17	0.00	15.58	0.00	15.58	0.00	10.91	0.00	10.91
2	IPL	0.00	0.00	2491.94	2491.94	0.00	0.00	2152.97	2152.97	0.00	0.00	338.97	338.97	0.00	0.00	169.48	169.48	0.00	0.00	118.64	118.64
3	KRIBHCO	156.55	0.00	0.00	156.55	140.66	0.00	0.00	140.66	15.89	0.00	0.00	15.89	7.94	0.00	0.00	7.94	5.56	0.00	0.00	5.56
4	ZIL	83.81	257.00	102.36	443.17	73.00	222.97	89.44	385.41	10.81	34.04	12.92	57.76	5.41	17.02	6.46	28.88	3.78	11.91	4.52	20.22
5	RCF	314.32	175.70	207.40	697.42	279.00	152.99	184.25	616.24	35.32	22.71	23.15	81.18	17.66	11.35	11.58	40.59	12.36	7.95	8.10	28.41
6	Indo Gulf	11.58	0.00	0.00	11.58	9.94	0.00	0.00	9.94	1.64	0.00	0.00	1.64	0.82	0.00	0.00	0.82	0.58	0.00	0.00	0.58
7	DFCL	0.00	27.93	37.63	65.56	0.00	24.32	33.37	57.69	0.00	3.61	4.25	7.87	0.00	1.81	2.13	3.93	0.00	1.26	1.49	2.75
8	CIL	0.00	917.97	79.76	997.73	0.00	788.11	70.07	858.18	0.00	129.86	9.69	139.55	0.00	64.93	4.85	69.77	0.00	45.45	3.39	48.84
9	HINDALCO	0.00	70.81	0.00	70.81	0.00	61.48	0.00	61.48	0.00	9.33	0.00	9.33	0.00	4.67	0.00	4.67	0.00	3.27	0.00	3.27
10	KSFL	74.07	0.00	0.00	74.07	65.72	0.00	0.00	65.72	8.35	0.00	0.00	8.35	4.18	0.00	0.00	4.18	2.92	0.00	0.00	2.92
11	IIFCO	530.71	2265.42	2891.57	5687.69	465.37	1954.99	2498.58	4918.94	65.34	310.43	392.99	768.75	32.68	155.21	196.49	384.39	22.88	108.65	137.55	269.07
12	PPL	0.00	435.39	30.43	465.82	0.00	387.56	27.28	414.84	0.00	47.83	3.15	50.98	0.00	23.92	1.58	25.49	0.00	16.74	1.10	17.84
13	CFCL	133.41	0.00	233.74	367.15	115.87	0.00	204.90	320.77	17.54	0.00	28.84	46.38	8.77	0.00	14.42	23.19	6.14	0.00	10.10	16.23
Total		1304.45	4415.99	6074.83	11795.26	1149.55	3827.01	5260.86	10237.42	154.89	588.97	813.97	1557.83	77.46	294.49	406.98	778.93	54.22	206.14	284.89	545.25