

No. 23011/17/2013-MPR
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 22nd January 2014

To
Punjab National Bank,
Large Corporate Branch,
Tolstoy House, New Delhi

Subject: Letter of Comfort.

Sir,

I am directed to state that in support of the short-term line of credit proposed under the Special Banking Financing arrangement to the fertiliser companies (hereinafter referred to as the companies) listed in the Annexure thereto; the following is confirmed:

- i. That the fertilizer companies listed in the Annexure thereto, are eligible to receive fertilizer subsidy from the Government of India under the approved scheme provided for annually in the General Budget.
- ii. That the outstanding liabilities of the companies under the short term loan/ cash credit facility limited to Rs.4500,00,00,000/- (Rupees four thousand and five hundred crore), which has been lien marked in favour of the consortium led by PNB, shall be reimbursed by Government from budgetary allocations in the year 2014-15 on first priority basis, directly to PNB setting off the outstanding liabilities of the companies under the short-term line of credit/cash credit facility within a maximum of 120 days from the date of disbursement by DOF.
- iii. That Government's interest liability limited to maximum G-Sec rate of 8% per annum, of the loan shall be paid on first day of next month for the interest of the previous month i.e. on 1st February for interest of January, 2014, 1st of March 2014 for interest of February 2014 so on. Interest over and above G-sec rate of 8% shall be borne by the companies.

2. This has the approval of Ministry of Finance and Dept. of Expenditure and also concurrence of IFD Diary No.5021/SS&FA dated 16th January 2014.

Yours faithfully,


(Rajiva Kumar)
Deputy Secretary to Govt. of India

Copy to:

1. Controller of Accounts, Dept. of Fertilizers, Janpath Bhawan, New Delhi.
2. PS to AS & FA, Min. of Fertilizers & Chemicals/Dy. Secretary (Finance)

(Rs. in crore)

FERTILIZER INDUSTRY COORDINATION COMMITTEE			
Statement showing details of subsidy payable to Indigenous Urea Manufacturers under SBA-II during 2013-14			
Sl No	Unit name	TOTAL	Co. Total
1	BVFCL-Namrup II	1.66	
2	BVFCL-Namrup III	2.84	4.5
3	IFFCO (KALOL)	107.8	
4	IFFCO (A-I)	179.54	
5	IFFCO (A-II)	162.79	
6	IFFCO (P-I)	296.1	
7	IFFCO (P-II)	431.02	1177.25
8	INDOGULF	323.13	323.13
9	GSFC	62.08	62.08
10	MFL-Priority approved upto Sept 13	314.28	314.28
11	NFL (PANIPAT)-Priority approved upto Mar 14	389.12	
12	NFL (V-I)-Priority approved upto Mar 14	172.99	
13	NFL (V-II)-Priority approved upto Mar 14	190.58	
14	NFL(BHATINDA)-Priority approved upto Mar 14	411.14	
15	NFL(NANGAL)-Priority approved upto Mar 14	472.61	1636.44
16	KSFL	164.35	164.35
17	SFC, KOTA	94.05	94.05
18	NFL Capital Subsidy-Bhatinda-Priority approved upto Mar 14	154.94	
19	NFL Capital Subsidy-Panipat-Priority approved upto Mar 14	129.84	284.78
20	KFCL-Priority approved upto Mar 14	234.55	234.55
Total Urea subsidy		4295.41	4295.41
Total P&K subsidy as per attached list		60.725	60.725
Total for PNB consortium		4356.135	4356.135

FA WING, UDYOG BHAWAN

Statement showing details of subsidy payable to P&K importers under SBA-II
during 2013-14

(Rs. in crore)

Sr. No.	Company	Oct-13	Nov. 13 (50%)	Total Oct.13 & Nov. 13 for disbursement
1	KRIBHCO	34.190	1.940	36.130
2	SFC	16.370	6.750	23.120
3	TAIPL		1.475	1.475
TOTAL P&K SUBSIDY				60.725

