

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:4579

ANSWERED ON:22.04.2013

TAX FREE BONDS BY PORTS

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Will the Minister of SHIPPING be pleased to state:

- (a) whether State-owned port entities such as Jawaharlal Nehru Port Trust, Ennore Port Ltd. and Dredging Corporation of India Ltd. have issued tax-free bonds recently which have got poor response;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether lack of response to the tax-free Bonds is likely to affect the future plans of development of these ports;
- (d) if so, the details thereof; and;
- (e) the corrective measures taken/being taken by the Government in this regard?

Answer

MINISTER OF SHIPPING(SHRI G.K. VASAN)

(a) & (b) : State-owned entities such as Jawaharlal Nehru Port Trust (JNPT), Ennore Port Ltd (EPL) and Dredging Corporation of India Ltd (DCI) had issued tax free bonds during 2012-13, the details of which are as under:

(Rs. In crores)

Port Sector Organizations	Issue Size of Tax Free Bonds	Actual Subscription
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JNPT	2000	41.32
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EPL	1000	94.65
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DCI	500	58.88
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Total	3500	194.85
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Out of the total issue size of Rs. 3500 crore for the above entities, only Rs. 194.85 crore was subscribed. The muted response was mainly on account of weak market sentiments and low coupon rates.

(c) to (e): These Port Sector entities generate their own internal resources as well as have the capacity to raise extra budgetary resources such as loans etc. to fund their planned expenditure. Thus lack of response to their tax free bonds would not impact their future development plans.