

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:4960
ANSWERED ON:25.08.2000
OF PUBLIC SECTOR UNDERTAKINGS
ANANTRAO GUDHE

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have undertaken in-depth review of the performance of PSUs in Drugs, Chemicals and Fertilizer sectors during the last three years;

(b) if so, the details thereof, PSU-wise with emerging trends in terms of standard norms; (C) whether the Government have on the basis of recent assessment, taken major policy decisions regarding disinvestment, closure, revival, modernization, diversification of the PSUs; and

(d) if so, the details of action plan drawn up for the current year PSU-wise in general and for PSUs in Maharashtra in particular?

Answer

Minister of State of the Department of Disinvestment (Shri Arun Shourie)

(a) & (b) A periodical review of the performance of fertilizers PSUs is conducted by the Administrative Department from time to time. However, the performance of fertilizers companies differs from unit to unit and even from month to month depending upon the health and the age of the plant, the feedstock used, the level of capacity utilization, energy consumption, distance from the source of feedstock / raw material, cost of inputs etc. These parameters have definite bearing and are reflected in variations of the performance of various units which have no similar profile in relation to the feedstock, location, vintage of the plant for a meaningful comparison with any standard norms.

(c) & (d) The Government has decided to disinvest 51% of its equity in National Fertilizers Ltd. out of its current holding 97.65% and 32.74% of its equity in Madras Fertilizers Ltd. out of its current holding of 58.74% through strategic sale to strategic buyer along with management control. The process of implementation in these cases is in different stages of implementation. No decision for disinvestment in other PSEs of fertilizers sector viz. FACT, PPCL, Paradeep Phosphates Ltd. and Rashtriya Chemicals and Fertilizers has been taken so far. Rashtriya Chemicals and Fertilizers has headquarters in Maharashtra.