

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:884

ANSWERED ON:26.02.2009

FUNCTIONING OF FACT

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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Fertilizers and Chemicals Travancore Limited (FACT) in Kerala is in the process of diversifying its operations;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has any proposal for resurgence of the Company; and
- (d) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF MINES (SHRI B.K. HANPIQUE)

(a) & (b): FACT has indicated that it has plans for expansion and diversification of its operations through joint ventures with other PSUs,utilizing the land and other resources of the Company.The main purpose of diversification is the optimum utilization of available resources of the company particularly land resources and the huge stock of waste Gypsum available to earn revenue on a sustainable basis and to increase the overall profitability of the company.The main diversification projects proposed by the Company are as under:

1. FACT has formed a joint venture company namely FACT-RCF Building Products Ltd.,for manufacturing of value added products using Phospho-Gypsum.
2. Setting up of container freight stations in association with Central Warehousing Corporation (CWC) and Container Corporation of India Ltd. (CCI)for which an MOU has been signed.
3. Setting up a free-trade warehousing zone at Udyogamandal.
4. A joint venture company with Indian Oil Corporation (IOC) by demerger of FEDO, the Engineering Division of FACT for which an MOU has been signed.
5. A joint venture with Cochin Shipyard Ltd.,by demerger of FEW, the fabrication Wing of FACT for which an MOU has been signed.

(c) & (d) The Government had sanctioned a one-time grant-in-aid of Rs. 200 crore to FACT in March, 2008,in order to enable the company to sustain its operations. The Company was also advised to entrust a study by a reputed consultant to suggest measures for enhancing operational efficiency including cost cutting measures.The recommendations of the consultant are under examination by the Board of Directors of the FACT.