

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

STARRED QUESTION NO:133
ANSWERED ON:18.11.2010
REVIVAL OF CLOSED FERTILIZER PLANTS
Satpathy Shri Tathagata

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

- (a) whether the Government has considered the future Road Maps/ Models, for revival of closed/sick fertilizer Public Sector Undertakings (PSUs);
- (b) if so, the details thereof; and
- (c) the progress in the revival of the such PSUs ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c): A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No. 133 to be answered on 18.11.2010.

(a) & (c): Out of the nine public Sector Chemical Fertilizer companies under the administrative control of the Department of Fertilizers 2 (two) Public Sector Undertakings namely, Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL) are closed units. Another PSU, Madras Fertilizer Limited (MFL) has been declared sick by Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act. The following steps have been taken for revival of the above PSUs :

HFCL and FCIL:

The Government has decided to explore the feasibility of revival of the closed public sector units of HFCL and FCIL subject to assured availability of natural gas. An Empowered Committee of Secretaries (ECOS) has been constituted with the mandate to evaluate all investment options for revival of the closed units of FCIL/HFCL and to make suitable recommendations for consideration of the Government. ECOS has considered various possible investment options for revival of each of the closed units and have finalized its recommendations.

The BIFR in its hearing dated 12.11.2010 has appointed State Bank of India as the Operating Agency to submit the Draft Rehabilitation Scheme by March, 2011 after evolving a consensus with the stake holders. In the meantime, on the basis of draft rehabilitation scheme submitted by professional consultants, proposal for the Cabinet is under formulation for consideration of the Competent Authority.

MFL:

The company was registered in Board for Industrial and Financial Reconstruction (BIFR) in the year 2007. BIFR had appointed State Bank of India as the Operating Agency to prepare Draft Rehabilitation Scheme (DRS) for MFL. The Operating Agency has submitted its recommendations on 18.10.2010. Based on the recommendations of the Operating Agency a BRPSE Note is being formulated in Department of Fertilizers. On recommendations of BRPSE, the proposal shall be submitted to Competent Authority for approval.