

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

UNSTARRED QUESTION NO:1576

ANSWERED ON:22.03.2012

REVIVAL OF CLOSED FERTILIZERS MANUFACTURING UNITS

Biju Shri P. K.;Maadam Shri Vikrambhai Arjanbhai;Mahtab Shri Bhartruhari;Nagar Shri Surendra Singh;Yadav Shri Arun Subhashchandra

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

- (a) the details of fertilizer manufacturing plants functioning in the country, Statewise;
- (b) the details of closed/sick fertilizer manufacturing plants alongwith the reasons therefor;
- (c) whether the Government is actively considering an action plan for the revival of these plants;
- (d) if so, the details thereof, State-wise;
- (e) the extent to which the revival of these closed fertilizer manufacturing plants is likely to be able to meet the demand of fertilizers in the country;
- (f) whether any financial assistance has been provided by the Government to these plants incurring losses; and
- (g) if so, the details of financial assistance provided during each of the last three years and the current year, plant-wise?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a): The details are given at Annexure-I.

(b): The details of closed/sick fertilizer manufacturing plants in public sector, alongwith the reasons for closure/sickness are given at Annexure-II.

(c)to(d): Yes Madam. Government is actively considering the revival of closed and sick fertilizer PSUs. The following steps have been taken by Government in this direction;

A. In respect of Closed Units:

Based on the recommendations of the Empowered Committee of Secretaries (ECOS), the CCEA in its meeting held on 4.8.2011 considered the proposal for revival of closed units of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) and approved the same with the stipulation that Board for Industrial and Financial Restructuring (BIFR) proceedings be expedited and thereafter, the matter including changes, if any, required in bid parameters, be placed before the Committee for a final decision. FCI and HFCL have submitted the Draft Rehabilitation Scheme (DRS) to BIFR for approval. BIFR has appointed State Bank of India as Operating Agency for examining the DRS of HFCL and FCIL.

B. In respect of Sick Units:

(i) Madras Fertilizers Limited (MFL) had submitted a financial restructuring proposal seeking inter-alia waiver of Government loan of Rs. 390.79 cr. and interest thereon besides sanction of Rs. 376.64 cr. as Plan Loan and continuation of New Pricing Scheme beyond 31.3.2010 and upto conversion of its urea plant to natural Gas etc. The proposal was circulated for inter-ministerial consultation. Revised comments have been sought from Department of Expenditure and Planning Commission.

Meanwhile BIFR in its hearing held on 25th August 2011 has directed the Operating Agency (State Bank of India) to workout financial restructuring of MFL considering the conversion of GOI loan into equity.

(ii) The Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) has recently submitted a financial restructuring and rehabilitation proposal for consideration of Department of Fertilizer and recommending it to BRPSE.

(e): In case of the eight closed plants of HFCL and FCIL are revived, as per the proposal envisaged, it will create an additional capacity of approximate nine million tonne per year.

(f)&(g): Financial Assistance has been provided to MFL and BVFCL in the form of Plan Loan. The details of Plan Loan allocated during the last three years and the current year are as under;

(Amount in crore)

Year	BVFCL	MFL
2008-09	19.98	12.97
2009-10	65.00	96.99
2010-11	45.00	74.50
2011-12	67.80	88.95