

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

UNSTARRED QUESTION NO:1887  
ANSWERED ON:23.08.2012  
REVIVAL OF SICK CLOSED FERTILIZER PLANTS  
Ramasubbu Shri S.

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

- (a) whether the fertilizer plants in Tamil Nadu including Southern Petrochemical Industries Corporation Ltd. (SPIC) are also included in the revival plan for the fertilizer companies;
- (b) if so, the details thereof and the modernization programmes proposed by the Union Government; and
- (c) if not, the reasons therefor?

**Answer**

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

(a) to (c): Madras Fertilizers Limited (MFL) is the only fertilizer Public Sector Undertaking in Chennai. Company 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. Further BIFR in its hearing held on 07th May 2012 directed the Company to submit fully tied up revised DRS to Operating Agency (State Bank of India) and thereafter OA will convey a meeting with all concerned. Accordingly the matter was discussed in a meeting held on 01.08.2012 with Planning Commission, Deptt. of Expenditure, M/s NICO ( A Govt. of Iran Company, holding 25.77% equity in MFL) and SBI. The next date of hearing is scheduled on 27.08.2012.

Further southern Petrochemical Industries Corporation Ltd. (SPIC) is a private sector company and started its production of urea and DAP from 2010-11 and complex fertilizers from 2009-10.