

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

UNSTARRED QUESTION NO:228
ANSWERED ON:22.11.2012
REVIVAL OF CLOSED SICK FERTILIZER UNITS
Abdulrahman Shri

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

- (a) whether the Government proposes to invite foreign firms to invest in the closed/sick fertilizer units in order to revive them;
- (b) if so, the details thereof;
- (c) the details of foreign firms which have shown interest in reviving the closed/ sick fertilizer units;
- (d) the estimated scrap value of machineries and equipments lying in each of the closed/sick fertilizer units along with the estimated present value of land possessed by each of the closed/sick fertilizer units;
- (e) whether the Government is contemplating gainful utilisation of the said land and machinery lying idle since many years;
- (f) if so, the details thereof; (g) the details of schemes introduced to utilise the labourers/employees in these units; and (h) the amount being paid to them annually by these units?

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) There is a proposal to revise all eight closed urea units of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL), out of which three units are proposed to be revived through nomination basis. The remaining five units shall be revived through bidding route in which international firms can also participate.

(b) & (c) Question does not arise.

(d) The valuation of scrap of machineries and equipments lying in closed units of FCIL and HFCL along with the value of land has been done by M/s Project & Development India Limited (PDIL), a Central Public Sector Enterprises, under the administrative control of Department of Fertilizers and the valuation has been certified by a Government Registered valuer. The detail is given in Annexure-I. The estimated value of the Namrup I plant of Brahmaputra valley Fertilizer Corporation Limited (BVFCL), which is lying closed, is estimated at Rs. 20.75 crores. There is a proposal to set up a new brown field ammonia urea plant (Namrup-IV) in this vacant land. The estimated value of its ammonia-I plant which is not in operation has been fixed at Rs. 11.70 crores by M/s Kohli Associates, New Delhi, approved valuers.

The scrap of machineries and equipments of the closed Ammonia-Urea plant at Fertilizers and Chemicals Travancore Limited (FACT) Cochin Division has been valued by M/s Engineers India Ltd. at Rs.26.29 crores, however the Board had felt that the valued assessed by EIL was undervalued and hence the value was not accepted.

(e) & (f) Yes, Madam. Government contemplates gainful utilization of the land and assets lying idle by setting up a minimum 1.27 million tonnes per annum urea plant at each of closed units of HFCL and FCIL besides any other permitted industrial activity.

(g) & (h) As per decision of the Government in 2002, all the fertilizer units of FCIL and HFCL were closed and majority of the employees were released on Voluntary Separation Scheme and very few remaining employees are being paid regular salary.