

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

UNSTARRED QUESTION NO:35
ANSWERED ON:22.11.2012
REVIEW OF PERFORMANCE OF PSUS
Ray Shri Saugata

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

- (a) whether the Government has reviewed the performance of Public Sector Undertakings (PSUs) in Chemicals and Fertilizers sectors during the current year in terms of the target set and achieved during the last three years;
- (b) if so, the details thereof;
- (c) whether any action plan has been finalized for the revival of sick PSUs in Chemicals and Fertilizers segments and Memoranda of Understanding signed for 2012-13; and
- (d) if so, the details of action plan, PSU 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) & (b) Yes, Madam. Regular Quarterly Review meeting (QRM) of all public Sector Undertakings (PSU) under the administrative control of Department of Chemicals & Petrochemical and Department of Fertilizers is conducted, during which all issues including monitoring of performance vis-a-vis Memorandum of Understanding (MoU) targets pertaining to respective PSUs are taken up and reviewed. During the review meetings the performance of previous years is also reviewed. During the current year in Department of Chemicals & Petrochemicals QRMs were held in the months of June and October 2012 and in Department of Fertilizers QRMs were held in the months of May, August and November 2012.

(c) & (d) MoUs for the year 2012-13 have been signed for all the PSUs under administrative control of Department of Chemicals & Petrochemical and Department of Fertilizers except for closed PSUs, namely Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL), which are exempted from signing MoU . The status of action plan for revival of sick/closed/loss making PSUs are as under;

Chemical Segment:- Hindustan Fluorocarbons Limited a subsidiary company of Hindustan Organic Chemicals Limited is under BIFR. The rehabilitation package was approved on 3.12.2007. Its implementation is complete. The company is earning profits since last five years.

Fertilizer segment:- FCIL and HFCL are closed fertilizer PSUs. The status of revival of FCIL and HFCL is as under:- Based on the recommendation of Empowered Committee of Secretaries ECOS, Cabinet Committee on Economic Affairs in its meeting held on 4.8.2011 approved the proposal for revival of closed units of FCIL and HFCL 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. Accordingly, the Draft Rehabilitation Schemes (DRS) of HFCL and FCIL have been submitted to BIFR for their approval. BIFR has appointed State Bank of India as Operating Agency for examining the DRS of HFCL and FCIL. After the approval of BIFR, the proposal shall be placed before competent authority for obtaining approval.

Madras Fertilizer Limited:- Board for Industrial and Financial Restructuring (BIFR) in its hearing held on 2nd April 2009 declared Madras Fertilizers Limited (MFL) a sick company and appointed State bank of India as Operating agency with the direction to prepare a revival scheme for the company. Eleven hearings were held so far before BIFR. In the last hearing held on 27.08.2012, the Bench directed Government of India and other equity partner to take a decision with regard to the revised option filed by the Company, and thereafter, the Operating Agency will examine the proposal and submit a DRS to the BIFR. Accordingly, based on the inputs received from the company, a revised rehabilitation proposal has been circulated for inter-ministerial consultation for formalising the view of the Government. Based on the view of Government and other equity partner, operating agency will form DRS and submit before BIFR for approval. The next hearing of BIFR is scheduled on 05.12.12.

Brahmaputra Valley Fertilizer Corporation Limited (BVFCL):- BVFCL has proposed for a new brown field ammonia urea plant of larger capacity with state -of-art technology with best energy efficiency at Namrup site. Agreeing in principle to the proposal, Department of Fertilizers has given clearance to appoint a consultant to evaluate the available options and recommend the most suitable one.