

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

UNSTARRED QUESTION NO:1749

ANSWERED ON:07.03.2013

REVIVAL OF CLOSED SICK FERTILIZER MANUFACTURING UNITS

Adityanath Shri Yogi;Antony Shri Anto;Lingam Shri P.;Pakirappa Shri S.;Ramasubbu Shri S.;Reddy Shri Magunta Srinivasulu

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

- (a) the details of fertilizer manufacturing units incurring huge losses and are closed/ sick in the country, State-wise;
- (b) whether the Government has taken any steps to improve the operations of the loss making units and to revive the closed units or to set up new plants in their place;
- (c) if so, the details thereof; and
- (d) the extent to which the revival of closed fertilizer units are likely to be able to meet the demand of fertilizers in the country ?

**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 detail of units of closed/sick fertilizer public sector undertakings, which have been referred to Board of Industrial and Financial Restructuring (BIFR), are as under:

Name of the Sick PSU	Unit	State
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Fertilizer Corporation of India Limited (FCIL)	Sindri	Jharkhand
	Gorakhpur	Uttar Pradesh
	Talcher	Odisha
	Ramagundam	Andhra Pradesh
	Korba	Chhattisgarh

Hindustan Fertilizer Corporation Limited (HFCL)	Barauni	Bihar
	Haldia	West Bengal
	Durgapur	West Bengal

Madras Fertilizer Limited (MFL)	Manali,	Chennai.	Tamilnadu
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(b) & (c) Yes, Madam. Government has taken following steps for revival of closed/sick units;

Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL):-

Based on the recommendation of Empowered Committee of Secretaries (ECOS), Cabinet committee on Economic Affairs (CCEA) in its meeting held on 4.8.2011 approved the proposal for revival of closed units of FCIL and HFCL with the stipulation that 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. The BIFR has appointed State Bank of India as Operating Agency for examining the DRS of HFCL & FCIL.

In a recent hearing, the Bench advised the Dept. of Fertilizers to explore the possibility of company's net worth becoming positive and directed to work out the way to repay the dues of creditors of the FCIL and HFCL to enable the company to come out of purview of BIFR. A meeting of ECOS was held on 23.1.2013 to discuss the various issues concerning revival of HFCL/FCIL along with recent direction of BIFR. The ECOS recommended that matter be placed before CCEA. A Cabinet note has been circulated to all stake

holder ministries for inter- ministerial consultation.

Madras Fertilizer Limited (MFL):

Board for Industrial and Financial Restructuring (BIFR) in its hearing on 2nd April 2009 declared Madras Fertilizer 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 formalizing the view of the Government. Based on the views of Government and other equity partner, operating agency will form DRS and submit before BIFR for approval.

In addition to above companies Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) having its units in Namrup Assam, has also incurred continuous losses since its inception in 2002 and the Net Worth of the company is Rs. (-) 412 crores (as on 31.03.2012). The company has submitted a financial restructuring and rehabilitation proposal for consideration of Department of Fertilizer and recommending it to Board for Restructuring of Public Sector Enterprise (BRPSE). After inter-ministerial consultation the BRPSE note will be sent for recommendation of the Board (BRPSE).

(d) As per the Draft Rehabilitation Scheme of HFCL and FCIL, it has been proposed to place at least 1.15 MMTPA (Million metric tonn per annum) urea production capacities at each of the closed units.