

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

UNSTARRED QUESTION NO:1285

ANSWERED ON:13.08.2013

UTILISATION OF ASSETS OF CLOSED SICK FERTILIZER UNITS

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

- (a) the number of closed/sick fertilizer units in the country, as on date;
- (b) the estimated scrap value of machinery and equipments lying in each of such units along with the estimated present value of land possessed by each of such units;
- (c) whether the Government proposes to make gainful utilisation of such land and machinery lying idle since many years;
- (d) if so, the details thereof and if not, the reasons therefor and the steps taken/ being taken by the Government to protect the interests of the employees/labourers of such units;
- (e) whether the Government proposes to invite foreign companies for investment for the revival of closed/sick fertilizer units in the country including Kerala and Chhattisgarh; and
- (f) if so, the details thereof, State/UTwise?

Answer

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

(a): The details of closed/sick fertilizer units in the country are as under:

Name of PSU	Name of the closed/ sick Unit	Status
Fertilizer Corporation of India Limited (FCIL)	Sindri	closed
	Gorakhpur -do-	
	Talcher -do-	
	Ramagundam -do-	
	Korba	never commissioned
Hindustan Fertilizer Corporation Limited (HFCL)	Barauni	closed
	Haldia	never commissioned
	Durgapur	closed
Madras Fertilizers Limited (MFL)	Manali, Chennai.	sick
Brahmaputra Valley Fertilizers Corporation Ltd.	Namrup-I	closed
Fertilizers and Chemicals Travancore Limited (FACT)	Ammonia-Urea plant, Cochin	closed

(b): 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 Enterprise, under the administrative control of Department of Fertilizers and the valuation has been certified by a Government Registered valuer. The details are given in Annexure-I.

Besides the above, the estimated scrap value of the Namrup-I plant of Brahmaputra valley Fertilizer Corporation Limited (BVFCL), which is lying closed, is estimated at Rs. 14.80 crores adopting the 'Market Value' basis of valuation by M/s RBSA Valuation Advisor, a certified Government Valuer. The estimated present value of land of Namrup-I possessed by BVFCL is Rs. 21.20 crores.

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.

(c) & (d): Yes, Madam. Government contemplates gainful utilization of the land and assets lying idle by setting up new urea plants.

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 (VSS) and remaining few employees are being paid regular salary.

(e) & (f): There is a proposal to revive all the eight closed urea units of FCIL and HFCL, out of which three units of FCIL are proposed to be revived on nomination basis. The remaining five units shall be revived through bidding route in which international firms can also participate.