

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

UNSTARRED QUESTION NO:4353

ANSWERED ON:28.03.2017

Promotion of PSUs

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

- (a) The details of Public Sector Undertakings (PSUs) under the administrative control of the Ministry;
(b) the details of the profit Making PSUs as well as those PSUs incurring losses during the last several years along with the action plan for turning the loss making PSUs into viable ventures;
(c) the steps taken so far for promotion of the said PSUs in the country; and
(d) whether any flagship programme is being run by the Ministry, if so, the details thereof along with the funds allocated and utilized under the said scheme during the last three years?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a)

S. No.

Name of Department

Name of PSUs

1.

Department of Fertilizers

i. Brahmaputra Valley Fertilizer corporation Limited (BVFCL)

ii. The Fertilizers And Chemicals Travancore Limited (FACT)

iii. FCI Aravali Gypsum and Minerals India Limited (FAGMIL)

iv. Fertilizer Corporation of India Limited (FCIL)

v. Hindustan Fertilizer Corporation Limited (HFCL)

vi. Madras Fertilizers Limited (MFL)

vii. National Fertilizers Limited (NFL)

viii. Projects & Development India Limited (PDIL)

ix. Rashtriya Chemicals & Fertilizers (RCF)

2.

Department of Chemicals and Petrochemicals

i. Brahmaputra Cracker & Polymer Limited (BCPL)

ii. Hindustan Insecticides Ltd. (HIL)

iii. Hindustan Organic Chemicals Ltd. (HOCL)

iv. Hindustan Fluorocarbons Ltd. (HFL – (which is a subsidiary of HOCL).

3.

Department of Pharmaceuticals

i. Karnataka Antibiotics and Pharmaceuticals Limited (KAPL)

ii. Indian Drugs and Pharmaceuticals Limited (IDPL)

iii. Bengal Chemicals and Pharmaceuticals Limited (BCPL)

iv. Rajasthan Drugs and Pharmaceuticals Limited (RDPL)

v. Hindustan Antibiotics Limited (HAL)

(b) & (c)

Department of Fertilizers:-

S. No.

Name of PSU

Profit/lost status during last two years and in current year

2013-14

2014-15

2015-16

Department of Fertilizers

1

Brahmaputra Valley Fertilizer corporation Limited (BVFCL)

Loss

Profit

Profit

2

The Fertilizers And Chemicals Travancore Limited (FACT)

Loss

Loss

Loss
3
FCI Aravali Gypsum and Minerals India Limited (FAGMIL)
Profit
Profit
Profit
4

Fertilizer Corporation of India Limited (FCIL)
All units of FCIL are closed.

5
Hindustan Fertilizer Corporation Limited (HFCL)
All units of HFCL are closed.

6
Madras Fertilizers Limited (MFL)
Profit
Loss
Loss

7
National Fertilizers Limited (NFL)
Loss
Profit
Profit

8
Projects & Development India Limited (PDIL)
Profit
Loss
Loss

9
Rashtriya Chemicals & Fertilizers (RCF)
Profit
Profit
Profit

Actions taken by the Government to for turning the loss-making PSUs into viable ventures are as under:

I. The Fertilizers And Chemicals Travancore Limited (FACT):

To avert immediate crisis, a plan loan of Rs. 1000 Crore has been given to FACT by sanction letter issued on 21st March, 2016. Steps for financial restructuring of FACT is also being taken. FACT has submitted a proposal for its financial restructuring. The proposal inter-alia contains waiver of Govt loan & interest thereon, one-time compensation for the use of high cost LNG, approval for sale of its land and waiver of income tax on profit on sale of land. In its proposal FACT has also submitted to repatriate the Plan loan of Rs. 1000 crore by the money generated by the sale of land. Proposal of FACT is under consideration of the Department of Fertilizers.

II. Madras Fertilizers Limited (MFL):

In terms of DPE guidelines on streamlining the mechanism for revival and restructuring of sick Central Public Sector Enterprises, DOF has approved to engage an external expert agency which has experience and expertise of the business environment, operational issues, technology option and financial viability of the sector in which such CPSE is working. IFD has concurred in the proposal and the file is under submission. Accordingly, MFL was asked to initiate process for engagement of an external expert agency. MFL engaged PDIL as expert agency on 02.06.2016. PDIL has submitted its study report. The Board of MFL has approved the study report and the same is under consideration in the Department of Fertilizers.

III. Projects Development of India Limited (PDIL):

Govt. of India has decided to sold out 100% shareholding in PDIL through outright sale to an identified buyer discovered through a two-stage auction process. Auction Process is under progress.

Department of Chemicals and Petrochemicals:-

(a) M/s Brahmaputra Cracker & Polymer Limited (BCPL), Assam is a PSU in Petrochemical Sector under administrative control of the Department which is implementing Assam Gas Cracker Project, (AGCP). The project was commissioned on 2nd January 2016 and was dedicated to the nation by the Prime Minister, Shri Narendra Modi on 5th February, 2016 at BCPL Complex, Lepetkata, Dibrugarh. The plant is under stabilization and has produced about 81,000 MT of polymers during the current financial year 2016-17 (up to 28th February, 2017). The project is of great economic significance for North Eastern Region (NER).

(b) The three Chemical PSUs namely, Hindustan Insecticides Limited (HIL) is profit making PSU, Hindustan Organic Chemicals Limited (HOCL) and Hindustan Fluorocarbons Limited (HFL) are loss making PSUs. Profit/loss figures of the three PSUs during the last three years are given below:

(Rs. in crore)

Name of PSU

Profit / (Loss)

2013-14

2014-15

2015-16

(i). HIL

1.84

1.60

1.83

(ii) HOCL

(176.85)

(215.49)

(173.91)

(iii). HFL

(24.82)

(3.77)

(11.11)

The action plan for turning the loss making PSUs viz. HOCL and HFL into viable ventures are as follows:

(i) HOCL: A restructuring plan for HOCL is being prepared taking into account various issues like assets and liabilities position of HOCL, feasibility of generating adequate funds to liquidate the liabilities, assessment of long term viability of the company's business and future operations, strategic importance of the N2O4 plant for ISRO's space programme and consultations being held in this regard at various levels in the Govt.

(ii) HFL: The Govt. on 27.10.2016 has given "in principle" approval for strategic disinvestment of HFL with the parent company (HOCL) to exit the firm completely. Time line for implementing the strategic disinvestment is one year from the date of decision.

HOCL, HFL and HIL are commercial organizations and measures necessary for their promotions and growth are taken by them as per their respective business and operational requirements. However, their performance is also reviewed by the Department from time to time and appropriate steps are taken to improve their physical and financial performance.

Department of Pharmaceuticals:-

In this Department, Karnataka Antibiotics and Pharmaceuticals Limited (KAPL) is the only PSU which is profit making and Indian Drugs and Pharmaceuticals Limited (IDPL), Bengal Chemicals and Pharmaceuticals Limited (BCPL), Rajasthan Drugs and Pharmaceuticals Limited (RDPL) & Hindustan Antibiotics Limited (HAL) are sick/loss making. The Government has decided for closure of IDPL and RDPL and strategic sale of BCPL and HAL.

(d)

Department of Fertilizer

Yes, Madam. Direct Benefit Transfer (of fertilizer subsidy) is a flagship programme under implementation in 19 districts. Under the proposed fertilizer DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies instead of the beneficiaries, on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidised fertilizers to farmers/buyers will be made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries will be identified through Aadhar Card, KCC, Voter Identity Card etc.

No specific funds are required in the DBT Scheme as this is a modification in the method of payment of subsidy. The funds allocated under the existing subsidy schemes will be utilized for payment of subsidy under DBT.

Department of Chemicals and Petrochemicals & Department of Pharmaceuticals

No Flagship Programmes are being run by these Departments.
