

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
RAJYA SABHA
STARRED QUESTION NO. *170
TO BE ANSWERED ON 14.12.2021

‘Reopening of Stranded PSUs’

*170: Shri Naresh Bansal

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

- (a) Whether Government proposes to reopen and/or re-modernise the stranded Chemicals and Fertilizers Public Sector Undertakings (PSUs) in the country;
- (b) if so, the details thereof and, if not, the reasons therefor; and
- (c) the action taken by Government regarding utilization of assets, machinery, townships and hospitals of such PSUs;
- (d) whether Government has handed over all the assets owned by stranded Public Sector Undertakings (PSUs) to the State Governments; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR CHEMICALS FERTILIZERS (BHAGWANT KHUBA)

- (a) to (e) : A statement is laid on the table of the House.

**STATEMENT REFERRED T IN REPLY TO PARTS (a) TO (e) OF STARRED
QUESTION NO. 170 FOR REPLY ON 14.12.2021**

(a) : Yes, Sir.

(b) : Under the Department of Fertilizers; there are 3 units of Hindustan Fertilizer Corporation Limited (HFCL) at., Barauni (Bihar), Durgapur (West Bengal) & Haldia (West Bengal) and 5 units of Fertilizer Corporation of India Limited (FCIL) viz., Gorakhpur (Uttar Pradesh), Sindri (Jharkhand) & Talcher (Odisha), Ramagundam (Telangana) and Korba (Chhattisgarh) in the country whose operations were closed since 2002.

Government of India has approved revival of (i) Ramagundam unit by forming Joint Venture Company (JVC) named Ramagundam Fertilizers & Chemicals Limited (RFCL) incorporated on 17.02.2015, (ii) Talcher unit by forming JVC named Talcher Fertilizers Limited (TFL) incorporated on 27.10.2015 and (iii) Gorakhpur, Sindri and Barauni units by forming JVC named Hindustan Urvarak & Rasayan Limited (HURL) incorporated on 16.05.2016. RFCL has already started manufacturing urea w.e.f 22.03.2021. The capacity of each of these plants is 12.7 Lakh MTPA.

In view of the progress of revival of Gorakhpur, Sindri, Talcher and Ramagundam units of FCIL and Barauni unit of HFCL as well as based on the demand supply scenario there is no proposal to revive any other closed plant of HFCL and FCIL.

Further, Government of India has granted one time grant-in-aid of Rs. 100 Crores to Brahmapurta Valley Fertilizer Corporation Limited (BVFCL) for renewal and replacement of spares, catalysts and execution of repair work for safe sustainable and economic operations of Namrup-II & III Plants situated in Assam.

In the Department of Pharmaceuticals, there are five Public Sector Undertakings under its aegis. Based on recommendation of Group of Ministers, the Union Cabinet has taken a decision on 28.12.2016, to close the two Pharma PSUs, namely Indian Drugs & Pharmaceuticals Limited (IDPL) and Rajasthan Drugs & Pharmaceuticals Limited (RDPL) and strategically disinvest the other two, viz., Hindustan Antibiotics Limited (HAL) & Bengal Chemicals & Pharmaceuticals Limited (BCPL). CCEA on 01.11.2017 has also decided to strategically disinvest 100% central government equity in the fifth PSU, viz., Karnataka Antibiotics & Pharmaceutical Limited (KAPL).

In the Department of Chemicals & Petrochemicals, Hindustan Organic Chemicals Limited (HOCL) was a loss incurring operational PSU before approval of restructuring plan for HOCL by CCEA. Government of India on 17.05.2017 approved a restructuring plan for HOCL. As per the restructuring plan, the Rasayani unit (Maharashtra State) of HOCL has been closed and Concentrated Nitric Acid (CNA)/ Di-nitrogen Tetroxide (N₂O₄) plant along with land, plant & machinery and related manpower have been transferred to Indian Space Research Organization, Department of Space. Hindustan Fluorocarbons Limited (HFL) a subsidiary of HOCL was also a loss incurring PSU. In view of the poor financial situation and non-viability of HFL's existing operations, the

CCEA on 22.01.2020 approved proposal for shutting down the operations of the plant/unit of HFL and closure of the company.

(c): Usable assets, townships, hospitals, etc., of units of PSUs under the Department of Fertilizers to the extent required, are being handed over to the new Joint Venture Companies. Old plants of HFCL and FCIL have been sold through e-auction by M/s. Metal Scrap Trade Corporation Limited (MSTC) under the supervision of M/s. Projects & Development India Limited (PDIL).

In Department of Chemicals & Petrochemicals, Government has given approval for sale of approx. 684 acres of HOCL Rasayani unit to Bharat Petroleum Corporation Limited (BPCL). Further, Government of Maharashtra has been requested for NOC for sale of around 250 acres of balance land. All the fixed assets (plant & machinery) of HOCL has been disposed of by e-auction through MSTC Limited. HFL plant has already been shut down and majority of employees have been separated through VRS/VSS. For disposal of land, NOC from State Govt. of Telangana is awaited for sale of land of the company. High Court of Hyderabad has granted stay on the sale of assets of the company in a case filed by M/s Rockwell Industries. Hence, no asset could be sold so far.

(d) & (e): Government has taken decision to return the leasehold land of IDPL at Rishikesh measuring 833.48 acres to the State Government of Uttarakhand.
