

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1134
TO BE ANSWERED ON: 22.11.2016

Status of PSUs

1134 SHRI C.S. PUTTA RAJU:

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

- (a) whether all the public sector undertakings under the Ministry are making profits;
- (b) if not, the details of the profit making and loss making PSUs; and
- (c) the steps taken/being taken for revival of loss making PSUs

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS,
SHIPPING, ROAD TRANSPORT & HIGHWAYS
(SHRI MANSUKH L. MANDAVIYA)

(a) & (b): No, Madam. Details of Profit making and Loss Making PSUs under the Ministry are as under:

S. No.	Name of the Public Sector Undertaking Department wise	Status (Profit/Loss) as on 31.03.2016
Department of Fertilizers		
1	Brahmaputra Valley Fertilizer corporation Limited (BVFCL)	Profit
2	The Fertilizers And Chemicals Travancore Limited (FACT)	Loss
3	FCI Aravali Gypsum and Minerals India Limited (FAGMIL)	Profit
4	Fertilizer Corporation of India Limited (FCIL) (All units are closed)	Profit
5	Hindustan Fertilizer Corporation Limited (HFCL) (All units are closed)	Profit
6	Madras Fertilizers Limited (MFL)	Loss
7	National Fertilizers Limited (NFL)	Profit
8	Projects & Development India Limited (PDIL)	Loss
9	Rashtriya Chemicals & Fertilizers (RCF)	Profit

Department of Chemicals & Petrochemicals		
10	Hindustan Fluorocarbons Ltd. (HFL)	Loss
11	Hindustan Organic Chemicals Ltd.(HOCL)	Loss
12	Hindustan Insecticides Ltd(HIL)	Profit
13	Brahmaputra Cracker & Polymer Ltd (BCPL)	Loss
Department of Pharmaceuticals		
14	Karnataka Antibiotics & Pharmaceuticals Limited (KAPL).	Profit
15	Rajasthan Drugs & Pharmaceuticals Limited (RDPL).	Loss
16	Hindustan Antibiotics Limited (HAL).	Loss
17	Bengal Chemicals & Pharmaceuticals Limited (BCPL).	Loss
18	Indian Drugs & Pharmaceuticals Limited (IDPL)	Loss

(c): Following steps have been taken for the revival of loss making PSUs:

1. Fertilizers And Chemicals Travancore Limited(FACT)

Government of India has sanctioned a Plan loan amounting Rs 1000 Cr to FACT on 21.03.2016 to meet the current financial crunch. In addition to this, Department of Fertilizers has asked FACT to formulate a comprehensive financial/ business plan which inter-alia including monetization of surplus land of FACT & waiver of GoI loans/conversion of GoI loans into interest free loan etc.

2. Madras Fertilizers Limited (MFL)

A proposal for the financial restructuring of MFL had been pending for the recommendation of the BRPSE for a long time. In the meantime, Government wound up the BRPSE and DPE issued guidelines for stream lining the mechanism for the revival and restructuring of sick/incipient sick and weak CPSE. Accordingly, MFL was asked to engage an external expert agency for exploring the possibility for the revival of MFL in terms of these guidelines. MFL has engaged Projects & Development India Limited (PDIL) as expert agency on 02.06.2016 to explore possibility for its revival.

3. Projects & Development India Ltd (PDIL)

Based on recommendations of the NITI Aayog, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 27.10.2016 has inter-alia approved for the disinvestment of 100 % shareholding of Government of India in PDIL to strategic buyer identified through two-stage auction process. Therefore, Government is not considering any proposal for the revival of PDIL.

4. Hindustan Fluorocarbons Ltd (HFL)

(i) A rehabilitation package for HFL was approved by BIFR on 03.12.2007 at a total cost of Rs.19.28 crore comprising of Capital Expenditure (Rs.8.99 crore), One Time Settlement (OTS) of banks & financial institutions (Rs.4.67 crore), VRS payment (Rs.4.00 crore) and Working capital (Rs.1.62 crore).

(ii) For revival and growth of HFL, the company is diversifying into making products which can be sold in niche market with more margins as compared to PTFE (Poly Tetra Fluoro Ethylene). Therefore, company is focusing on development of fluoro specialty chemicals, wherein contribution is more as compared to PTFE, and has already developed TFE-ETHER, Telomeres etc. HFL has also developed advanced grades of PTFE i.e. Modified PTFE (MPTFE), which has higher margins than ordinary PTFE.

(iii) Plan loan of Rs.16.80 crore was provided by the Govt. to HFL in 2014-15 for plant refurbishment schemes & new initiatives and for development of modified PTFE.

(iv) 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.

5. Hindustan Organic Chemicals Ltd (HOCL)

(i) In 2001, the Govt. of India provided guarantee for Rs.100 crore for raising resources from the capital market.

(ii) Following rehabilitation package was approved for the company in March, 2006:

(a) Fund infusion of Rs.250 crore (preferential shares)

(b) Non-cash transaction – Continuation of the Govt. guarantee for Rs.100 crore (given in 2001) for 10 years and waiver of interest and penal interest

(iii) In February, 2007, the Govt. approved investment of Rs.20 crore (preference shares) for restarting the Caustic Soda plant at Rasayani unit of the company.

(iv) The Govt. on 01.08.2013 approved the following revision of terms and conditions of the rehabilitation package of 2006:

(a) Postponement of the redemption of Rs.270 crore preference shares, that was due for redemption from 2011-12 onwards, to 2015-16 onwards

(b) Extension of Govt. guarantee of Rs.100 crore for 5 more years i.e. up to 28.08.2017

(v) In July, 2014, Govt. further gave guarantee for Rs.150 crore for issue of bonds by the company for meeting the working capital requirement, repayment for raw material suppliers, bank loans, employees' dues etc.

(vi) In September, 2015 and September, 2016, the Govt. paid annual interest of Rs.10.57 crore on the Rs.100 crore bonds and Rs.14.04 crore on the Rs.150 crore bonds as the company failed to pay both the amounts due to lack of sufficient funds.

(vii) In view of the continuing losses of HOCL, a restructuring plan for the company is under consideration of the Government.

6. Brahmaputra Cracker & Polymer Ltd (BCPL)

As per the audited accounts of BCPL for the year 2015-16, the BCPL has made loss of Rs. 270.00 crores in 2015-16. This is due to the fact that the Plant is under stabilization and thus working at reduced/suboptimal capacity. All efforts are being made to operate the plant to run at its rated capacity in due course of time in a progressive manner.

7. For all loss making PSUs under Department of Pharmaceuticals:

The Government is considering Comprehensive steps regarding the loss making PSUs.
