

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3241 TO BE ANSWERED ON: 07.08.2018

FACT in Kerala

3241 SHRI P. KARUNAKARAN:

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

- (a) whether the Government has received any representation from the State of Kerala regarding the serious issues of Fertilizers and Chemicals Travancore Limited (FACT) in the State;
- (b) if so, the reaction of the Government thereto;
- (c) whether FACT is one of the oldest central PSU in the State;
- (d) whether the Government provides assistance for the modernization and expansion including financial assistance; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERILIZERS

(RAO INDERJIT SINGH)

(a): Yes Madam, Gol has received representations from Chief Minister, Government of Kerala regarding setting up of LNG based Urea plant & revival of FACT.

(b): FACT has also approached Govt. of India with a financial restructuring proposal which includes waiver of outstanding loan & interest thereon, one-time compensation for the use of high cost LNG & approval for sale of land. Inter-Ministerial consultations are ongoing and the proposal is under finalization.

(c): FACT is one of the oldest central PSUs in the State of Kerala. FACT was incorporated in the year 1943. It became Public Sector Undertaking in the year 1962.

(d) & (e): As and when required, necessary financial assistance is being given by the Government of India to FACT. Year-wise details of the same are as under:

2001-02

Financial relief package on the OECF loan obtained by the company for its Ammonia Project at Udyogamandal as under:

- (i) Waiver of outstanding interest amounting to Rs.226.88 crore for the period from 1998-99 to 2001-02.
- (ii) Moratorium on principal repayment upto 31.03.2002 on the balance loan amounting to Rs.378.20 crore.
- (iii) Waiving levy of penal interest on past defaults in repayment of principal due and interest accrued and due upto 31.03.2002.

2002-03

Financial reliefs sanctioned vide order No.14012/8/2002-FP dated 31.10.2003.

- (i) Waiver of outstanding interest of Rs.87.80 crore on GOI loans of Rs.497.20 crore as on 31.03.2003 along with waiver of penal interest for past defaults upto 31.03.2003.
- (ii) Moratorium on repayment of principal on GOI loans as on 31.3.2003 amounting to Rs.497.20 crore upto 31.3.2004 to be repaid in 10 equal annual instalments from 2004-05 onwards.
- (iii) Reduction in interest rates on GOI loans of FACT as on 31.3.2003 to 7% with effect from 1.4.2003 from the existing rate of 13.50%-16.00%.
- (iv) Deferment of interest payment on outstanding GOI loans as on 31.3.2003 upto 31.3.2004. The deferred interest shall be converted into loan on 31.3.2004 and repaid along with outstanding principal as in (ii) above.

2005-06

Financial relief package sanctioned by Government of India vide letter No.19047/3/2006-FCA-II dated 28.9.2006 based on BRPSE recommendations as follows:

- (i) Waiver of outstanding interest as on 31.3.2005 amounting to Rs.85.77 crore.
- (ii) Conversion of 50% of the outstanding GOI loan of Rs.584.60 crore as on 31.3.2005 (ie. Rs.292.30 crore into equity capital).
- (iii) Write off of the non-plan loan of Rs.60 crore given for voluntary retirement scheme.
- (iv) Write off of balance outstanding GOI loan of Rs.232.30 crore as on 31.3.2005.

2007-08

During the year Government of India had released a grant in aid of Rs.200 crore to sustain the operations of the company and help restart the shutdown plants.

2015-16

To avert immediate financial crisis in FACT, a Plan Loan amounting Rs 1000 crore was sanctioned.