

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3 TO BE ANSWERED ON: 11.12.2018

Functioning of PSUs

3. SHRI S.P. MUDDAHANUME GOWDA :  
SHRI B.V. NAIK.

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

- the number of Public Sector Undertaking (PSUs) currently functioning under the Ministry;
- the number of such PSUs incurring financial losses for at least a decade;
- whether there have been any structured efforts to convert the said PSUs into profit making undertaking during the last three years;
- if so, the details of such efforts and the impact thereof; and
- whether there have been any efforts during the said period to further motivate the employees of these undertakings to convert them into profit making ones, if so, the details and impact of such efforts?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANING AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS.

( RAO INDERJIT SINGH )

(a) : Madam, presently there are 18 PSUs which are working under Ministry of Chemical & Fertilizers. Department wise detail of PSUs is as under:

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

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

(b): During the last decade, there are four PSUs namely Hindustan Organic Chemicals Ltd.(HOCL).Indian Drugs & Pharmaceuticals Limited (IDPL), Hindustan Antibiotics Ltd.(HFL) and Rajasthan Drugs & Pharmaceuticals Ltd.(RDPL) which are incurring financial losses. HOCL is incurring continuous losses except the Fy.2010-11.

(c) & (d): The following efforts have been made by the Ministry to convert them into profit making organizations:

#### **Hindustan Organic Chemicals Ltd. (HOCL)**

- The Government of India on 17.05.2017 approved a restructuring plan for HOCL which involves closing down operations of all the non-viable plants at Rasayani unit of HOCL, except N2O4 plant which was to be transferred to ISRO on 'as is where is' basis, with about 20 acres of land and employees associated with the plant. Financial implication of the restructuring plan is Rs.1008.67 crore (cash) which is to be met partly from sale of 442 acres HOCL land at Rasayani to Bharat Petroleum Corporation Ltd. and the balance through bridge loan from the Govt. The funds are to be used to liquidate the various liabilities of the company, including payment of outstanding salary and statutory dues of employees and repayment of Govt. guaranteed bonds of Rs.250 crore, and for giving VRS/VSS to the Rasayani unit employees except those retained as skeletal staff. Present status of implementation of the restructuring plan is as follows:
  - i. All plants of Rasayani unit except N2O4 plant have been closed down.
  - ii. N2O4 plant has been transferred to ISRO along with 20 acres land and 131 employees associated with the plant.
  - iii. Out of 442 acres land at Rasayani to be sold to BPCL, sale transaction for 251 acres have been completed.

- iv. Approval of the Government for sale of additional 242 acres (+/- 10%) land at Rasayani to BPCL and for lease transfer of 1000 sq m land at Kharghar, Navi Mumbai, to NALCO has been accorded.
  - v. All the 10 Nestle flats (Mumbai), closed down plants and utility blocks have been successfully e-auctioned through MSTC.
  - vi. All the non-regular employees and about 313 regular employees of Rasayani unit have been separated through Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS). While 6 VRS optees are being temporarily retained for implementing the restructuring plan and 7 employees are being retained as skeletal staff for HOCL's corporate office, 23 employees who did not opt for VRS have been transferred to the company's Kochi unit.
  - vii. Liability relating to redemption of Government guaranteed bonds of Rs.250 crore has been fully settled by HOCL from the Government of India bridge loan.
- After implementation of the restructuring plan, the Phenol/Acetone plant at Kochi Unit resumed regular operations from July, 2017 and has been operating regularly since then with positive contribution. This has enabled HOCL to earn net profit of about Rs.24 Crore (Prov.) from Kochi unit operations during the current FY 2018-19 (up to September,2018).

**Indian Drugs & Pharmaceuticals Limited (IDPL), Rajasthan Drugs and Pharmaceuticals Ltd.(RDPL) and Hindustan Antibiotics Limited (HAL):**

The Union Cabinet in its meeting held on 28.12.2016, has decided for the closure of Indian Drugs and Pharmaceuticals Ltd.(IDPL) and Rajasthan Drugs and Pharmaceuticals Ltd.(RDPL) and strategic sale of Hindustan Antibiotics Ltd.(HAL) after meeting their liabilities from the sale of their surplus land.

(e): HOCL has made efforts to motivate the employees by clearing their pending salary dues in a phased manner, timely payment of salary and other allowances and making provision for various welfare amenities like; medical, canteen, Leave Travel Concession (LTC), leave encashment etc. These efforts have also enabled the Kochi Unit of HOCL to operate profitably as mentioned above.

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