

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 1589 TO BE ANSWERED ON 02.07.2019

Functioning of FACT

1589. SHRI HIBI EDEN:

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

- (a) the steps taken by the Government for the sustainable operation of Fertilizers and Chemicals Travancore Limited (FACT), Cochin;
- (b) the steps taken by the Government for the expansion and capacity enhancement of FACT;
- (c) whether any study has been conducted by the Government for the same; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF CHEMICALS AND FERTILIZERS.

(D. V. SADANANDA GOWDA)

(a) & (b): As and when required, necessary financial support has been given by Government of India to keep Fertilizers and Chemicals Travancore Limited (FACT) operational. 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.

FACT has identified total 651.479 acres of land for sale to Government of Kerala (481.79 acres) and Bharat Petroleum Corporation Limited (169.689 acres). Transaction for sale of land from FACT to Bharat Petroleum Corporation Limited has already been executed.

(c) & (d): NITI Aayog being subject experts was entrusted to conduct a drawing board study on the feasibility of merger of FACT and Madras Fertilizers Limited with other fertilizer units. NITI Aayog has submitted its draft study reports for comments.