

GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

LOK SABHA  
UNSTARRED QUESTION NO. 2705  
TO BE ANSWERED ON 09.07.2019

**Revenue from Auction**

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**2705. SHRI M. BADRUDDIN AJMAL:**

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

- (a) Whether the Government proposes to collect revenue by the auctioning of various equipment, etc. of closed chemical and fertilizer plants under the Ministry;
- (b) if so, the details thereof and the action taken in this regard so far, State/UT and plant/unit-wise;
- (c) whether the Government proposes to revive/reopen the said units/plants which are lying sick/closed;
- (d) if so, the action/steps taken so far and the time by which these plants are likely to be revived/made functional; and
- (e) the other steps taken/being taken by the Government to provide feedstock for chemical and fertilizer plants and also to increase the production of chemicals in the country, State/UT-wise?

**ANSWER**

**MINISTER FOR CHEMICALS AND FERTILIZERS (SHRI D. V. SADANANDA GOWDA)**

**(a) & (b):**

(i) There are three Chemical PSUs under the administrative control of Department of Chemicals and Petrochemicals viz. M/s Hindustan Organic Chemicals Ltd. (HOCL), M/s HIL (India) Ltd. (HIL) and M/s Hindustan Fluorocarbons Ltd. (HFL; subsidiary company of HOCL). HOCL and HFL were registered with the erstwhile BIFR as sick companies.

No PSU under the Department has been closed down. However, with regard to HOCL that had two units located at Rasayani (Maharashtra) and Kochi (Kerala), the Rasayani unit of HOCL has been closed down (except for the Di-Nitrogen Tetroxide (N<sub>2</sub>O<sub>4</sub>) plant that has been transferred to ISRO on 'as is where is' basis, with about 20 acres of land and employees associated with the plant) under the restructuring plan of the company approved by the Government of India on 17.05.2017. As on 02.07.2019, the following assets of Rasayani unit, Maharashtra has been disposed of through e-auction:

1. Closed down plants/machinery have been auctioned for total price of Rs.19.52 crore
2. 10 flats of the company in Mumbai have been auctioned for total price of Rs.29.47 crore

**(ii)** Under Department of Fertilizers, vide Cabinet Committee on Economic Affairs (CCEA) decision dated 25.05.2016, it has been decided that Hindustan Fertilizer Corporation Limited (HFCL) to take up sale of unusable assets of Barauni, Durgapur and Haldia Unit of HFCL with the assistance of M/s. Metal Scrap Trading Corporation (MSTC) and M/s. PDIL both central PSUs to utilize the proceeds for settlement of the dues of unsecured creditors.

Similarly, Government of India vide CCEA decision dated 4.8.2011 gave approval for sale of unusable items of different units of FCIL through MSTC and utilization of sale proceeds to settle the dues of unsecured creditors of FCIL and to met the administrative expenses.

The unusable items of Barauni Unit (Bihar State) of HFCL has been e-auctioned by M/s. MSTC in association with M/s. PDIL and completed on 11.05.2018. The auctioning of unusable items of Haldia & Durgapur Units (West Bengal) of HFCL has been e-auctioned by M/s. MSTC in association with M/s. PDIL. The e-auction of sale of unusable items of different Units of The Fertilizers Corporation of India Ltd. (FCIL) have been completed as detailed below:

1. Ramagundam (Telangana) – e-auction done on 6.1.2015
2. Gorakhpur (Uttar Pradesh) – e-auction done on 13.1.2017
3. Sindri (Jharkhand) – e-auction done on 2.2.2018.
4. Talcher (Odisha) – e-auction done on 9.5.2014.

**(iii)** Under Department of Pharmaceuticals, 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) and Bengal Chemicals and Pharmaceuticals Ltd. (BCPL) after meeting their liabilities from the sale of their surplus land to Government agencies.

The Cabinet has further approved for meeting the liabilities of the employees and to implement Voluntary Retirement Scheme/Voluntary Separation Scheme before the closure/strategic sale of identified PSUs.

The land sale of PSUs did not materialize on account of lack of response from Govt. agencies to the tenders invited. As a result, the outstanding liabilities of PSUs could not be meet and hence, the process of closure /sale did not move forward.

Department had earlier approached the Cabinet on 05.02.2019 for modification of earlier decision and seeking upfront Budgetary Support to expedite closure/sale of PSUs. As the same could not be considered by the Cabinet, a fresh Cabinet Note,

with no changes, with the approval of Hon'ble Minister (C&F), has again been submitted for consideration of the Cabinet on 21.06.2019.

**(c) & (d):**

**(i)** After implementation of the restructuring plan of HOCL mentioned above, the Phenol/Acetone plant at Kochi unit of the company resumed regular operations from July 2017. This has enabled Kochi unit to achieve 80% capacity utilisation of Phenol/Acetone plant during 2018-19 and achieve turnover of Rs.472 crore with profit of about Rs.22 crore for the year 2018-19.

**(ii)** Government of India has decided to revive Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL) and Gorakhpur, Sindri, Talcher & Ramagundam units of Fertilizer Corporation of India Limited (FCIL) through nomination route by setting up new Ammonia Urea plants of 12.7 LMTPA capacity at each location.

Barauni unit of HFCL and Sindri and Gorakhpur units of FCIL are being revived by M/s. Hindustan Urvarak & Rasayan Limited (HURL), a Joint Venture of National Thermal Power corporation Limited (NTPC), Coal India Limited (CIL), Indian Oil Corporation Limited (IOCL), FCIL & HFCL.

Talcher unit is being revived by M/s. Talcher Fertilizers Limited (TFL), a Joint Venture of Rashtriya Chemicals & Fertilizers Limited (RCF), CIL, Gas Authority of India Limited (GAIL) & FCIL. Ramagundam unit revived by M/s. Ramagundam Fertilizers & Chemicals Limited (RFCL), a Joint Venture of Engineers India Limited (EIL), National Fertilizers Limited (NFL) & FCIL.

**(e):**

**(i)** Government has taken various steps including rationalization of custom duty on the feedstock/building blocks for having synergy in the complete value chain for boosting production of the chemical sector and to enhance competitiveness of the industry in the country. In addition, various seminars/workshops e.g. 'INDIA-CHEM 2018' and 'INDIA-CHEM GUJARAT 2017' were held for dissemination of information on technologies, new emerging fields, innovations and Buyer Seller's meet etc. for growth in the chemical sector.

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