

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF CHEMICALS & PETROCHEMICALS**

**LOK SABHA
UNSTARRED QUESTION NO.85
TO BE ANSWERED ON 02.02.2021**

Revival of HFL

85. DR. G. RANJITH REDDY:

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

- (a) whether it is true that the Cabinet has taken a decision to close down Hindustan Fluorocarbons Ltd.(HFL) in Telangana;
- (b) if so, the reasons for closure and the efforts made to revive HFL;
- (c) whether the Government has any plan for the employment of the workers and if so, the details thereof; and
- (d) the details of compensation demanded by unions and the amount paid by the Government?

ANSWER

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

(a) & (b) Yes, Sir. Hindustan Fluorocarbons Limited (HFL), Telangana used to manufacture HCFC-22 and also used the same for conversion to PTFE. Due to uneconomic plant capacity and old technology, conversion of HCFC-22 to PTFE was not financially viable and the company was constrained to sell higher quantity of HCFC-22 directly as refrigerant gas. Under the provisions of Montreal Protocol on phasing out of ozone depleting substances, the reduced HCFC-22 quota was sufficient for plant operations only up to March / April, 2020, and, thereafter, HFL would be forced to shut down its plant. In view of the non-viability of HFL from 2020 onwards, Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 22.01.2020, approved proposal of the Department of Chemicals & Petrochemicals for closure of the company.

Earlier CCEA on 27.10.2016 had given 'in principle' approval for strategic disinvestment of HFL with the parent company HOCL to exit the firm completely.

However, the same was not completed due to lack of bids /offers. Further, Roadmap/options for running the company were discussed in the meetings held with CMD, HOCL, employees of HFL and officers of Department of Investment & Public Asset Management (DIPAM) under the Chairmanship of Secretary (C&PC). Accordingly to keep HFL plants operational through investment & roadmap/options for going forward, a proposal was sent to DIPAM on 07.01.2019 to explore all options to revive. Core Group of Secretaries on Disinvestment under the Chairmanship of Cabinet Secretary after detailed deliberation recommended on 23.01.2019, that strategic disinvestment process related to HFL may be terminated and the company may be closed down as per DPE guidelines.

(c) HFL has provided details of the employees to be separated through Voluntary Retirement Scheme (VRS) from May to July, 2020 to the Department of Public Enterprises (DPE) to facilitate their retraining and redeployment under the Counseling, Retraining and Redeployment scheme of DPE.

(d) The VRS has been implemented in HFL as per the DPE guidelines with mutual consent between the Company management and employee unions. The VRS compensation package consists of 35 days salary (Basic +DA) per year for the past service rendered and 25 days salary (Basic +DA) per year for the service left over, in addition terminal benefits (Provident Fund, Leave salary, Gratuity) has been paid to all the employees relieved through VRS.
