

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1484
ANSWERED ON:08.03.2007
REVIVAL OF HALDIA PETROCHEMICALS
Tripathy Shri Braja Kishore

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Indian Oil Corporation has made any revival package for Haldia Petrochemicals ;
- (b) if so, the details of the action plan prepared by IOC in this regard ;
- (c) whether Public Investment Bureau has given its clearance to IOC to take up the revival of HPL
- (d) if so, the details of the expenditure likely to be involved in the said work; and
- (e) the details of the progress made so far in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)&(b) : Indian Oil Corporation Limited (IOCL) submitted a proposal to Government of West Bengal in October, 2001 for financial restructuring of Haldia Petrochemicals

(HPL) and equity participation by IOCL. The transaction could not be successfully completed in view of the difference of opinion of one of the promoters of HPL with respect to management control and shareholding pattern. In November, 2004, Chairman, HPL offered to IOCL equity investment of Rs.150 crore at par in HPL, which has been accepted by IOCL.

(c)to(e): No, Sir. The equity investment of Rs. 150 crore in HPL was approved by the Navratna Board of IOCL which is competent to approve such investment. This amount was paid to HPL in August, 2005 and 15 crore equity shares of HPL at par were allocated to IOCL. A petition was filed in August, 2005 before the Company Law Board

(CLB) by the Chatterjee Group seeking annulment of the allotment of shares in favour of IOCL arguing that this is against the interest of HPL as well as in violation of Companies Act. CLB has given its verdict in January, 2007 stating that shareholding of IOCL in HPL will be maintained as such and Government of West Bengal will appropriately consider transfer of its shares in favour of the Chatterjee Group, through proper valuation. Government of West Bengal has filed a petition in Kolkata High Court against the verdict of CLB.