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Title: Need to address issues concerning Fertilizers and Chemicals Travancore Ltd. (FACT) in Kerala.

SHRI K. P. DHANAPALAN (CHALAKUDY): The Fertilizers and Chemicals Travancore Ltd. (FACT) is the largest central public sector unit, in Kerala and is in my constituency.

FACT is a Naphtha based fertilizer production unit in which the cost of production is very high and the selling price of the product is controlled by the Government, the unit is finding it very difficult for the working capital. To defuse the crisis, the Govt, had appointed an agency (M/s.Deolite) to study and the report has been submitted. The agency has advised the Government to sanction an interest free loan of Rs.450 crore, as one time financial aid until the LNG supply starts in 2012. Until FACT gets LNG, the Naphtha compensation should be given proportionately to the price of Naphtha, as in the case of other Fertilizer Companies get. FACT may lose Rs.200 crore to 300 crore this year. The LNG price is fixed for FACT is four times more than that of the price of LNG in Public sectors in other areas. This is to be reviewed so that a uniform price fixing may be done.

As per the proposal by the Ministry of Heavy Industries, the retirement age of the Employees of Sick Units & loss making Central Public Sector units is to be enhanced from 58 years to 60 years, in which FACT Ltd is also included.

Kindly get approval of the following projects in FACT.

- a)One 1500 TPD Urea Plant in FACT -Udyogamandal Division
- b)One 2000 TPD Sulphuric Acid Plant in FACT -Cochin Division
- c)One 3500TPD Ammonia & Urea Plant in FACT-Cochin Division.
- d)One container freight station at Udyogamandal Division.

I urge upon the Government to take necessary steps, immediately, to appoint a permanent Chairman and Managing Director in FACT for the smooth functioning of the establishment.

I request the Government to look into this matter urgently and save the FACT in Kerala.