

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1471

ANSWERED ON:18.11.2010

REVIVAL OF SICK PHARMACEUTICAL COMPANIES

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

- (a) the details of the public sector pharmaceutical companies running into losses;
- (b) the assistance provided by the Government for running these companies during each of the last three years and the current year, company-wise;
- (c) the efforts being made by the Government for the revival/strengthening of the said companies;
- (d) whether some Ministries/Departments purchase costly medicines from the private companies instead of public sector companies;
- (e) if so, the details thereof alongwith the reasons therefor; and
- (f) the steps taken by the Government to ensure that the said Ministries/Departments should purchase medicines only from the public sector companies ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) Details of public sector pharmaceutical companies running into losses are as under:-

SL. No.	Name of PSU	Status
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1.	Hindustan Antibiotics Limited (HAL), Pimpri, Pune	BIFR referred
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2.	Bengal Chemicals & Pharmaceuticals Limited (BCPL), Kolkata	BIFR referred
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3.	Indian Drugs & Pharmaceuticals Limited (IDPL), Gurgaon	BIFR referred
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(b) & (c) Government approved the Rehabilitation Scheme of HAL on 9th March 2006 which inter alia involves Cash Infusion of Rs. 137.59 crore and waiver of past loans and interests thereupon to the extent of Rs. 259.43 crore (as on 31.3.2005). Similarly, Government of India also approved the Revival Scheme of BCPL on 21st December 2006 which inter alia involves Cash Infusion of Rs. 207.19 crore and waiver of past loans and interests thereupon to the extent of Rs. 233.41 crore (as on 31.3.2005). Revival Scheme of IDPL is under active consideration of this Department.

For running these Companies, assistance provided by the Government under approved Revival Scheme as well as for enhancement of manufacturing capacities during each of the last three years and the current year, company-wise is as under:-

(Rs. in crore)

CPSE	2007-08	2008-09	2009-10	2010-11
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HAL	20.17	10.00	10.26	5.03
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BCPL	20.00	20.00	30.69	20.00
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(d), (e) & (f) Most of the Pharma CPSEs were referred to BIFR and Government has provided financial support to revive them. In a bid to provide marketing support till they come up of their own, Government, in 2006, have granted Purchase Preference Policy for five years under which 102 medicines manufactured by Pharma CPSEs get exclusive preference by Ministries/Departments/PSUs/Autonomous Bodies etc. Other than these 102 medicines, all the Ministries/Departments reportedly purchase medicines of all therapeutic segments and costs as per laid down procedures/ rules of the Government.