

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

UNSTARRED QUESTION NO:848

ANSWERED ON:10.12.2013

REVIVAL OF PHARMACEUTICALS UNITS

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

- (a) the details of closed/sick units/plants of Public Sector Undertakings (PSUs) manufacturing pharmaceuticals in the country along with the reasons therefor, unit/plant-wise;
- (b) the steps taken by the Government to revive those units/plants including Hindustan Antibiotics Limited (HAL) and Indian Drugs and Pharmaceuticals Limited (IDPL), so far;
- (c) the reasons behind the poor performance and near closure of HAL and IDPL;
- (d) whether the Government is providing a meager amount to IDPL and its subsidiary companies for modernisation of equipments installed in such companies;
- (e) if so, the reasons therefor and the reaction of the Government thereto; and
- (f) the steps taken by the Government for modernisation of IDPL and its subsidiary companies so that production capacity of the said companies can be enhanced and the extent to which success have been achieved as a result thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIKANT KUMAR JENA):

(a) The details of pharmaceuticals PSUs, which have been declared sick and closed, is as under:-

Sl.No.	Name of PSU	Status
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- | | | |
|----|---|-----------------|
| 1. | Hindustan Antibiotics Limited (HAL), Pimpri, Pune | Sick under BIFR |
| 2. | Bengal Chemicals & Pharmaceuticals Limited (BCPL), Kolkata | Sick under BIFR |
| 3. | Indian Drugs & Pharmaceuticals Limited (IDPL), Gurgaon | Sick under BIFR |
| 4. | Bengal Immunity Limited (BIL), Kolkata | Closed |
| 5. | Maharashtra Antibiotics & Pharmaceuticals Limited (MAPL), Nagpur (Joint Sector PSU promoted by HAL) | Closed |

6. Manipur State Drugs & Pharmaceuticals Limited (MSDPL), Closed
Manipur (Joint Sector PSU promoted by HAL)

(b) The Government approved the Rehabilitation Scheme of HAL on 9th March 2006 which inter alia involved 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 involved 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.

(c) Surplus manpower, lack of working capital and inadequate capital expenditure are the prime reasons for continuous cash losses. Failure to generate revenue by utilizing bulk drug facilities due to cheap imports from China adversely impacted the fermentation based segment, in general, and HAL in particular. Similarly, IDPL is also facing acute shortage of Working Capital. Surplus manpower and related costs were also the reasons for the sickness of IDPL

(d) to (f) The Government has been releasing funds for modernization of machinery and equipments of IDPL and its subsidiary companies in a phased manner. Government has released Rs. 13.99 crore during 11th Five Year Plan and Rs. 6.22 crore during 12th Five Year Plan as per their requirement from time to time. Further, the Government is also considering the Revival proposal of IDPL.