

**GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA  
UNSTARRED QUESTION NO. 2295  
TO BE ANSWERED ON THE 12<sup>TH</sup> DECEMBER, 2025

**Modernisation of Pharma PSUs**

**2295. Shri Ramasahayam Raghuram Reddy:**

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

- (a) the number of pharma PSUs in the country;
- (b) whether the Government has implemented any schemes to modernise and revitalise pharma PSUs to make them more competitive, if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government proposes disinvestment of any pharma PSUs, if so, the details thereof and the reasons for the same;
- (d) the total budget allocation and actual spending on pharma PSUs during the last three years; and
- (e) the reasons for the low allocation and underspending?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICAL AND FERTILIZERS**

**(SMT. ANUPRIYA PATEL)**

(a): There are five Central Public Sector Enterprises (CPSEs) under the Department of Pharmaceuticals, namely, Indian Drugs and Pharmaceuticals Limited (IDPL), Rajasthan Drugs and Pharmaceuticals Limited (RDPL), Hindustan Antibiotics Limited (HAL), Bengal Chemicals and Pharmaceuticals Limited (BCPL) and Karnataka Antibiotics and Pharmaceutical Limited (KAPL).

(b) and (c): IDPL, BCPL and HAL were declared sick and formally referred to the Board for Industrial and Financial Reconstruction in the years 1992, 1993 and 1997 respectively. The revival/rehabilitation packages of IDPL, HAL and BCPL had failed to achieve desired results. These CPSEs had been incurring substantial and continuous losses due to issues related to management, cost competition, shortage of raw materials, low utilisation of capacity, huge operational losses, etc. Against this backdrop, Cabinet/CCEA approved closure / strategic sale of these CPSEs. Pursuant to the same, Government has initiated steps towards closure of IDPL, transfer of Government of India stake in RDPL to the State Government of Rajasthan and strategic sale / disinvestment / asset monetisation in respect of HAL, KAPL and BCPL.

While no scheme has been implemented to modernise and revitalise these CPSEs to make them more competitive, measures taken by them to improve their production capacity and the remedial steps taken by them to settle their statutory liabilities are detailed at Annexure.

(d) and (e): Year-wise details of budgetary allocation and expenditure provided to IDPL, for its closure, over the last three financial years and the present financial year are as under:

(In crore ₹)

<b>Financial year</b>	<b>Budgetary allocation</b>			<b>Expenditure</b>		
	<b>Loan</b>	<b>Grant</b>	<b>Total</b>	<b>Loan</b>	<b>Grant</b>	<b>Total</b>
2022-23	4.00	0	4.00	2.11	0	2.11
2023-24	0	356.44	356.44	0	356.44	356.44
2024-25	39.00	0	39.00	39.00	0	39.00
2025-26 (as on 11.12.2025)	0	0	0	0	0	0
<b>Total</b>	<b>43.00</b>	<b>356.44</b>	<b>399.44</b>	<b>41.11</b>	<b>356.44</b>	<b>397.55</b>

No budgetary support has been provided during the aforesaid years to the other CPSEs. Budgetary allocation has been low on account of the decisions taken regarding their closure / strategic sale. The expenditure against the budgetary allocation has been nearly full (99.52%).

**Annexure referred to in the reply to parts(b) and (c) of LOK SABHA UNSTARRED Q. No. 2295 for answer on 12.12.2025, raised by Shri Ramasahayam Raghuram Reddy, regarding “Modernisation of Pharma PSUs”**

**Measures taken by pharmaceutical CPSEs under the Department of Pharmaceuticals to improve their production capacity and the remedial steps taken by them to settle their statutory liabilities**

BCPL, KAPL and HAL have undertaken multiple measures to improve the production capacity for essential medicines, including upgrade of manufacturing facilities, enhancement of production lines and adoption of latest technologies, along with initiatives for meeting the requirements relating to good manufacturing practices under Schedule-M to the Drugs Rules, 1945. They have also strengthened marketing and distribution networks, and improved coordination with Central and State procurement agencies to ensure enhanced utilisation of capacity and sustained contribution to national availability of essential medicines.

Remedial steps taken include settlement of long pending statutory liabilities of HAL:

- (i) HAL had liability of ₹2.28 crore (principal plus interest) towards the Indian Railways for railway siding facilities at HAL, which has been settled through payment of only the principal amount of ₹15 lakh.
- (ii) HAL had liability of more than ₹10 crore (principal plus interest) towards CISF for their services offered to HAL till 2015. This liability has been settled through payment of only the principal amount, *i.e.*, ₹ 2.81 crore.
- (iii) There was an amnesty scheme for settlement of pending sales tax / VAT dues. HAL, utilising this scheme, has settled pending tax arrears of sales tax / VAT of ₹1.78 crore.
- (iv) There was another amnesty scheme for settlement of pending Bombay Sales Tax dues (BST) and CST. The total liability of HAL for BST/CST was ₹87.82 crore, which has been settled at ₹7.16 crore.

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