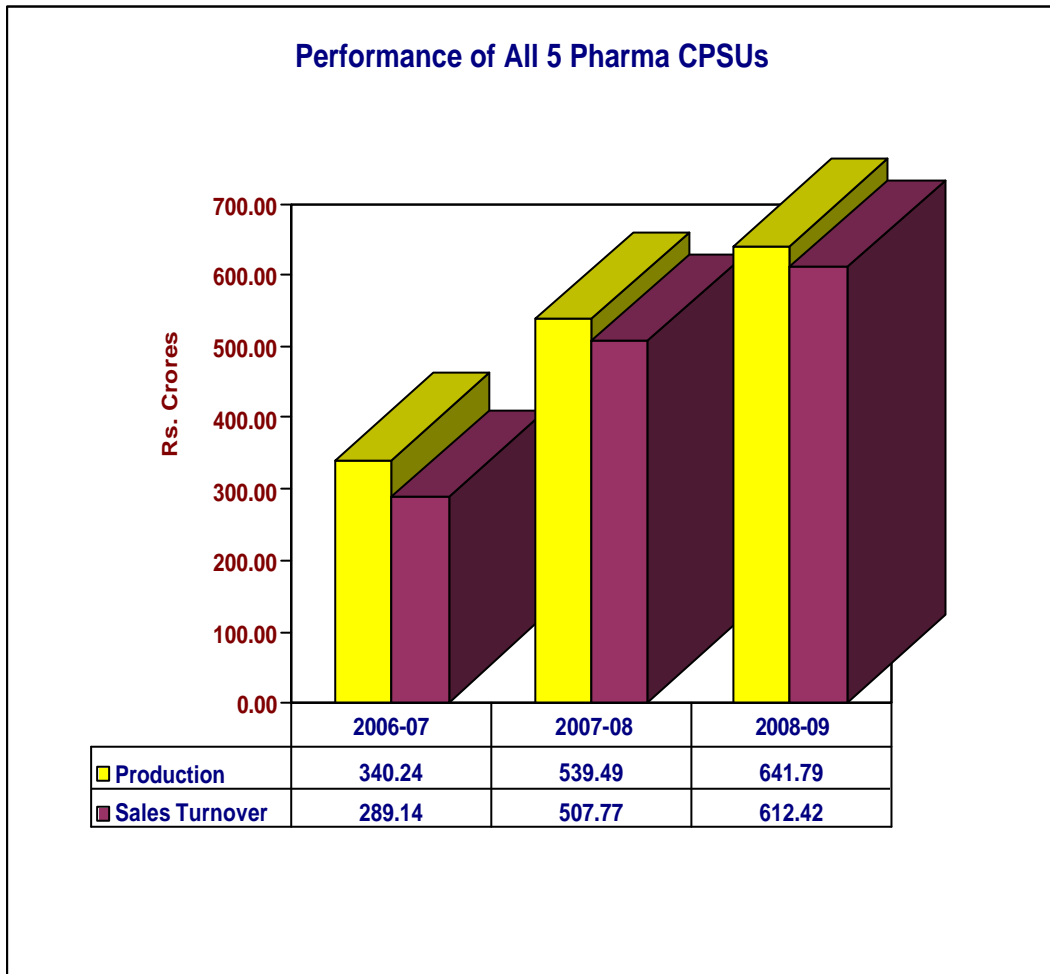


Central Public Sector Undertakings

There has been noticeable improvement in the total production and sales of five Pharma Central Public Sector Undertakings (CPSUs) under the control of this Department as would appear from the graph below:-Graph



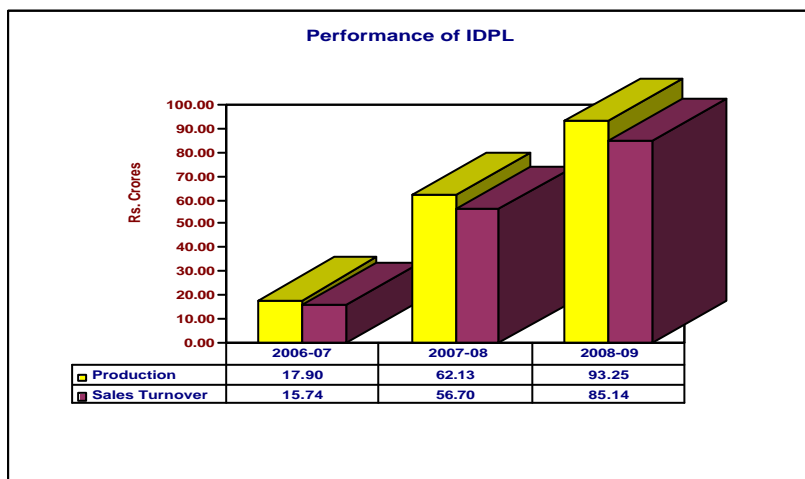
1. INDIAN DRUGS & PHARMACEUTICALS LIMITED (IDPL)

1.1 Indian Drugs & Pharmaceuticals Limited (IDPL) was incorporated on the 5th April, 1961 with the primary objective of creating self sufficiency in essential life saving drugs and medicines. The company has presently three manufacturing plants, one each at Rishikesh (Uttarkhand), Hyderabad (Andhra Pradesh) and Gurgaon (Haryana). IDPL has two wholly owned subsidiaries, namely, IDPL (Tamil Nadu) Ltd., Chennai (Tamil Nadu) and Bihar Drugs & Organic Chemicals Ltd. at Muzaffarpur (Bihar). In addition, IDPL has two joint sector undertakings, promoted in collaboration with the respective State Governments. These are Rajasthan Drugs and Pharmaceuticals Ltd. (RDPL), Jaipur, and Orissa Drugs & Chemicals Ltd. (ODCL), Bhubaneswar.

1.2 IDPL was formally declared sick by the Board for Industrial & Financial Reconstruction (BIFR) on the 12th August, 1992. A revival package for the company was formulated and approved by BIFR on the 10th February, 1994. However, after taking into account the performance of the company which fell short of the targets, the BIFR on 23.1.1996 treated the sanctioned package as failure. BIFR in its meeting held on 4.12.2003 confirmed its prima-facie opinion about winding up of IDPL in terms of Section 20(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. Department of Chemicals & Petrochemicals filed an appeal against the order of BIFR in Appellate Authority for Industrial & Financial Reconstruction (AAIFR) on 10.2.2004.. Hon'ble AAIFR at its hearing on 13.9.2005 set aside the impugned order of BIFR dated 4.12.2003 and remanded the matter back to BIFR for taking further action for rehabilitation of IDPL. An Expert Committee was appointed in September, 2004, to study the techno-financial feasibility of rehabilitating IDPL. A technical audit of various plants of IDPL was also assigned to National Institute of Pharmaceutical Education and Research (NIPER). NIPER in its report submitted to the Department on 31.8.2005, recommended revival of all plants of IDPL and its subsidiaries in phases for production of existing and new products. IDBI supported the recommendations for revival of IDPL subject to certain conditions.

1.3 In a meeting held under the chairmanship of Minister (C&F&S) it was decided to revive all the five units of IDPL in a phased manner. Having considered the Draft Rehabilitation Scheme for revival of Indian Drugs & Pharmaceuticals Limited (IDPL) at its meeting held on 9.3.2007, the Board for Reconstruction of Public Sector Enterprises (BRPSE) recommended the scheme for approval of the Government. The scheme was placed before the Cabinet for approval. Cabinet considered the proposal at its meeting held on 17.5.2007 and referred it to GoM for consideration at the first instance. GoM has been constituted on 1.6.2007. The first meeting of the GoM was held on 11.10.2007 and a further meeting is to follow. The recommendations of the GoM when finalised would be placed before the Cabinet. Since Elections to the Lok Sabha have been announced, it has been decided to place the matter before the new Government. The company has signed MoU with the Government for the year 2008-09.

1.4 There has been very noticeable improvement in the performance of the company in the last 3 years. Details of Production & Sales figures (unaudited) of IDPL from 2006-07 onwards are as under:



1.5 IDPL is engaged in setting up a new Cephalosporin plant at an estimated cost of Rs 13.00 crore at its premises in Gurgaon. The plant was inaugurated by the Minister

(C&F&S) on 20th February, 2009. This will help the company in further growth of production and sales.

1.6 For Muzzafarpur (Bihar) and Hyderabad (Andhra Pradesh), fresh initiatives have been taken for re-starting these Plants and also to generate revenue from the non performing assets (NPAs). Development of plant/ area through Joint Venture/ Public Private Partnership mode is also being explored.

2. HINDUSTAN ANTIBIOTICS LIMITED (HAL)

2.1 Hindustan Antibiotics Ltd. (HAL), Pimpri, Pune was incorporated on 30th March, 1954. This was the first Public Sector Company in drugs and pharmaceuticals. HAL has its plant located at Pimpri. The company produces a wide range of Pharmaceutical formulations including agro-vet products. There are three joint sector units promoted by HAL in collaboration with the respective State Governments. These are Karnataka Antibiotics & Pharmaceuticals Ltd. (KAPL), Bangalore (Karnataka), Maharashtra Antibiotics & Pharmaceuticals Ltd. (MAPL) at Nagpur (Maharashtra-since closed) and Manipur State Drugs & Pharmaceuticals Ltd. (MSDPL) at Imphal (Manipur-since closed). In addition there was a joint venture, namely, HMGB, with a private sector company Max GB-since discontinued.

2.2 As the company had been incurring continuous loss since 1993-94, it was referred to the BIFR in January, 1997. BIFR declared the company formally sick on 31.3.1997. BIFR appointed the Industrial Development Bank of India (IDBI), Mumbai as the Operating Agency for a techno-economic viability study and report. The first rehabilitation scheme prepared by HAL was revised on the directions of the BIFR and the Government. In the Budget speech 2004-05, the Finance Minister announced financial support for restructuring HAL. On 9.3.2006, Government approved the rehabilitation Scheme of the company. The rehabilitation Scheme inter alia involved the following:-

S. No.	Particulars	Amount(Rs. in crores)
1.	Cash infusion	137.59*
2.	Write off/exemptions from Government of India	267.57
3.	Sacrifices by Banks, financial institutions	103.34

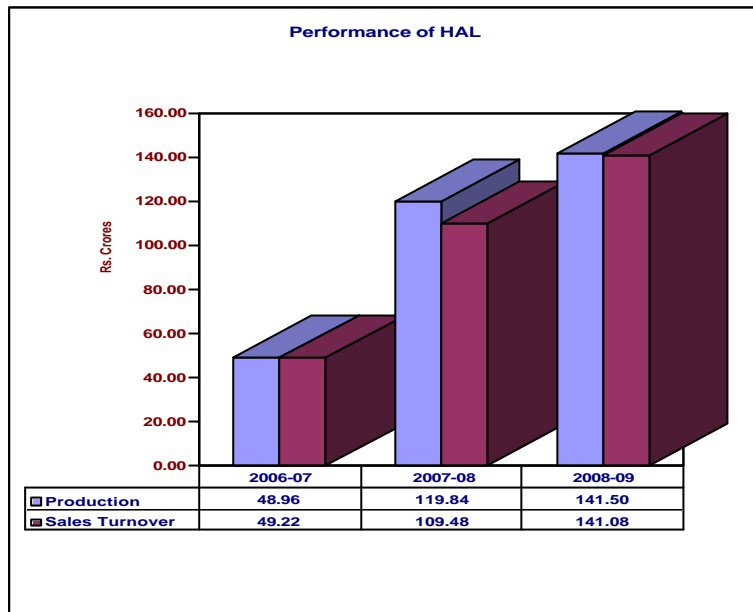
		and PSUs		
		Total	508.50	

* This includes interest free loan of Rs. 56.96 crores to be repaid by HAL. by sale of land within a period of two years.

2.3 The entire cash infusion of Rs. 137.59 crores has been released to the company. Parliament has approved writing off of loan and waiver of interest to the extent of Rs. 259.43 crores. BIFR has also sanctioned the Rehabilitation Scheme vide its order dated 5th June 2007 and issued guidelines for constitution of Assets Sale Committee. Action has been initiated by HAL for sale of land.

2.4 Government has approved the proposal received from HAL for setting up new powder injectable facilities for Cephalosporin and upgradation of existing vialling facilities for Betalactum (Penicillin) Antibiotics complying to WHO-GMP standards at an estimated cost of Rs. 20.17 crores. The entire amount of Rs. 20.17 crores has been released to HAL. HAL has completed the work on Cephalosporin in record time of 9 months. It is likely to commence commercial production in February, 2009. Work relating to upgradation of existing vialling facilities for Betalactum Antibiotics is likely to be completed by March 2009.

2.5 It has improved its production and sales during 2007-08 (unaudited information) onwards vis-à-vis 2006-07. Details of Production & Sales of HAL from 2006-07 onwards are as under:-



2.6 Government has sanctioned Rs. 10.00 crore during the year 2008-09 to this company to undertake WHO-GMP compliance of its plants. This is planned for giving a boost to exports of products manufactured by HAL for which substantial potential exists.

3. BENGAL CHEMICALS & PHARMACEUTICALS LIMITED (BCPL)

3.1 BCPL was a sick company in the private sector in the name and style of Bengal Chemicals & Pharmaceuticals Works. It was nationalized on 15th December, 1980. A new public sector company in the name and style of Bengal Chemicals & Pharmaceuticals Limited (BCPL) was incorporated on the 17th March, 1981.

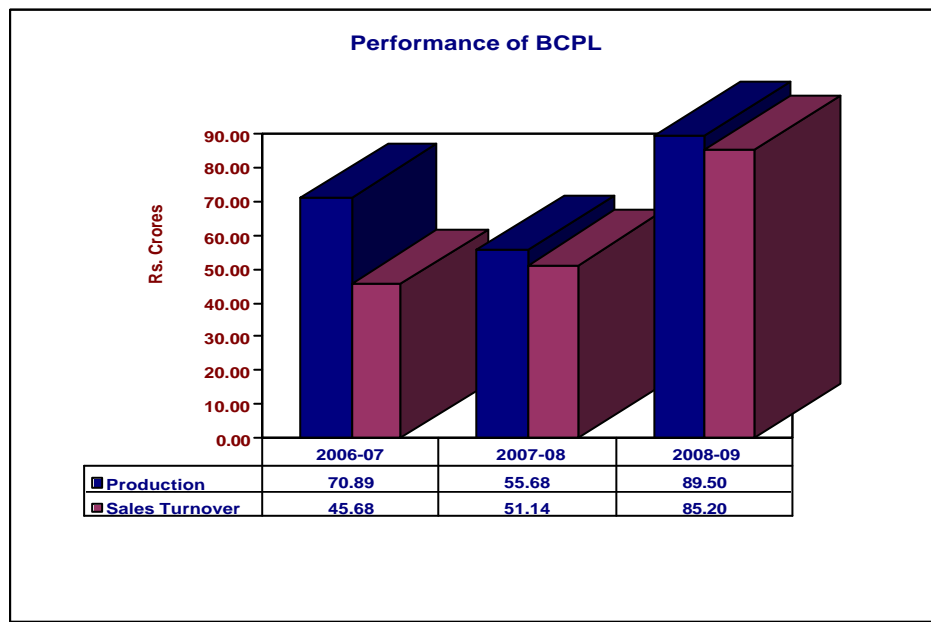
3.2 The company has four manufacturing units one each at Maniktala at Kolkata, Panihati at North 24 Parganas (West Bengal), one at Mumbai (Maharashtra) and at Kanpur (UP). The company manufactures and markets a wide a range of industrial chemicals, a large number of drugs and pharmaceuticals besides cosmetics and home products. In the home products, the well known products include Cantharidine Hair Oil and Lamp Brand Phenol. The company was formally declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on the 14th January, 1993. A revival package was approved by the BIFR on the 4th April, 1995. The package was reviewed by BIFR from time to time. As a result, BIFR sanctioned a Modified Revised Rehabilitation Scheme on 14.1.2004 for the revival of BCPL. This envisages a number of reliefs and concessions from the Government and other agencies.

3.3 The Modified Revised Rehabilitation Scheme sanctioned by BIFR was further modified by the Company keeping in view its requirements for modernization of plants & machinery and placed before BRPSE for its recommendations. The Board for Reconstruction of Public Sector Enterprises (BRPSE) at its meeting held on 25.8.2006 recommended the modified revival plans for approval. On 21.12.2006, Cabinet Committee on Economic Affairs (CCEA) approved the revival scheme of BCPL, as under:

- | | |
|--|---------------------|
| (i) Cash infusion by GOI | - Rs. 207.19 crores |
| (ii) Write off/Waiver of Loans/Interest(As on 31.3.2005) | - Rs. 233.41 crores |
| (iii)Waiver of Loan/Interest by the GOI not - | Not quantified |
- to be treated as income in terms of Income Tax Act.

3.4 Out of Cash infusion of Rs. 207.19 crores, Rs. 117.19 crores has since been released to BCPL and an interest free loan of Rs. 90.00 crores would be provided during 11th Five Year Plan. Of this, Rs. 20.00 crores has been released in 2007-08 and Rs. 20.00 crores has been released in 2008-09. Parliament has approved writing off of GOI loans & interest of Rs. 233.41 crores. The company has appointed a Consultant for undertaking the work of upgradation & modernization of plant & machinery including compliance with Schedule 'M', WHO GMP standard. The work has since commenced at Maniktala, Panihati & Kanpur. It will take 18-24 months to complete the work. Impact of upgradation/modernization work will be visible in 2009-10.

3.5 The company has entered into MoU with the Government during the year 2008-09. Details of Production & Sales of BCPL from 2006-07 onwards (unaudited information) are as under:



4. BENGAL IMMUNITY LIMITED (BIL)

4.1 BIL was a sick company in the private sector in the name and style of Bengal Immunity Company Limited. The management of the company was taken over by the Central Government with effect from the 18th May, 1978. It was nationalized w.e.f. 1st October, 1984 and a new public sector company in the name and style of Bengal Immunity Limited was incorporated on the 1st October, 1984. The company has two manufacturing units, one each at Baranagar at Kolkata (West Bengal) and at Dehradun (Uttarakhand).

4.2 The Board for Industrial and Financial Reconstruction (BIFR) formally declared the company sick on 9th March, 1993. BIFR heard the case from time to time. In the hearing held on 13th September, 2002, BIFR formed its prima-facie opinion to wind up the company. The opinion was confirmed by BIFR in the hearing held on 25th February, 2003. With the approval of the Cabinet, VSS was introduced in the company. The company has since relieved all employees under VSS as on 30th September, 2003.

4.3 The company is closed. The Official Liquidator has already been appointed by the Kolkata High Court. However, the appointment of Liquidator in respect of BIL has been stayed on a Writ Petition filed by the BIL Employees Union and thereafter this Department on the ground that a Committee has been set-up to look into the issue of revival of BIL looking to the order passed by AAIFR. The Committee, constituted to explore the possibility of revival of Bengal Immunity Limited (BIL), recommended revival of BIL through public private partnership mode. A meeting was held under the Chairpersonship of Secretary(C&PC) on 20.2.2007 to hear the private companies. As a result of the meeting held on 20.2.2007, a Technical Committee was constituted to examine technical & financial capabilities of short listed companies. The Committee submitted its report on 12.7.2007. The Committee while reflecting the technical capabilities of the short listed companies, recommended financial due diligence & assessment by a reputed financial consultant.

4.4 The constitution of the Committee was by reason of the order passed by the Appellate Authority for Industrial & Financial Reconstruction (AAIFR). As such, AAIFR also heard short listed companies. Subsequently, AAIFR called all five companies who met the eligibility criteria. For the purpose hearing was held in AAIFR on 6.11.2007. AAIFR passed orders in this regard on 3.3.2008. AAIFR, inter alia, asked the Government to consider & evaluate proposals from 5 short listed companies mentioned in the Report of the Committee. SBI Caps have been appointed for evaluation of proposals of 5 short listed companies as per the order dated 3.3.08 passed by AAIFR.

5. SMITH STANISTREET PHARMACEUTICALS LIMITED (SSPL)

5.1 It was a sick company in the private sector in the name and style of Smith Stanistreet Company Limited set up in 1821 and its management was taken over by the Government of India with effect from 4^h May, 1972. The company was nationalized on 1st October, 1977, and a new public sector company in the name and style of Smith Stanistreet Pharmaceuticals Limited (SSPL) was incorporated on 19th July, 1978. The company has its registered office at 18, Convent Road, Kolkata (West Bengal)

5.2 The company was formally declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on the 21st December, 1992. The BIFR approved a revival package for the company on the 31st August, 1994. The revival package was for a period of ten years beginning from 1994-95. The same was declared as having failed during the hearing on October, 17, 2000. The BIFR heard the case on the 3rd December, 2001 and confirmed its prima facie opinion that it was just, equitable and in public interest that the company should be wound up. With the approval of the Cabinet, VSS was introduced in the company. The company has since relieved all the employees under VSS as on 30th September, 2003. The company is closed.

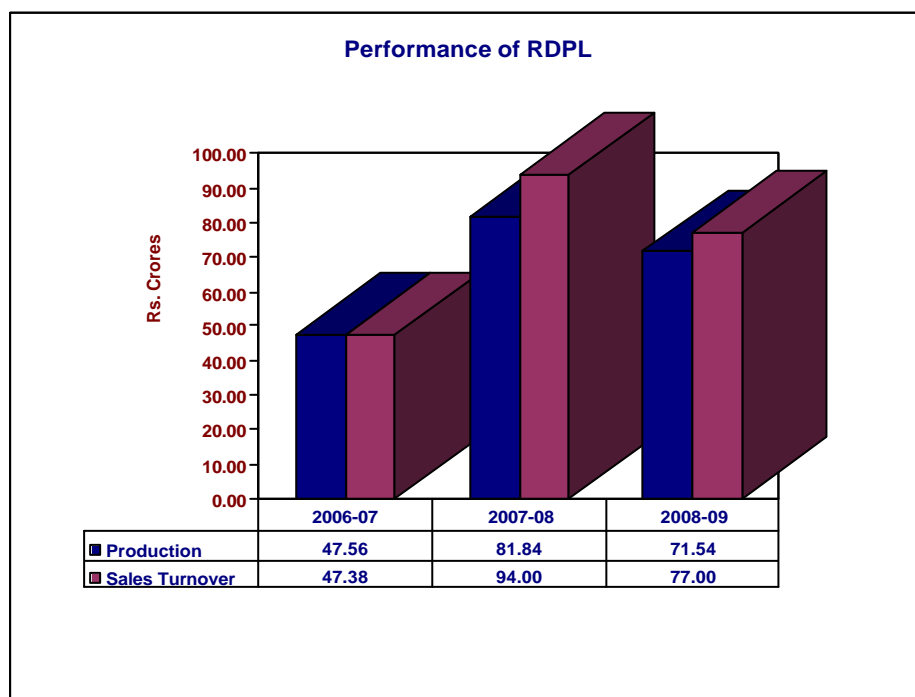
5.3 The Official Liquidator has been appointed by the Hon'ble High Court of Calcutta vide Order dated 12.1.2006. The Registered Office, Plant & machinery and other assets have since been taken over by the Official Liquidator.

6. JOINT SECTOR UNDERTAKINGS

6.1 RAJASTHAN DRUGS & PHARMACEUTICALS LIMITED (RDPL).

6.1.1 This is a profit making joint sector undertaking promoted by Indian Drugs & Pharmaceuticals (IDPL) and the Rajasthan Industrial Development and Investment Corporation (RIICO). IDPL holds 51% of the equity shares and the rest is with RIICO. The company was incorporated in 1978 and the commercial production was commissioned in April, 1981. The company has its manufacturing unit and the registered office located at V.K.I. Industrial Area, Jaipur (Rajasthan). This is a formulation unit engaged in the production of Tablets, Capsules, Liquid Orals and Injectables. It is an MOU signing company. RDPL has been continuously generating profits for the last 10 years and the performance of RDPL has further improved and gone up especially on account of Purchase Preference Policy announced by the Department.

Details of Production & Sales of RDPL:



Delinking and funding sanctioned by Government for Schedule 'M' and WHO-GMP Compliance and capacity enhancement in RDPL.

6.1.2 In the interest of continued growth and development of the company, Government has decided to delink RDPL from IDPL and transfer the shareholding of IDPL in RDPL to Government of India. Government of India has also invested Rs. 2.00 crore in RDPL to enable it to upgrade, modernize and enhance capacity of its plants and to make them Schedule 'M' and WHO-GMP compliant. Rajasthan Industrial Development Investment Corporation (RIICO), other joint venture partner would bring in additional investment of Rs. 1.90 crore in RDPL.

6.2 ORISSA DRUGS & CHEMICALS LIMITED (ODCL)

6.2.1 This is a profit making Joint Sector Undertaking promoted by Indian Drugs & Pharmaceuticals Limited (IDPL) and the Industrial Promotion and Investment Corporation of Orissa (IPICOL). IDPL holds 51% of the equity shares and the rest is with IPICOL. The company was incorporated in 1979 and commissioned fully for production from September, 1983. The company has its manufacturing unit and its registered Office in Mancheshwar Industrial Area, Bhubaneshwar in the State of Orissa. The company is engaged in the manufacture of Pharmaceutical formulations in the form of Tablets, Capsules, Powders, and Ointments etc.

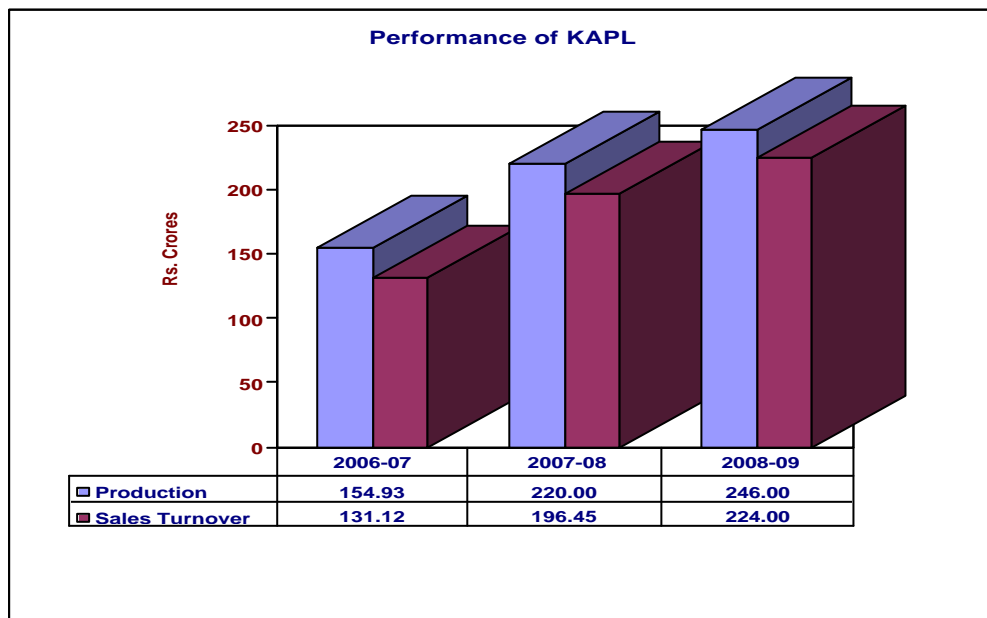
6.2.2 ODCL was formally declared sick by the Board of Industrial and Financial Reconstruction (BIFR) on the 26th October, 1992. On the basis of the report of the Operating Agency, appointed by the BIFR and the support extended by the promoters, the BIFR approved a revival package for ODCL on the 18th August, 1994. BIFR heard the case from time to time. The BIFR in the hearing on 18.12.2000, declared this scheme as failure. The BIFR issued a show cause notice for winding up of the company in the absence of a fully tied up proposal for revival. In the hearing held on 8.7.2002, the BIFR, inter-alia, directed the O.A. to issue advertisement inviting offers for sale of the assets of the company under Section 18(2) (i) without any liability or under Section 18(ii). The advertisement was issued by the OA (IDBI) and then a joint meeting was held on November 13, 2002.

6.2.3 BIFR in its order dated 8th April, 2003 passed orders for winding up of the company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The appeal filed by ODCL employees against the winding up order of BIFR has been dismissed by the AAIFR vide its order dated 23.6.2005. High Court of Orissa had appointed a provisional Liquidator. This has since been stayed by the High Court.

7. KARNATAKA ANTIBIOTICS & PHARMACEUTICALS LIMITED (KAPL).

7.1 This is a profit making Joint Sector Undertaking promoted by Hindustan Antibiotics Limited (HAL) in collaboration with Karnataka State Industrial and Investment Development Corporation (KSIIDC). HAL holds 59% of the equity shares and the rest is with KSIIDC. The Company was incorporated on 13th March, 1981 and the commercial production started from August, 1984. the manufacturing units and the registered office of the company is located at Bangalore(Karnataka). The main products are pharmaceuticals formulations like tablets, capsules, injectables, etc. It is an MOU signing company. It has been continuously generating profits for the last 10 years and the performance of the company has further improved and gone up especially on account of Purchase Preference Policy announced by the Department.

Details of Production & Sales of KAPL:



Delinking and funds sanctioned by Government for upgrading manufacturing facilities and setting up new Cephalosporin plant in KAPL.

7.2 In the interest of continued growth and development of the company, Government has decided to delink KAPL from HAL and transfer the shareholding of HAL in KAPL to Government of India. Government of India has also invested Rs. 7.10 crore in KAPL for upgrading its manufacturing facilities conforming to WHO-GMP standards and setting up a new WHO-GMP compliant Cephalosporin plant. Other joint venture partner, viz. Karnataka State Industrial & Investment Development Corporation (KSIIDC) would bring in additional investment of Rs. 4.90 crore in KAPL.

8. MAHARASHTRA ANTIBIOTICS & PHARMACEUTICALS LTD (MAPL)

8.1 This is a Joint Sector Undertaking promoted by Hindustan Antibiotics Limited (HAL) and State Industrial & Investment Corporation of Maharashtra (SIICOM). HAL holds 52% of the equity shares, 38% is with SICOM and 10% with IDBI. The company was incorporated in November, 1979, and the commercial production started in May, 1981. The registered office and the factory of the company is located at Nagpur, (Maharashtra).

8.2 The BIFR formally declared MAPL as sick on 14.1.1997. BIFR heard the case from time to time. In the hearing held on 04.07.2000, BIFR formed opinion for winding up of the company under Section 20(1) of the SICA, 1985. Appeals filed in AAIFR were also dismissed. How ever writ petitions have been filed in the Nagpur Bench of the Mumbai High Court against the liquidation proceedings of MAPL. At present, the company is closed and is before the High Court for appointing a Liquidator.

8.3 In accordance with the direction of the Nagpur Bench of the High Court of Mumbai, Government introduced VSS in MAPL. Accordingly all employees were released under VSS.

9. MANIPUR STATE DRUGS & PHARMACEUTICALS LIMITED (MSDPL)

9.1 This is a joint sector undertaking promoted by Hindustan Antibiotics Limited (HAL) in collaboration with Manipur Industrial Development Corporation (MANIDO). HAL holds 51% of the equity shares and the rest is with MANIDO. The company was incorporated on the 18th July, 1989. The manufacturing unit and the registered office is at Imphal (Manipur).

9.2 Due to time and cost overruns, the project was not completed by 1991. In 1993, the cost of the project was estimated at Rs. 395.00 lakhs. But it was not approved. In August, 1997, a professional consultant, M/s. Business Horizon Private Ltd. was engaged to examine viability of the project. The consultant estimated cost of completion of the project at Rs. 859.50 lakhs.

9.3 The matter was referred to the Government of Manipur for their comments on the report of the consultant. Based on the comments of the State Govt. of Manipur, closure of MSDPL was proposed after separation of employees with retrenchment benefits under the Industrial disputes Act/Workmen's compensation Act. At present, the company is closed.

10. WHOLLY OWNED SUBSIDIARIES:

10.1 IDPL (TAMIL NADU) LIMITED, CHENNAI

10.1.1 In terms of the revival package approved by BIFR in 1994 in the case of IDPL, the Surgical and Formulation Unit of IDPL at Chennai was converted into a wholly owned subsidiary in the name and style of IDPL (Tamil Nadu) Limited, Chennai with effect from the 1st April, 1994. IDPL holds the entire equity capital of this unit. At present, it is engaged in the manufacture of pharmaceutical formulations.

BIHAR DRUGS & ORGANIC CHEMICALS LIMITED, MUZAFFARPUR.

10.2.1 In terms of the revival package approved by the Board for Industrial & Financial Reconstruction (BIFR), the Organic Chemicals and Drug Manufacturing unit of IDPL at Muzaffarpur (Bihar), was converted into a wholly owned subsidiary in the name and style of Bihar Drugs & Organic Chemicals Limited, Muzaffarpur with effect from the 1st April, 1994. IDPL holds the entire equity capital of this Unit. The past long-term liabilities amounting to Rs.36 crore as on 31.3.1994 were taken over by IDPL. At present there is no production activity in the unit. However, IDPL has taken a new initiative to commence work relating to production of clarithromycin, Roxithromycin and Azithromycin bulk at this plant.