

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

UNSTARRED QUESTION NO:1547
ANSWERED ON:07.08.2006
MODERNISATION OF PUBLIC SECTOR UNDERTAKINGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government proposes to modernize the Public Sector Undertakings in Pharmaceutical and Fertilizer Sectors for better production and profitability;
- (b) if so, the details thereof indicating the projects surveyed and the process to be modernized; and
- (c) the expenditure likely to be incurred thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHR1 B.K. HANDIQUE) :

(a) to (c) Two proposals have been received from Karnataka Antibiotics and Pharmaceuticals Limited (KAPL) Bangalore, and Rajasthan Drugs and Pharmaceuticals Limited (RDPL) Jaipur, Joint Ventures of Central Government through Central Pharma PSEs and the respective State Governments, for modernization of their plants and meeting the requirements of international GMP guidelines. The proposal of KAPL involves an expenditure of Rs.22.45 crore. Planning Commission has since granted in principle approval of Rs. 22.45 crore. Planning Commission has since granted in principle approval to the proposal. Similar proposal received from RDPL at an estimated cost of Rs. 6.00 crore is under examination in the Department. There are also proposals to rehabilitate and revive sick Pharma PSUs viz. IDPL and BPCL. Government has already approved rehabilitation scheme of Hindustan Antibiotics Limited (HAL). The cost of rehabilitation scheme of HAL is estimated to be Rs. 508.50 crore. Of this, there would be cash infusion of Rs. 137.59 crore. Regarding Fertilizer Public Sector undertakings, new pricing scheme for urea units introduced with effect from 1.4.2003 replacing the erstwhile Retention Price scheme provides an incentive based policy framework which induces urea units including those in public sector to take energy efficiency measures on their own and retain the gains as a result of operational efficiency.