

Ministry may seek Cabinet approval for IDPL revamp

JOE C MATHEW
New Delhi, 4 November

The Ministry of Chemicals and Fertilisers may seek Cabinet approval for the revamp of its flagship pharmaceutical entity, the Indian Drugs and Pharmaceuticals Ltd (IDPL), soon. The attempt is the latest among a series of such measures taken over the past eight years after the country's largest public sector drug manufacturing company was formally declared sick.

The revival plans turn significant against the backdrop of the government's resolve to tackle the drug availability and affordability issue. IDPL is currently the main source of medicines for the government's Jan Aushadhi project, where low-cost medicines of good quality are being supplied through

retail shops set up by non-governmental organisations.

The chemicals and fertilisers ministry was fine-tuning a cabinet note that talked about a complete revamp of all IDPL manufacturing units spread across the country, officials said.

The proposal will include complete write-off of loan burden, waiver of interest and one-time settlement of loans with other banks. The department also wants to infuse funds for modernisation of manufacturing facilities and setting up new ones.

The company has three manufacturing plants—in Rishikesh, Hyderabad and Gurgaon. It also has two wholly-owned subsidiaries in Chennai and Bihar.

IDPL was declared sick by the Board of Industrial and Financial Reconstruction (BIFR) in 1992. After consistent efforts by the ministry, the Board of

Reconstruction of Public Sector Enterprises had, in 2007, recommended a revival scheme for approval of the government.

The scheme, which envisaged a ₹760-crore revival package for IDPL, was placed before the Cabinet, which referred it to a group of ministers. The general elections and the formation of the current government prevented the scheme from being processed further. Ministry officials said the new cost structure of the revival package was yet to be finalised.

In addition to Jan Aushadhi supplies, IDPL had also diversified into areas like supply of surgical items, veterinary, ayush and homeopathy products in 2009-10. It has re-launched trade sales in December last year and introduced some products that do not require a doctor's prescription for purchase.


Gmt.