

Peoples' Commission Statement on Privatisation of IMPCL

Date: 05.10.2026

Introduction

We understand that a Group of Ministers empowered by the Cabinet Committee on Economic Affairs (CCEA), comprising Union Cabinet Minister for Road Transport and Highways, Union Cabinet Minister for Finance and Union Minister of State (Independent Charge) for Ministry of AYUSH, have approved the highest bid amounting to Rs. 121,00,94,400 (One Hundred Twenty-One Crores Ninety-Four Thousand Four Hundred only) of M/s. Skymap Pharmaceuticals Private Limited for the sale of 100% equity shareholding of the CPSE, Indian Medicines Pharmaceutical Corporation Limited (IMPCL) along with transfer of management control¹. IMPCL is an unlisted CPSE under the Ministry of Ayush, incorporated 1978, with a paid-up capital ₹51.98 crore. Its last balance sheet filing was for the year ended March 31, 2024, filed with the Registrar of Companies². IMPCL was not sold because it was loss-making.

The company reported an impressive threefold increase in profit for FY 2021–22 and paid a dividend of ₹10.13 crore to its stakeholders³. IMPL has in its possession 35.81 acres of valuable land on lease from the government in Mohan (Almora, Uttarakhand). Its value in itself is comparable to the price at which the government has approved 100% of the equity of the CPSE. In addition, IMPCL's cash balance as reported last is Rs 116.46 Crores. The total value of its assets may be more than Rs 260 Crores, Rs 139 Crores higher than the price at which the government has sold 100% of its equity. IMPL's net worth may be far more than it. The Government's explanation is essentially policy rather than financial. IMPCL is regarded as a commercial manufacturing activity rather than an activity requiring continuing Government ownership.

The CCEA gave in principle approval in November 2017 for strategic disinvestment of IMPCL, following a recommendation of NITI Aayog. The formal PIM/EoI was issued in 2023. In 2026, after the competitive bidding process, the Government approved Skymap's bid of ₹121.0094 crore for 100% equity and management control. The Government's current policy is to retain only a minimum presence in designated "strategic" sectors and reduce its presence in non-strategic commercial activities (DIPAM). Importantly, the Ministry of AYUSH has also told Parliament that it has no future plan for

Members:

Dr. Thomas Isaac

Former Finance Minister, Kerala (Co-Chair)

Mr. E.A.S. Sarma

Former Secretary, Ministry of Power & Economic Affairs, Govt of India (Co-Chair)

Mr. V. P. Raja

Former Chairman, Maharashtra State Electricity Regulatory Commission (Co-Convener)

Ms. Aditi Mehta

Former Additional Chief Secretary, Rajasthan (Co-Convener)

Mr. S.P. Shukla

Former Member, Planning Commission

Dr. Indira Jaising

Senior Advocate, Supreme Court of India

Dr. R. Nagaraj

Visiting Professor, Centre for Development Studies, Thiruvananthapuram

Dr. Prabhat Patnaik

Professor Emeritus, Jawaharlal Nehru University

Mr. V. Sridhar

Senior Journalist

Prof. Sebastian Morris

Goa Institute of Management

K Ashok Rao

Patron, National Confederation of Officers' Association & All India Power Engineers Federation

M P Sukumar Nair

Expert on Public Sector

R.Elangovan

DREU

Dr. A.Mathew

Convener, AIFAP

Coordination Committee:

M G Devasahayam

Former Civil Servant and People-First (Chairman)

Sushil Khanna

Retired Professor, IIM-Kolkata

Dinesh Abrol

Retired Professor, National Institute of Science, Technology & Development Studies

Thomas Franco

Former General Secretary, All India Bank Officers' Confederation & People First

Anil Kumar G

Secretary General, National Confederation of Officers' Associations of CPSEs

Joe Athialy

Financial Accountability Network - India

¹ (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2265581®=48&lang=2>)

² (<https://www.infyner.com/company/impcl/U24231UR1978GOI004637>)

³ (<https://www.indianpharmapost.com/news/lite/impcl-registers-impressive-threefold-increase-in-profit-for-fy21-22-13289>)

IMPCL as a Government company, arguing that the AYUSH agenda can be pursued through the National AYUSH Mission, AYURGYAN, AYURSWASTHYA and other schemes.

Issues and Concerns

There are also larger concerns of policy that arise in the case of privatisation of IMPCL. Skymap Pharmaceuticals Private Limited to whom IMPL has been sold is a company that deals in allopathic medicines has a conflict of interest in dealing in ayurvedic medicines. Further, if privatisation of IMPL is meant to raise additional fiscal resources for the government, it is a highly imprudent decision, as the successful bidder necessarily raises the amount of bid from the same pool of resources in the market that the government can readily access on much better terms, without having to lose ownership and control of the CPSE. As a CPSE, IMPL played the role of an instrument of the State in fulfilling the welfare mandate envisaged in the Directive Principles.

Out of the total number of 75 employees in IMPL, 54 belong to the SC/ST/OBC categories. Privatisation would render the future of IMPL's employees, particularly that of the disadvantaged groups uncertain. CPSEs like IMPL play an important role in empowering the disadvantaged sections of the society through their policy to enforce reservations. IMPCL Karamchari Sangh has challenged the sale, alleging among other things:

- 1) undervaluation
- 2) the Skymap does not satisfy the prescribed financial eligibility;
- 3) inadequate protection for employees and other stakeholders;
- 4) irregularities in the process.

Procedurally speaking, there was a formal valuation and competitive bidding process. The eligibility criterion was set aside completely in the process. IMPCL has been sold to an allopathic company that has neither expertise nor interest in pursuing Ayurvedic medicines production. The Government's own 2023 Preliminary Information Memorandum states IMPCL was manufacturing 656 classical Ayurvedic medicines, 332 Unani Medicines, 71 proprietary Ayurvedic medicines. That is 1059 formulations/products in total.

IMPCL's applied R&D in traditional medicine has been about formulation development, standardisation, quality control, proprietary products, adapting classical formulations and meeting pharmacopeial/essential drug list requirements. What happens to the R&D after privatisation is also an important issue? The Government has transferred not merely a manufacturing unit but an accumulated body of expertise in applied R&D in traditional medicine-supposedly the priority of this government. Further there is also evidence of a significant Government-market role. In 2021, GeM had created 31 categories covering 311 IMPCL medicines for procurement through the Government e-Marketplace.

In conclusion, we feel concerned that the government should decide to part with 100% of its ownership of IMPL for an amount that is less than 46% of its inherent value, with no tangible benefit in terms of additional fiscal resources and no evidence of the sale being beneficial to the society. We demand that the government revisits the decision and reverses it.

People's Commission on Public Sector and Public Services

About Peoples' Commission on Public Sector and Public Services (PCPSPS): Peoples' Commission on Public Sector and Services includes eminent academics, jurists, erstwhile administrators, trade unionists and social activists. PCPSPS intends to have in-depth consultations with all stakeholders and people concerned with the process of policy making and those against the government's decision to monetise, disinvest and privatise public assets/enterprises and produce several sectoral reports before coming out with a final report. Here is the first interim report of commission- Privatisation: An Affront to the Indian Constitution.

For further details, please contact:

Thomas Franco

Former General Secretary, All India Bank Officers' Confederation & People First

Contact: +91 9445000806

Email: reclaimtherepublic2018@gmail.com

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