

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

STARRED QUESTION NO:40
ANSWERED ON:09.08.2012
REVIVAL OF PURCHASE PREFERENCE POLICY
Naik Dr. Sanjeev Ganesh;Sule Supriya

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

- (a) whether over the last five years, the Government has provided purchase preference for 102 medicines manufactured by the public sector units through Purchase Preference Policy (PPP);
- (b) if so, the details thereof indicating the benefits accrued by the Public Sector Units as a result thereof;
- (c) whether the Department of Pharmaceuticals is considering to seek Cabinet approval for the revival of Purchase Preference Policy (PPP), which expired in August, 2011;
- (d) if so, the details thereof; and
- (e) if not, the time by which a final decision in the matter is likely to be taken?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SUIKANT KUMAR JENA)

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 40 for 09.08.2012

(a) Yes, Sir.

(b) The Cabinet had earlier approved the Purchase Preference Policy (PPP) for 102 products of Pharma Central Public Sector Enterprises (CPSEs). The Purchase Preference Policy came into effect from 7.8.2006 for a period of five years. The PPP has since expired on 6.8.2011. The earlier policy was approved by the Cabinet, inter alia with benefit/objective in view that pharma CPSEs and their subsidiaries would strengthen their marketing capabilities for a larger market share in the open market; during the currency of PPP, provide a fillip for revival of the ailing pharma CPSEs, optimum utilization of the installed capacity of pharma CPSEs and recover from loss making trend etc.

The following 5 Pharma CPSEs under the then Department of Chemicals & Petrochemicals, now under the Department of Pharmaceuticals were only covered under the above Purchase Preference Policy (PPP):-

- i) Indian Drugs & Pharmaceuticals Limited (IDPL) - Gurgaon
- ii) Hindustan Antibiotics Limited (HAL) - Pune
- iii) Karnataka Antibiotics & Pharmaceuticals Limited (ICAPL) - Bangalore
- iv) Bengal Chemicals & Pharmaceuticals Limited (BCPL) - Kolkata
- v) Rajasthan Drugs & Pharmaceuticals Limited (RDPL) - Jaipur

Following benefits have accrued to the five CPSEs due to Purchase Preference Policy :-

(i) Sales Turn Over

The turn over of the five CPSEs increased considerably during the last five years after PPP came into effect on 7.8.2006.

(ii) Compliance to revised Schedule-M

Majority of the manufacturing facilities of the CPSEs have since been upgraded to meet the current Schedule-M requirement as per the Drugs & Cosmetics Act.

(c) & (d) In view of the necessity for drug security through revival of CPSEs, the Government is in the process of finalizing a Cabinet Note for extension of Purchase Preference Policy beyond August, 2011.

(e); Does not arise.