

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

UNSTARRED QUESTION NO:406
ANSWERED ON:09.08.2012
MANUFACTURING OF MEDICINES
Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) whether the Government has taken note that Small & Medium Enterprises(SME) drug companies manufacture medicines worth Rs. 50,000-55,000 crore annually and sell the medicines worth Rs. 20,000-30,000 crore to multinational and big domestic drug companies.
- (b) if so, the medicines outsourced from SME drug companies are sold at very high rates by multinational and big domestic companies;
- (c) if so, whether the Government propose to take any steps to give relief to SME drug companies; and
- (d) if so, the details thereof?

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 SRIKANT KUMAR JENA)

(a) & (b): Many multinational and domestic drug companies outsourced their production from SME drug companies, In the case of scheduled drugs, the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled under the provisions of the Drugs(Price & Control) Order, 1995. NPPA/Govt. fixes or revises prices of scheduled drugs/formulations as per the provisions of the DPCO, 1995. No one can sell any scheduled drug/formulation at a price higher than the price fixed by NPPA/Govt.

(c) & (d): Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the Credit Linked Capital Subsidy Scheme(CLCSS) to provide incentives to micro and small enterprises for technology upgradation for approved 48 Sub-sectors including Drugs & Pharmaceuticals Sub-Sector. Under this Scheme, 15% capital subsidy is provided upto a loan of Rs. 1.00 crore as per the guidelines of the Scheme. Technologies required for Schedule M compliance and National /International standards in the Drugs & Pharmaceuticals Sub-Sector were added to the list of eligible technologies under the Scheme on 13.07.2009. Under this Scheme, 294 Drugs and Pharmaceuticals micro and small enterprises have availed subsidy of about Rs. 19.76 crore since inception of the CLCSS upto March, 2012.

Ministry of Micro, Small and Medium Enterprises is also implementing the ISO-9000/ISO-14001/HACCP Certification Reimbursement Scheme for enhancing the quality of the products of Micro and Small Enterprises including small Drug Companies. Under this Scheme, reimbursement of charges for acquiring ISO-9000/ISO-14001/HACCP Certification to the extent of 75% of the cost subject to a maximum amount of Rs. 75, 000 is provided.

Government has launched various schemes under National Manufacturing Competitive Programme(NMCP) to support for Micro, Small and Medium Enterprises including Small Drug companies to enhance their productivity and competitiveness.