



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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### **DoP directs Haryana govt to reinstate drug procurement criterion of Rs 3 cr**

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Ramesh Shankar, Mumbai

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=56053&sectionid=>

The Department of Pharmaceuticals (DoP) has taken up the long pending issue of bringing sanity in the drug procurement policies of some of the state governments and some central government departments with its issue of a directive to the Haryana government to amend the eligibility criteria for participating in drug purchase tenders for pharma companies as per earlier levels.

The Haryana government had some time back raised the annual turnover criterion for participating in drug purchase tenders from Rs 3 crore to Rs 35 crore, virtually disqualifying the small and medium pharma companies from participating in the tenders for supplying medicines to the state government departments.

In an advisory to Haryana chief secretary Urvashi Gulati, the DoP secretary Asok Kumar has said that such hike in annual turnover requirement suddenly would very much harm the growth of almost all of SS1 and medium units as a criteria of more than Rs 35 crores turnover are generally fulfilled by the MNCs or large companies only.

“I may apprise you that only those units (whether SS1 or of any category) can manufacture drugs in this country which have Schedule ‘M’ compliance standards issued by central/state drug controller authorities in order to ensure the quality assurance as per the Drugs & Cosmetic Act, 1940 and Drugs & Cosmetic Rules, 1945. You may be aware that 40 per cent of pharmaceutical production by value in India is by the SSI pharma companies on job-work basis on behalf of the large pharma companies or MNCs. This indicates that these SSI pharma units are capable of producing quality medicines at reasonable and competitive prices”, the DoP in its directive said.

The important thing is to gear up the Drug Regulatory Agency in the state to ensure to strict compliance of Schedule ‘M’ standard. Also, the department of health through the regional FDA of the state government can have appropriate on-site checking of potential suppliers and an on-going database kept for reference which may be updated from time to time. In fact, the DoP had launched a Subsidy Assistance Scheme Credit Linked Subsidy Scheme (CLCSS) in partnership with Ministry of Micro, Small & Medium Enterprises (MSME) to assist SSI to upgrade to Schedule M standards. We can assist Haryana state government to take advantage of this through Technical Guidance Workshop, the DoP said.

“I would also like to request that there should be all-out efforts to help the Small & Medium Enterprises (SME) pharma sector in the country due to its huge potential of increasing industrial and economic prosperity as well as being a source of employment across a wide range of skill sets”, the DoP secretary said.