



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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SSIs urge govt to source medicines from them for Jan Aushadhi stores

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Ramesh Shankar, Mumbai

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=55982§ionid=>

Even as the department of pharmaceuticals (DoP) has started advertisements for popularising the Jan Aushadhi stores assuring the common man that the drugs available at these stores are cheaper and of good quality, the small drug units have urged the government to source the medicines for these stores from them to ensure the easy availability.

In a letter to minister of state for chemicals Srikant Jena, the SME Pharma Industries Confederation (SPIC) said that despite best efforts by DoP, the limited number of Jan Aushadhi outlets and only generic variety of drugs restrict their scope. They make little impact considering the country's total domestic pharmaceutical sales of Rs 50,000 crore. Shortages are likely to aggravate with the start of the advertisement as PSUs alone cannot cope with the demand.

Besides, SPIC said that only generic drugs are available in Jan Aushadhi stores. It means that many life-saving combinations cannot be purchased from these outlets. If such drugs are allowed even with 300 per cent MAPE, it will effectively reduce existing MRPs to half. This will simultaneously increase availability and variety and also increase viability of the outlets. Such combinations can be readily provided by SMEs to cover the gap.

SPIC general secretary Jagdeep Singh said that the DoP, at the time of the inception of the Jan Aushadhi project, had shortlisted 175 Schedule M compliant SMEs to source medicine supplies for Jan Aushadhi stores. But after the shortlisting, the DoP developed cold feet on the issue and the SSIs have not been tapped so far to source medicines. The DoP is at present sourcing all the medicines from the PSU pharma units like IDPL, RDPL, etc.

Interestingly, the SSIs had offered the generic drugs at much cheaper rates than the market rates. In most of the cases, the prices of generic drugs are one-fourth of the prevailing market rate of the generic medicines.

Jan Aushadhi initiative is need of the hour as many patients are unable to afford medicines with inflated prices. Prices of medicines have spiralled during the last some years due to several anomalous policies of the government including the MRP-based excise collection and also due to the failure of the DPCO. Out of Rs 2200 crore detected as overcharged amount by the pharma companies during the last three years, less than Rs.200 crore could be recovered by the NPPA, the SPIC letter said.

Big Indian companies are being bought out by MNCs. The market share of six MNCs alone has risen to a whopping 25 per cent with a recent acquisition of one company at a cost of Rs 17,000 crore. Such an amount can only be recovered in 25 years unless prices of medicines are increased. And when other big companies also look forward to better deals, it prompts both to influence change in laws and policy to enable profiteering. For the purpose, attempts will be made to eliminate SMEs and Jan Aushadhi, SPIC cautioned the government.