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**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2021-22)**

SEVENTEENTH LOK SABHA

**MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF PHARMACEUTICALS)**

[Action Taken by the Government on the Observations / Recommendations of the Committee contained in their Seventeenth Report (Seventeenth Lok Sabha) on 'Review of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)' of the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals)]

TWENTY NINTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

DECEMBER, 2021 / AGRAHAYANA, 1943 (SAKA)

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Presented to Lok Sabha on 02.12.2021

Laid in Rajya Sabha on 02.12.2021

LOK SABHA SECRETARIAT

NEW DELHI

DECEMBER, 2021 / AGRAHAYANA, 1943 (SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2020-21)**

Smt. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2	Shri Maulana Badruddin Ajmal
3	Shri Deepak Baij
4	Shri Ramakant Bhargava
5	Shri Prataprao Govindrao Patil Chikhalikar
6	Shri Rajeshbhai Naranbhai Chudasama,
7	Shri Ramesh Chandappa Jigajinagi
8	Shri Pakauri Lal
9	Shri Kripanath Mallah
10	Shri Satyadev Pachauri
11	Smt Aparupa Poddar
12	Dr. M.K.Vishnu Prasad
13	Shri Atul Kumar Singh alias Atul Rai
14	Shri Arun Kumar Sagar
15	Shri M. Selvaraj
16	Shri Pradeep Kumar Singh
17	Shri Uday Pratap Singh
18	Shri Indra Hang Subba
19	Shri Prabhubhai Nagarbhai Vasava
20	Dr. Sanjeev Kumar Singari#
21	Vacant*

RAJYA SABHA

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaqe Karim
25	Shri M.V. Shreyams Kumar
26	Shri Jaiprakash Nishad
27	Shri Anthiyur P. Selvarasu
28	Shri Arun Singh\$
29	Shri A.D. Singh
30.	Shri Vijay Pal Singh Tomar
31.	Shri K. Vanlalvena

SECRETARIAT

1.	Shri Manoj Kumar Arora	- Officer on Special Duty(LSS)
2.	Shri Nabin Kumar Jha	- Director
3.	Shri C. Kalyanasundaram	- Additional Director
4.	Shri Kulvinder Singh	- Deputy Secretary
5.	Ms Sonia Sankhla	- Assistant Executive Officer

\$Re-nominated to the Committee w.e.f. 23.12.2020.

#Nominated to the Committee w.e.f 28.12.2020 vice Shri Nandigam Suresh.

**Vacant vice Shri Er. Bishweswar Tudu nominated MoS on 07.07.2021.*

**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2021-22)**

Smt. Kanimozhi Karunanidhi - Chairperson

**MEMBERS
LOK SABHA**

2. Shri Dibyendu Adhikari
3. Maulana Badruddin Ajmal
4. Shri Deepak Baij
5. Shri Ramakant Bhargava
6. Shri Prataprao Patil Chikhlikar
7. Shri Rajeshbhai Naranbhai Chudasama
8. Shri Sanjay Shamrao Dhotre
9. Shri Ramesh Chandappa Jigajinagi
10. Shri Kripanath Mallah
11. Shri Vasava Prabhuhai Nagarbhai
12. Shri Satyadev Pachauri
13. Smt Aparupa Poddar (Afrin Ali)
14. Dr. M.K.Vishnu Prasad
15. Shri Arun Kumar Sagar
16. Shri M. Selvaraj
17. Dr. Sanjeev Kumar Singari
18. Shri Atul Kumar Singh
19. Shri Pradeep Kumar Singh
20. Shri Uday Pratap Singh
21. Shri Indra Hang Subba

RAJYA SABHA

22. Shri Ayodhya Rami Reddy Alla
23. Shri G.C.Chandrashekhar
24. Dr. Anil Jain
25. Shri M.V. Shreyams Kumar
26. Shri Jaiprakash Nishad
27. Shri Anthiyur P. Selvarasu
28. Shri Arun Singh
29. Shri Vijay Pal Singh Tomar
30. Shri K. Vanlalvena
31. Vacant

SECRETARIAT

1. Shri Nabin Kumar Jha - Director
2. Shri C. Kalyanasundaram - Additional Director
3. Shri Kulvinder Singh - Deputy Secretary
4. Ms Sonia Sankhla - Assistant Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2021-22) having been authorized by the Committee, do present on their behalf this Twenty Ninth Report on Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Seventeenth Report (Seventeenth Lok Sabha) on "Review of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)", pertaining to the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals).

2. The Seventeenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 17th March, 2021. The Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) furnished their replies on 24th June, 2021 indicating action taken on the recommendations contained in that Report. The Committee at their sitting held on 16th November, 2021 considered and adopted the Draft Report.

3. An analysis of the action taken by Government on the Observations/ Recommendations contained in the Seventeenth Report (Seventeenth Lok Sabha) of the Committee is given in Appendix-II.

4. For the facility of reference and convenience Recommendations/ Observations/further comments of the Committee have been printed in bold letters in the body of the Report.

**New Delhi;
16 November, 2021
25 Kartika, 1943 (Saka)**

**KANIMOZHI KARUNANIDHI
Chairperson,
Standing Committee on
Chemicals and Fertilizers.**

REPORT

CHAPTER I

1.1 This Report of the Standing Committee on Chemicals and Fertilizers deals with the action taken by the Government on the Observations/Recommendations contained in the Seventeenth Report (Seventeenth Lok Sabha) of the Committee on the subject "Review of Pradhan Mantri Jan Aushadhi Pariyojana" of the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) which was presented to Lok Sabha and Rajya Sabha on 17.3.2021. In all, the Committee made 15 Observations / Recommendations in the Report.

1.2 Ministry of Chemicals & Fertilizers (Department of Pharmaceuticals) was requested to furnish replies to the Observations / Recommendations contained in the 17th Report within three months from the date of presentation of the Report. The Action Taken Replies of the Government in respect of all the 15 Observations / Recommendations contained in the Report have been received from the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) vide their OM F. No.35030/14/2021-Scheme dated 24-06-2021. These Replies have been categorized as follows:-

- (i) Observations / Recommendations that have been accepted by the Government :-

Sl.Nos.1, 2,5,12 and 15 (Total = 6)

Included in **Chapter II** of the Report.

- (ii) Observations / Recommendations which the Committee do not desire to pursue in view of the Government's reply :-

Sl.No. 3,4,6 and 10 (Total = 4)

Included in **Chapter III** of the Report.

- (iii) Observations / Recommendations in respect of which replies of the Government have not been accepted by the Committee :-

Sl.No. 7,8,11,13 and 14 (Total = 5)

Included in **Chapter IV** of the Report.

- (iv) Observations / Recommendations in respect of which final replies of the Government are still awaited:-
Sl.No. 9 (Total=1)

Included in **Chapter V** of the Report.

1.3 The Committee desire that the Action Taken Replies to the further comments made by the Committee in **Chapter-I** and to the observations/recommendations included in **Chapter V** of this Report should be furnished within three months from the date of presentation of this Report.

1.4 Some of the action taken replies furnished by the Department which require further comments of the Committee or reiteration of the earlier recommendations are dealt with in the following paragraphs:-

Recommendation No. 5

COVERAGE OF PRADHAN MANTRI JAN AUSHADHI PARIYOJANA (PMBJP)

1.5 While stressing on the need to expand the coverage of PMBJP kendras, the Committee had recommended as under:-

"The Committee note that as on 31.07.2020, 6520 PMBJP outlets are functional across the country. 732 districts have been covered under the Scheme and the Department has fixed a target to cover all districts of the country by this financial year so that a mass community gets benefitted. The Department has also fixed target to establish 10500 PMBJP outlets by the end of 31st March 2025. The Committee are concerned to note that coverage of the Scheme is still inadequate despite of the fact that the number of outlets have been increased from 80 to 6520 during the last six years. Moreover, the number of outlets is very less in most of the States. Only five states viz. Gujarat, Karnataka, Kerala, Tamil Nadu and Uttar Pradesh have more than 500 PMBJP outlets. Many states including Andhra Pradesh, Bihar, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh and Rajasthan have less than 200 PMBJP outlets in them. At present, the total consumption of medicines in the country is nearly Rs. 1.5 lakh crore in a year but the contribution of PMBJP was only Rs.433.60 crore during 2019-20. The Department has informed that presently around 1800 to 2000 people are purchasing medicines from one PMBJP outlet in a month but it has not furnished any information regarding average population covered by an outlet under the Scheme. Even though the Government has taken many steps for increasing the coverage of the Scheme, the Committee are of the view further impetus needs to be given to make the benefits under the Scheme reach the vast majority of people belong to low income category in the country. In this regard, the Committee recommend that

- i. State/Union Territory-wise analysis should be made regarding status of implementation of the Scheme. Based on the outcome of the analysis, comprehensive strategies should be chalked out in respect of each State/UT and concrete steps should be taken to increase the number of PMBJP outlets in each of them;
- ii. The Department need to focus on block level coverage instead of the present district level approach. Every block in the country should have commensurate number of PMBJP outlets according to its population so as to achieve the objectives of the Scheme.
- iii. The State/UT Governments should be impressed upon the need to provide free space in every Government hospital and Primary/Community Health Centre so as to make available quality generic medicines at affordable prices to low income categories of people particularly the poor people and those belong to below poverty line. Services of Members of Parliament of the concerned States may be utilized for the purpose.
- iv. Special attention should be given to serve the people in rural areas, remote and hilly areas, slums and other low-income group people living areas in cities and towns."

Reply of the Government

1.6 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

"PMBI has recorded a turnover of Rs 665 Cr in FY 2020-21 which led to savings of approx. Rs 4000 Cr to the citizens. It has also acted as a catalyst for other manufacturers to expand share of generic medicines in the domestic pharma market. However, a lot of work is still required to expand the market share of Janaushadhi.

1. Opening of new Janaushadhi Kendra at a particular place depends upon getting a qualified applicant from that area as it is a franchisee-based model. BPPI has done the trend analysis of applications and it is found that fewer applications are coming from hill areas, island areas and aspirational districts. Grant policy is suitably amended to provide financial assistance for the opening of kendras in these areas.
2. At present, all districts of the nation are covered and now the focus is shifted to cover more and more blocks. It has been decided to start with blocks which shares borders with other countries. Applications have been invited from interested applicants by giving advertisements in newspapers. Also, preference is being given to applicants from the rural areas of the country.
3. Administration of States/UTs is being requested regularly to provide rent-free spaces at their health care facilities for opening Janaushadhi Kendras. Many correspondences have been done in this regard and results are encouraging. At present, 1004 kendras are functional in government premises.
4. For encouraging the opening of more outlets in hill areas, island areas and aspirational districts, grant policy is suitably amended to provide financial assistance up to two lakh rupees for opening of kendras in these areas.

In order to increase awareness of the scheme as well for providing free spaces for opening JAKs in the State/ District hospitals and community centres, letters have been sent at the level of Hon'ble Ministers to the Governors, Chief Ministers and Members of Parliament and by the senior functionaries of the Department to the Chief Secretaries/ Health Secretaries of all the State/ UTs from time to time."

Further Comments of the Committee

1.7 The Committee note that Pharmaceuticals & Medical Devices Bureau of India (PMBI) has recorded a turnover of Rs. 665 crore in FY 2020-21 which led to savings of approx. Rs. 4000 Crore to the citizens. However, the reply furnished by the Department is silent on the recommendation of the Committee to make a State/UT wise analysis regarding status of implementation of the scheme. **In this regard, the Committee hope that the Department will undertake State/UT-wise analysis as recommended by the Committee and based on the outcome of the analysis, comprehensive strategies should be chalked out in respect of each State/UT and concrete steps should be taken to increase the number of PMBJP outlets in each of them. Action taken reply in this regard should be furnished to the Committee.**

1.8 The Committee further note that the Department has accepted the recommendation of the Committee and has shifted its focus to cover more and more blocks which is the need of the hour. It has been decided by PMBI to start with blocks which shares borders with other countries. Applications have been invited from interested applicants by giving advertisements in newspapers. Also, preference is being given to applicants from the rural areas of the country. **In this regard, the Committee would like to reiterate that concrete measure should be taken to ensure that every block in the country should have commensurate number of PMBJP outlets according to its population so as to achieve the objectives of the Scheme. Moreover, specific steps should be taken to open more outlets in rural areas of the country as the people of rural area would be immensely benefitted by the quality generic medicines made available through the Scheme at affordable prices.**

1.9 The Committee also note that 1004 Kendras are operational in Government premises out of 6520 PMBJP Kendras (as on 31.07.2020) functional across the country. **In this regard, the efforts being made by the Department to impress upon the State Governments/Union Territories, should be further strengthened to provide free space in Government hospitals, Primary Health Centres, etc. so as to open more outlets in them.**

Recommendation No. 7

NEW INCENTIVE PLAN

1.10 While analysing the New Incentive Plan of the Department of Pharmaceuticals for the PMBJP Kendra owners, the Committee had recommended as under:-

"The Committee note that the Department of Pharmaceuticals has recently revised the incentive plan for Janushadi outlets owners. As per the revised plan, three categories of incentives have been announced viz. normal incentive, additional incentive and special incentive. The normal incentive which will be provided to all the categories of outlets owners including the existing outlets has been enhanced from Rs. 2.50 lakh to Rs. 5.00 lakh and will be given @ 15% of monthly purchase made from BPPI by these outlets subject to a ceiling of Rs. 15,000/- per month upto the total limit of Rs. 5 lakh. Additional Incentive of Rs. 2 lakh in addition to normal incentive will be given to outlets opened in backward areas mentioned as aspirational districts by NITI Aayog and in Himalayan, Island territories and North-Eastern States. Special Incentive of Rs. 2.00 lakh in addition to normal incentive will be given to PMBJP outlets run by women entrepreneurs, Divyang and SCs & STs. Additional and Special incentives are meant for reimbursement of expenditure on furniture and fixtures upto Rs. 1.50 lakh and Rs. 0.50 lakh for reimbursement expenditure on computer, internet, printer, scanner, etc. In order to make the incentive plan more attractive to those who come forward to set up PMBJP outlets, the Committee would like to make the following recommendations:-

- i. Even though the Committee welcome this move of the Department to enhance the normal incentive from Rs.2.5 lakh to Rs.5 lakh, still feel that this should be given for a longer period till the outlet owners establish themselves to run the outlets in a profitable and self sustaining manner. As per the present plan, normal incentive will be given upto 33 months till the outlets reach the limit of Rs.5 lakh. Since the PMBJP is aimed at the holistic social goal of providing quality generic medicines at affordable prices, the Committee recommend that the normal incentive may be provided up to five years so as to boost the morale

- of outlet owners and accordingly incentive amount may be worked out by the Department.
- ii. Secondly the additional incentive of Rs.2 lakh may be provided to all the categories outlet owners so as to make the Scheme attractive to the prospective entrepreneurs. Temperature control devices like refrigerator, air conditioners etc. may be included in the items of furniture's and fixtures so as to maintain the quality of medicines.
 - iii. The number of outlets owned by SC/ST/differently abled persons/women category is only 3% of the total outlets in the country presently. Even though the Department has announced special incentives for these categories, the Committee recommend that special drives may be undertaken by the Department to attract more entrepreneurs from these categories."

Reply of the Government

1.11 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

" The proposed increase in incentive and grant for kendras as proposed, will require huge financial outlay, which is far in excess of approved outlay of Rs 490 crore till March, 2025. In FY 2020-21, approx. 1400 new kendras have been opened. If Rs 2 lakh grant is given to all, it would require Rs 28 Cr for grant only. Similarly, if a sales-based incentive (up to Rs. 15,000 p.m.) is given to all for five years, it will further require a huge outlay. It is further felt that fixed income supports up to five years is given to all kendras, may have adverse effect on entrepreneurial skills of Kendra owners.

Temperature Control devices like fridge and AC have been included for the grants under the clause "Furniture & Fixtures", as these are required to keep medicines in good condition.

Special drive is already being undertaken in social media & other platforms and many seminars are organized for inviting applications from entrepreneurs from these categories (SC/ST/differently abled persons/women)."

Further Comments of the Committee

1.12 The Committee note the Action Taken Reply furnished by the Department that the providing normal incentive upto five years and extending additional incentive of Rs. 2 lakh to all types of entrepreneurs will require huge financial outlay far in excess of approved outlay of Rs 450 crore till March 2025. The Scheme offers quality generic medicines at affordable prices to the people. Poor people can be immensely benefitted if penetration of the Scheme is more. Presently the percentage of PMBJP outlets is

very much negligible in the total number of medical shops in the country. **In this regard, the Committee are of the view that it is necessary to offer more incentives to the prospective entrepreneurs so as to make it attractive to them to come forward to open PMBJP outlets. As far as the financial implication is concerned, the Department may discuss the matter with the Ministry of Finance for the allocation of additional funds for offering more incentives under the scheme. The Committee, therefore, reiterate the above recommendation with respect to the normal and additional incentives under the Scheme.**

Recommendation No. 8

SUSTAINABILITY OF PMBJP OUTLETS

1.13 While stressing on the need to ensure sustainability of PMBJP outlets, the Committee had recommended as under:-

"The Committee note the concern expressed by the Department about the sustainability and profitability of PMBJP outlets. Since the margin of profit is very low, the Department feels that it is difficult to run these outlets on sustainable basis. In this regard, the Department has taken certain steps to make the outlets commercially viable viz. product basket has been increased, new products with attractive packing have been launched like poshan, Janani protein powder, Suvidha sanitary napkins, etc. so as to increase footfalls to PMBJP outlets as well as medicine sales, a new incentive plan has been started to support them financially, items other than medicines have been permitted to be sold and now the sale of AYUSH medicines has also been permitted alongwith allopathic medicines. The main causes of worry for the Department are competition with branded medicine industry and sellers, similar schemes of the State Governments and Ayushman Bharat Scheme of the Government of India through which the beneficiaries are given free medicines. In Committee's view PMBJP outlets can carve out niche for themselves in the vast market for drugs in the country by continuously selling quality generic medicines at affordable prices to all the sections of the society. In this regard, the Committee recommend that Department should work relentlessly for the projection of Jan Aushadi medicine as a trusted public brand which delivers quality medicines at low cost particularly a unique model/design may be developed for all PMBJP outlets. This will give separate identity/glorification for PMBJP outlets. These shops may continuously be permitted to sell other products such as toiletries, cosmetics, hygiene products, nutrition and food supplements etc. to enable them operate in a economically viable position."

Reply of the Government

1.14 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

"The Department is taking all necessary efforts to increase the footfalls at Janaushadhi Kendras. It is placing advertisements in all forms of media, conducting seminars with all stakeholders, organizing Janaushadhi week and Janaushadhi Diwas for increasing popularity. PMBI has also expanded its product basket to cater needs of more and more consumers. These kendras are permitted to sell other products such as toiletries, cosmetics, hygiene products, nutrition, and food supplements etc. to make them economically viable."

Further Comments of the Committee

1.15 The Committee note that the Department is taking steps to make PMBJP outlets operationally sustainable as well as efforts are also made to make these outlets popular among common people. **However, the Committee feel that a unique model/design may be developed for all PMBJP outlets so as to give separate identity/glorification for PMBJP outlets. Reply given by the Department is silent on the recommendation made by the Committee in this regard. The Committee, therefore, reiterate the earlier recommendation to develop a unique model/design for PMBJP outlets so that these outlets are easily identified by the common man.**

Recommendation No. 9

BASKET OF MEDICINES UNDER PMBJP

1.16 While stressing on the need to expand the basket of medicines, the Committee had recommended as under:

" The Committee note that the present product basket of PMBJP consists of 1250 medicines and 204 surgical instruments. DoP is set to enhance it up to 2000 medicines and 300 surgical products by the end of 31st March 2024 so that all essential medicines covering therapeutic groups, like - Anti Diabetics, Cardiovascular Drugs, Anti-Cancer, Analgesics & Antipyretics, Anti Allergic, Gastro Intestinal Agents, Vitamins, Minerals & Food supplements, Tropical Medicines, etc. get included under the Scheme. The Committee note that the Department of Pharmaceuticals has chalked out a programme for gradual

increase of number of medicines and surgical instruments over the next four years. In this regard, the Committee are of the firm view that a strong basket of medicines and surgical instruments under the Scheme covering all the therapeutic groups and all the surgical requirements can only compete with the private market. When the people visit Janaushadi stores and find that all the quality medicines and surgical instruments are available in them at a lower cost, it will definitely attract more people towards the Janaushadi stores and with the increase in volume of sales, their profit position will also be enhanced correspondingly. The Committee, therefore, recommend that a Committee of experts in the field including the eminent medical practitioners may be constituted to study the present basket of medicines and surgical instruments under the scheme and to suggest within three months a comprehensive basket of medicines and instruments covering all the therapeutic groups so as to offer all the medicines and surgical instruments to the people at affordable costs. Their suggestions may be implemented within a year to make PMBJP outlets sustainable and profit making.

Reply of the Government

1.17 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

"At present, new products are introduced based on the demand given by kendras/distributors which is duly vetted by other commercial data collected from the market. Opinions of medical professionals are also taken about the product to be introduced. The recommendation of the Committee will be put to the Governing Council for necessary action."

Further Comments of the Committee

1.18 The Committee note the reply given by the Department that the above recommendation of the Committee will be put to the Governing Council for necessary action. **Since it is very much essential to have a broad basket of medicines and surgical instruments under the Scheme so as to offer all the medicines and surgical instruments to the people at affordable costs, the Committee hope that necessary action would have been taken to place the recommendation of the Committee before the Governing Council of Pharmaceuticals and Medical Devices Bureau of India (PMBI) for initiating immediate steps to constitute a Committee of experts in the field including the eminent medical practitioners to**

study the present basket of medicines and surgical instruments under the scheme as recommended by the Committee earlier. The Committee should be informed about the action taken in this regard.

Recommendation No. 11

STORAGE AND LOGISTICS

1. 19 While stressing on the need to create more warehouses and involve more distributors in the supply chain mechanism, the Committee had recommended as under:-

"The Committee note that the Department of Pharmaceuticals has taken steps for the establishment of an effective IT-enabled logistics and supply-chain system for ensuring real-time distribution of medicines at all outlets to avoid stock out situation. In addition, appointment of Distributors in States/UTs is also being envisioned to strengthen the supply chain system. At present three warehouses are functional at Gurugram, Chennai and Guwahati. Earlier the Committee were informed that fourth warehouse was functional at Bengaluru but subsequently the Department has become silent in this regard. However, the Department is planning to increase the strength of warehouses to six by the year 2022-23. Out of these, one regional warehouse is proposed to be set up in the western region and the one in the eastern region of the country for increasing supply in near future. Apart from that, warehouses of distributors each with 5000 square feet capacity are functioning all over the country to supplement the end-to- end supply chain of BPPI. In this regard, the Committee are concerned to note that only 29 distributors are presently associated with BPPI across the nation but BPPI is in process of appointment of new distributors in 15 states for 19 locations. According to the Department, no target is fixed for the engagement of a certain number of distributors to enhance the warehouse facility and their engagement for any location/area is need-based, as it is only a supplementary step to strengthen the End-to-End supply chain system. The Committee further note that the BPPI strives to ensure the dispatch of the medicines within 48 hours on the receipt of the purchase order from PMBJP Kendra but the delivery time allowed for a consignment after dispatch is maximum of 10 days. The Committee feel that this time period for dispatch and delivery of medicines should be less for a smooth supply chain under the Scheme and for this purpose the Department/BPPI need to set up more warehouses across the length and breadth of the country and multiply the number of distributors as well. Since the supply chain is presently marred by delays, many PMBJP outlets unable to maintain the stock of various generic

medicines/devices at their counters and as a result these outlets are becoming commercially non viable as well as not able to fulfill their prime objective of providing quality generic medicines to the people. The Committee, therefore recommend that BPPI should set up chain of its own warehouses and distributors in such a way that the medicines ordered by the outlets are dispatched within a day and delivered within next two days all over the country even in remote and hilly areas. The Committee therefore recommend that the hilly areas of Himachal Pradesh, West Bengal, Uttarakhand, Jammu & Kashmir and Ladhakh and North-east special warehouses should be set up with adequate number of distributors to make timely supply in these remote areas with full coverage of all the States of North East region and hilly areas. In this regard, more warehouses region-wise or state-wise should be planned and set up to cover the entire population and area in a time bound manner and commensurate number of distributors should be appointed in each state as they are the key players to strengthen the End-to-End supply chain system. Bigger states like Uttar Pradesh should have more warehouses and distributors."

Reply of the Government

1.20 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

" At present, the number of distributors has increased to 37. Further, one warehouse at Surat, Gujarat, is under construction and expected to get operational by August 2021. PMBI strives to ensure the dispatch of the medicines within 48 hours on the receipt of the purchase order from PMBJP Kendra, the delivery time allowed for a consignment after dispatch is maximum of 10 days. For any delay, penalty is imposed on the logistics partner. Pharmaceuticals and Medical Devices Bureau of India (PMBI) is trying to reduce the turnaround time for dispatch to 24 hrs. within the approval of order. However, for ensuring delivery within 2 days, some operational issues are present. For supply to any store, a route chart is prepared by the distributor so that orders of all nearby stores are clubbed and a dedicated vehicle can be allotted. So, where stores are in the cluster, delivery can be done within 3-4 days (being done at present also). For stores in the hinterland where density is low, it will take some time as it has to be dispatched through courier. For avoiding stock out position, all stores are directed to maintain inventory of at least 15 days average sales. The kendras who are following this, have never faced stock out position.

PMBI is also trying to appoint more distributors and has placed advertisement in newspapers for this. It keeps on appointing eligible entrepreneurs as distributors. However, willingness of entrepreneurs depends upon commercial viability of the venture. At metro cities, breakeven point for profit to distributors is dispatch of Rs 75 lacs per month. In smaller cities, it is Rs 30-50 lacs. PMBI faces problem in appointing distributors at hinterlands/N-E States where store density is low. In Uttar Pradesh, four distributors are functional at present. Similarly, distributors are functional in J&K, Himachal Pradesh, Uttarakhand and West Bengal. In UT of Ladakh, only two stores are functional, hence, a dedicated distributor cannot be appointed there”.

Further Comments of the Committee

1.21 The Committee are not satisfied with the reply given by the Department in regard to setting up of more warehouses in the country. Presently, warehouses are functional at Gurugram, Chennai and Guwahati. As per reply, fourth warehouse is under construction at Surat and is expected to get operational by August 2021. So, there is no warehouse for the entire eastern region of the country. In Committee’s view, more number of warehouses need to be set up for ensuring smooth and timely supply/distribution of medicines under the Scheme. The Committee further note that the number of distributors under the Scheme has been increased from 29 to 37. PMBI is also trying to appoint more distributors and has placed advertisement in newspapers for the purpose. It keeps on appointing eligible entrepreneurs as distributors. Owing to the inadequate number of warehouses and distributors, it is noticed that PMBJP outlets are receiving their orders in 4 to 10 days. **In this regard, the Committee feel that continuous and concerted efforts are necessary on the part of the Department of Pharmaceuticals and Pharmaceuticals and Medical Devices Bureau of India (PMBI) for establishing more Warehouses and involving higher number of distributors so as to improve the supply chain infrastructure across the country which would enable PMBJP outlets receive their medicines/medical devices orders within a reasonable time period of two to three days. The Committee, therefore, reiterate the earlier recommendation that more warehouses region-wise and or state-wise should be planned and set up to cover the entire population in a time bound manner and commensurate number of distributors should be**

appointed in each state as they are the key players to strengthen the End-to-End supply chain system.

1.22 In regard to the problem being faced by Pharmaceuticals and Medical Devices Bureau of India (PMBI) in appointing distributors at hinterlands/N-E States where store density is low, the Committee recommend that sincere and special efforts should be made by the Department/PMBI to increase the PMBJP outlets in these regions so as to ensure the benefits of the Scheme reach the people of those regions.

Recommendation No. 13

PRESCRIPTION OF GENERIC MEDICINES BY MEDICAL PRACTITIONERS

1. 23 While stressing on the need for strategy which ensures that prescriptions without the generic name are not permitted at all, the Committee had recommended as under:-

"The Committee have noted the huge price differential between branded medicines and the generic medicines under the Jan Aushadhi Scheme. While the Government is committed to the target of "health for all", the availability of low cost medicines is a critical factor in achievement of this target. At the same time, the Committee are well aware of the "pharmaceutical mafia" which ensures that medical practitioners continue to prescribe branded medicines notwithstanding the Indian Medical Council (Professional Conduct and Ethics) Regulations 2002. This nexus between the pharmaceutical mafia and the medical professionals needs to be broken with a heavy hand because only that can ensure affordable medicine for every citizen of our country. Therefore, the Committee recommend that the Department of Pharmaceuticals and the Ministry of Health and Family Welfare should draw out a strategy which ensures that prescriptions without the generic name are not permitted at all. If required, a new law should be brought to the House on an urgent basis to enforce the same."

Reply of the Government

1.24 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

" Pharmaceuticals and Medical Devices Bureau of India (PMBI) is taking all possible steps to persuade doctors for prescribing medicines in the generic name.

It has also initiated an award 'Janaushadhi Chikitsak' to encourage doctors for supporting generic medicines. This award was announced and given in presence of Hon'ble Prime Minister in the year 2021. The advisory has also been issued by the Ministry of Health & Family Welfare to prescribe generic medicines.

The matter was taken up with the Ministry of Health & Family Welfare, which led to issuance of Circular (No.-MCI-211(2)(Gen.)/2017-Ethics/104728 dated 21-04-2017, by the erstwhile Medical Council of India, whereby all registered medical practitioners under the IMC Act have to comply with the provisions of the Regulations without fail. It stipulates that that every physician should prescribe drugs with generic names legibly and preferably in capital letters and he/she shall ensure that there is a rational prescription and use of drugs."

Further Comments of the Committee

1.25 The Committee note that the Department of Pharmaceuticals took up the matter with the Ministry of Health & Family Welfare, which led to issuance of the erstwhile Medical Council of India circular dated 21-04-2017 whereby all registered medical practitioners should prescribe drugs with generic names legibly and preferably in capital letters and he/she shall ensure that there is a rational prescription and use of drugs. **In Committee's view, merely issuing a circular will not suffice because it is unlikely that the physicians follow these regulations scrupulously in the absence of a strict law to enforce them. The Committee, therefore, recommend that the Department of Pharmaceuticals and the Ministry of Health and Family Welfare should draw out a strategy which ensures that prescriptions without the generic name are not permitted at all. If required, a new law should be brought to the House on an urgent basis to enforce the same.**

Recommendation No. 14

CONTRIBUTION OF PMBJP DURING COVID-19 PANDEMIC

1.26 While appreciating on the contribution of PMBJP during Covid-19 pandemic, the Committee had recommended as under:-

"The Committee are happy to note that BPPI came forward and joined hands for fight against the Covid 19 pandemic. PMBJP outlets remained functional during lockdown period and maintained operations as part of their commitment to ensure uninterrupted availability of essential medicines. BPPI has sold about

10 lakh Face masks and about 60 lakh tablets of Hydroxychloroquine, which saved around Rs. 1260 crore for the people. Moreover, the Committee note that BPPI is maintaining adequate stocks of the medicines which are currently under demand viz. Face Masks, Hand Sanitizers, Hydroxychloroquine, Paracetamol and Azithromycin. However, Oximeter which is in high demand due to the pandemic is not in the basket of medical devices under PMBJP. The Committee also find from the reply given by the Department of Pharmaceuticals that Hydroxychloroquine tablets are not procured from Public Sector Undertakings under the Department viz. Bengal Chemicals & Pharmaceuticals Limited (BCPL) and Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) which have the capacity to manufacture hydroxychloroquine tablets and can manufacture the same if the required raw material is made available to them. The Committee feel that opportunity should be given to these CPSUs at time of health emergency situations like COVID-19 pandemic to manufacture the quality medicines at affordable prices. The Committee, therefore, recommend that BPPI may consider purchase of hydroxychloroquine from these two CPSUs on competitive rate basis and this drug may also be included in the Pharmaceuticals Purchase Policy (PPP). The Committee also recommend that Oximeter should be included in the medical devices basket of PMBJP immediately to make available quality Oximeters at affordable prices to the people."

Reply of the Government

1.27 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

"Pharmaceuticals and Medical Devices Bureau of India (PMBI) gives preference to CPSUs for procurement provided they offer competitive rates and has procured medicines from CPSU many times earlier. Presently, it has sufficient stock of HCQ. In future procurement, preferential orders to CPSUs for HCQ or other medicines will be given in case they provide competitive rates."

Further Comments of the Committee

1.28 The Committee note that the reply given by the Department has not addressed the recommendation made by the Committee to include Oximeter in the medical devices basket of PMBJP so as to make available quality Oximeters at affordable prices to the people. **Since the COVID 19 pandemic is not yet over, availability of devices like Oximeter at affordable prices to the people is vital for the early detection and treatment of COVID-19 infection. The Committee, therefore,**

reiterate the recommendation that Oximeter should be included in the medical devices basket of PMBJP immediately to make available quality Oximeters at affordable prices to the people.

CHAPTER II

OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

RECOMMENDATION NO.1

COMPOSITION OF GOVERNING COUNCIL OF BPPI

2.1 The Committee note that the Department of Pharmaceuticals manages the functioning of Bureau of Pharma Public Sector Undertakings of India (BPPI) through its Governing Council. The present composition of the Governing Council include the Secretary of the Department as Chairperson, Joint Secretary of the Department and the CMDs/MDs of five Public Sector Pharma companies under the Department. Out of ten Members of the Council, eight are the Government nominees and only two are experts in the field of Pharmaceutical industry. Moreover, three PSUs viz. IDPL, RDPL and HAL whose heads are Members of the Council are almost non functional. The Committee are of the view that the Governing Council of BPPI should have more expert Members from the field of pharma industry for effectively managing the affairs of BPPI and for its monitoring. In this regard, the Committee note that the Government has decided to re-name the BPPI as the Pharmaceuticals & Medical Devices Bureau of India (PMBI) so as to set up a Pharma Bureau with an objective of “Single point interface of the Department of Pharmaceuticals with Industry”. Since it is necessary to have a balanced composition of Governing Council of BPPI for the holistic implementation of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), the Committee recommend that the number of expert Members in the Governing Council should be increased. In this regard, the Government may consider nomination of eminent medical administrations to the Governing Council along with expert industry representatives. The Committee should also be informed about the status of transformation of BPPI into PMBI.

Reply of the Government

2.2 The name of the Bureau of Pharma Public Sector Undertakings of India (BPPI) has been recently changed to Pharmaceuticals & Medical Devices Bureau of India (PMBI) along with changes in its Memorandum of Association. It has also been decided to set up a Pharma Bureau under PMBI with an objective of ‘Single point interface of the Department of Pharmaceuticals with Industry’. The same have been duly registered with the Registrar of Societies, Delhi. The suggestion for associating experts in the governance has been noted and further follow up action in the matter is being taken.

RECOMMENDATION NO.2

BUDGETARY ALLOCATION FOR BPPI

2.3 The Committee note that BPPI is continuously striving to increase its revenue and attain self- sufficiency without diluting its main objective i.e. providing quality generic medicines at affordable cost. Presently BPPI is given budgetary grant to meet its Human Resources (HR) and Administrative costs. In this regard, the Committee note that the grant provided in 2017-18 was Rs.47.64 crore and the same was reduced to Rs.42.50 crore in 2018-19 and further reduced to 35.10 crore during 2019-20. The Committee note from the submissions made by the Department of Pharmaceuticals that BPPI has focused on cost reduction and has given financial prudence in all its decisions. It has outsourced IT, Logistics, storage and distribution work and closed all C&F agents. Further, use of SAP based IT system has helped BPPI to monitor its cost on real time basis. The Committee also note that the Administrative and HR costs of BPPI remained almost same during the period from 2017-18 to 2019-20 even though its sales and the number of PMBJP outlets had increased considerably during the period. As a result, its Administrative and HR costs came down from 4.60% to 1.59% of its sales turnover during the period. Moreover, BPPI has earned a Profit Before Tax (PBT) of Rs 5.50 crore in FY 2019-20. In view of the social goals of the scheme to provide quality generic medicines at affordable costs to the people particularly to the poor and needy, the Committee recommend that budgetary grants to BPPI should be continuously given to fully meet its HR and administrative costs till it augments its income up to the level of self sustainability. Moreover, the expenditure on normal, additional and special incentives to the PMBJP outlets owners may also be borne by the Government till BPPI consolidates its profits to the level of self sustainability to bear the cost of incentives under the Scheme.

Reply of the Government

2.4 Pharmaceuticals & Medical Devices Bureau of India (PMBI) has recorded a turnover of Rs 665 Cr (at MRP) during FY 2020-21 with Profit Before Tax (PBT- unaudited) more than Rs 15 Cr. Thus, PMBI *per se* does not require any financial assistance for meeting its HR & Administrative cost at the present level of operations. It mainly needs funds for providing incentives and grants for its Kendras, procurement of products which are to be sold at a subsidized price like Suvidha sanitary napkins and for publicity and awareness. PMBI has informed that of these three sub heads, approx. 80% of the fund is required for incentive and grants to kendras only. PMBI has informed that for all other expenses, it can manage through its own resources at the planned scale of operations. The Department will strive to provide the amount to PMBI as per the budgetary allocation of the Scheme, while seeking more funds from the Ministry of Finance at Supplementary and RE stage.

RECOMMENDATION NO.5

COVERAGE OF PMBJP

2.5 The Committee note that as on 31.07.2020, 6520 PMBJP outlets are functional across the country. 732 districts have been covered under the Scheme and the Department has fixed a target to cover all districts of the country by this financial year so that a mass community gets benefitted. The Department has also fixed target to establish 10500 PMBJP outlets by the end of 31st March 2025. The Committee are concerned to note that coverage of the Scheme is still inadequate despite of the fact that the number of outlets have been increased from 80 to 6520 during the last six years. Moreover, the number of outlets is very less in most of the States. Only five states viz. Gujarat, Karnataka, Kerala, Tamil Nadu and Uttar Pradesh have more than 500 PMBJP outlets. Many states including Andhra Pradesh, Bihar, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh and Rajasthan have less than 200 PMBJP outlets in them. At present, the total consumption of medicines in the country is nearly Rs. 1.5 lakh crore in a year but the contribution of PMBJP was only Rs.433.60 crore during 2019-20. The Department has informed that presently around 1800 to 2000 people are purchasing medicines from one PMBJP outlet in a month but it has not furnished any information regarding average population covered by an outlet under the Scheme. Even though the Government has taken many steps for increasing the coverage of the Scheme, the Committee are of the view further impetus needs to be given to make the benefits under the Scheme reach the vast majority of people belong to low income category in the country. In this regard, the Committee recommend that

- i. State/Union Territory-wise analysis should be made regarding status of implementation of the Scheme. Based on the outcome of the analysis, comprehensive strategies should be chalked out in respect of each State/UT and concrete steps should be taken to increase the number of PMBJP outlets in each of them;
- ii. The Department need to focus on block level coverage instead of the present district level approach. Every block in the country should have commensurate number of PMBJP outlets according to its population so as to achieve the objectives of the Scheme.
- iii. The State/UT Governments should be impressed upon the need to provide free space in every Government hospital and Primary/Community Health Centre so as to make available quality generic medicines at affordable prices to low income categories of people particularly the poor people and those belong to below poverty line. Services of Members of Parliament of the concerned States may be utilized for the purpose.
- iv. Special attention should be given to serve the people in rural areas, remote and hilly areas, slums and other low-income group people living areas in cities and towns.

Reply of the Government

2.6 PMBI has recorded a turnover of Rs 665 Cr in FY 2020-21 which led to savings of approx. Rs 4000 Cr to the citizens. It has also acted as a catalyst for other manufacturers to expand share of generic medicines in the domestic pharma market. However, a lot of work is still required to expand the market share of Janaushadhi.

1. Opening of new Janaushadhi Kendra at a particular place depends upon getting a qualified applicant from that area as it is a franchisee-based model. BPPI has done the trend analysis of applications and it is found that fewer applications are coming from hill areas, island areas and aspirational districts. Grant policy is suitably amended to provide financial assistance for the opening of kendras in these areas.
2. At present, all districts of the nation are covered and now the focus is shifted to cover more and more blocks. It has been decided to start with blocks which shares borders with other countries. Applications have been invited from interested applicants by giving advertisements in newspapers. Also, preference is being given to applicants from the rural areas of the country.
3. Administration of States/UTs is being requested regularly to provide rent-free spaces at their health care facilities for opening Janaushadhi Kendras. Many correspondences have been done in this regard and results are encouraging. At present, 1004 kendras are functional in government premises.
4. For encouraging the opening of more outlets in hill areas, island areas and aspirational districts, grant policy is suitably amended to provide financial assistance up to two lakh rupees for opening of kendras in these areas.

In order to increase awareness of the scheme as well for providing free spaces for opening JAKs in the State/ District hospitals and community centres, letters have been sent at the level of Hon'ble Ministers to the Governors, Chief Ministers and Members of Parliament and by the senior functionaries of the Department to the Chief Secretaries/ Health Secretaries of all the State/ UTs from time to time.

Comments of the Committee

(Please see Para No. 1.7, 1.8 and 1.9 of Chapter I of the Report)

RECOMMENDATION NO.12

NEED FOR WIDE PUBLICITY OF PMBJP

2.7 The Committee note that the Department is making initiatives to fulfill the objective of PMBJP to popularize generic medicines among the masses and to dispel

the prevalent notion that low priced generic medicines are of inferior quality through various ways and means of education and publicity. The Committee also note that the price of Jan Aushadhi Medicines is cheaper at least by 50% and in some cases, by 80% to 90% of the market price of branded medicines. During 2019-20, PMBJP has achieved sales worth Rs. 433.60 crore and this has led to savings of approximately Rs. 2500 crore to the common citizens of the country. In order to educate the general public about the usages of Quality Generic Medicines, the BPPI is using various ways of publicity like distribution of handouts, advertisements in newspapers and cinema, FM Radio campaigns, TV commercials, Social Media advertisements, outdoor publicity, organizing/ participating in workshops, seminars, public meetings, health fairs, outdoor branding through bus queue shelters and bus/auto wrapping, etc. For meeting the expenses for the publicity initiatives, BPPI has spent Rs 4.76 crore, Rs 6.50 crore and Rs. 5.70 crore during the years 2017-18, 2018-19 and 2019-20 respectively. However, the Committee are of the view that the current spending by the Department is way too less to adequately cover the whole country through different modes of awareness generation. In this regard, the Committee note that an enhanced budgetary allocation of Rs. Rs 95.00 crore has been approved by the Standing Finance Committee (SFC) for the next five years up to 2024-25. Further the Committee note that the present initiatives of BPPI are confining to few urban pockets and urban people and its penetration to rural areas and poorer sections of the society is not adequate. The Committee, therefore, recommend that the awareness campaigns of BPPI need to be target based, specially focusing on the poor and low income group living in slums, pavement dwellers and shanty places in both urban and rural areas as they are the most disadvantaged as well as needy section of the society. Quality generic medicines should be made available at affordable prices to these deprived sections of the society and for this purpose, the awareness generation campaigns of BPPI need to go deep down to the last needy person in the society. In this regard the Committee further recommend that the entire publicity strategy of BPPI should be revisited and more suitable and rigorous publicity campaigns on all platforms like FM radio/community radio, visual media, print media and social media etc. in local language has to be undertaken by the Department/BPPI in coming years using the enhanced budgetary allocation so as to make PMBJP a household scheme.

Reply of the Government

2.8 PMBI has spent Rs 13.39 Cr during FY 2020-21 for creating awareness about Janaushadhi. It uses all platform for advertisement like social, print, electronic like TV & FM, Outdoor billboards etc. The recommendation for a focused advertisement to poor and low-income group living in slums, pavement dwellers and shanty places in both urban and rural areas as they are the most disadvantaged as well as the needy section of the society is welcomed. As recommended by the Committee, PMBI will take a more

targeted approach to popularize and create awareness about Janaushadhi in such an area.

RECOMMENDATION NO.15

PUBLIC PERCEPTION

2.9 The Committee have observed that the Jan Aushadhi medicines suffer from a perceptual disadvantage. These medicines have been promoted as poor man's medicines and, therefore, many people hesitate to use them under a false notion about its quality and efficacy. We need to break this notion and create a hugely positive perception towards these medicines. We have live examples of public perception driving the programmes like Swatchh Bharat Abhiyan with a huge amount of positivity. Similar exercise needs to be done for the Jan Aushadhi Scheme also. Using popular brand ambassadors, creating transformational branding in packaging, standardization of the visual appeal of Jan Aushadhi Kendras, etc. can break the existing notions and help create an image of these medicines being absolutely top quality products. This will require resources but deploying them will be absolutely worth it for the future growth of BPPI and ensuring affordable healthcare for all.

Reply of the Government

2.10 The suggestion of the committee is well taken that it is required to change the perception about Janaushadhi from only poor man's medicines to affordable medicines for all. For promoting this as medicines for all, the quote of Hon'ble Prime Minister is also changed from 'Gharib ko sasti dawai mile' to 'Sabhi ko sasti dawai mile'. PMBI has also worked upon improving the visual appearance and packaging of the medicines. It has further introduced nutritional products like protein drinks, bars and other nutraceuticals at competitive rates to attract all sections of the society.

CHAPTER – III

OBSERVATION / RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

RECOMMENDATION NO. 3

PROCUREMENT OF MEDICINES BY BPPI

3.1 The Committee note that BPPI procures medicines and other products through open tender published on e-procurement website of the Government of India. Rate contract is entered with eligible bidders. However, special relaxations are given to start-ups and MSME firms as per the norms of the Rule 153(iii) of the General Financial Rules (GFR) 2017 in line with the “Make in India” Programme. The Committee also note that BPPI *per se* doesn't give any additional reservation/preference in procurement to MSME units other than those notified by the Government of India. BPPI is facing many hurdles in timely procurement of medicines due to failure of suppliers. It has been observed that 90% suppliers of BPPI are from MSME Sector who can't absorb the fluctuations in price of raw materials, other factors & defaults in supply in time of stress. In order to ameliorate the situation, BPPI is working on a new procurement policy to encourage large scale manufacturers to participate in tenders so that supply can be further smoothed. In this regard, the Committee feel that timely supply of adequate quantity of quality medicines and medical devices at affordable cost is of paramount importance for the successful implementation of PMBJP as the Scheme aims at providing quality generic medicines at affordable prices to the people. At the same time, it is equally important to encourage MSME sector to participate in supply of quality medicines/devices for the implementation of the Scheme. The Committee, therefore, recommend that due care may be taken while formulating new procurement policy for according balanced opportunities to both large scale manufacturers and the MSME sector. Certain percentage of medicines/devices or some categories of medicines/devices may be reserved for startups/MSME sector to encourage them flourish as per the goals of “Make in India” mission.

Reply of the Government

3.2 PMBI provides all exemptions to Startups/MSME sector as stipulated in directions issued by the Government of India from time to time. Further, all procurements are made from the domestic manufacturers only. As the share of startups/MSME sector in total procurement of PMBI is presently more than 75%, no additional reservation is required to be given to the sector at this stage. As the regular supply of medicines along with their best price and quality is the cornerstone of the scheme, participation of large-scale manufacturers is desirable. However, no special

exemption/facility is being provided to large scale manufacturers at the cost of Startups/MSMEs.

RECOMMENDATION NO. 4

SUPPLY OF JAN AUSHADHI MEDICINES TO GOVERNMENT HEALTH FACILITIES

3.3 Charity begins at home. The Committee are dismayed to know that while the Department of Pharmaceuticals has taken a lot of efforts to propagate and expand the use of Jan Aushadhi medicines, there has been no attempt to get these medicines into the healthcare system of the Government itself. CGHS, ESI, Railway Hospitals, PSU Hospitals, dispensaries in prisons, Army Hospitals, ECHS and State Government healthcare systems have very large budgets for procurement of medicines for the beneficiaries. For example, CGHS spends around Rs. 2,600 crores for the retired government officials and Rs. 500 crores for the serving employees every year. Major part of this is used for procurement of medicines and medical devices. Ideally all this should be procured from Jan Aushadhi unless the medication itself is not available through BPPI. If the government's own healthcare system does not use the Jan Aushadhi medicines, it sends out a signal as if the government is not sure of the efficacy of these medicines. The Committee, therefore, strongly recommend that the medicines (and medical devices) procured and dispensed by the Government healthcare system (Central and State governments as well as PSUs) should be mandated to be only Jan Aushadhi medicines unless the specific medicine being recommended is not available under Jan Aushadhi. The Department of Pharmaceuticals should get this mandated from all concerned ministries/authorities and also get directions issued to the State Governments to mandate the same in the healthcare systems under their jurisdiction. Such a step will increase the turnover of BPPI manifold from the current level of Rs. 500 crores. This will also enable a huge saving of costs by the respective healthcare authorities and also improve the perception of Jan Aushadhi medicines in the eyes of general public. The Committee will be separately writing to the Ministry of Health and Family Welfare as well as the Ministry of Home Affairs to take note of this recommendation.

Reply of the Government

3.4 The objective of starting PMBJP was to provide quality medicines at affordable prices to the citizens of India. At present, PMBI is supplying medicines through more than 7,800 Janaushadhi Kendra across the country. It is also doing institutional supply to CGHS, ESI, Railway Hospitals, PSU Hospitals, Army Hospitals, ECHS and some State Government healthcare system at a smaller scale. In order to increase to this scale, a large-scale upliftment is required at all levels like manpower, IT, logistics & warehousing, and procurement. It will also require a big investment in working capital and procurement of medicines for PMBI. This will result in creation of a big entity and

may result in PMBI losing its flexibility in operations. Further, managing such an organization will be a huge task and it may result in disruption in supply of medicines to kendras, thus defeating the very purpose of the scheme. The recommendation of providing generic drugs through the government healthcare system would pertain to the Procurement Ministries, which already have their own procurement mechanisms. It is submitted that PMBI is better suited to meet its mandate by its focus on running its operations through Jan Aushadhi kendras rather than to act as a procurement agency for other government organizations .

RECOMMENDATION NO.6

ECONOMIC VIABILITY OF BPPI

3.5 After taking into account the details of efforts made for making the Jan Aushadhi outlets financial viable the Committee have come to a conclusion that it is not possible for a Jan Aushadhi outlet to become financially viable unless the volume of business at each store gets multiplied by a few times. This will require a massive awareness programme so that more and more people start demanding these generic medicines. Till such demand gets generated, small entrepreneurs will not come forward to open the Jan Aushadhi Kendras. This has led to non-penetration of the Jan Aushadhi as a concept in the country which has led to the demand not increasing at the required pace. This is a typical chicken and egg situation. Therefore, the Committee recommend that the Department of Pharmaceuticals should start its own stores in different cities which are strategically located and also provide a good feel to the customers. In case the recommendation at para 4 is implemented in full, the business of BPPI will increase by many times which will bring in profits (BPPI currently operates at 14 % gross and 9% net margin on its total turnover). The increase in profits will itself be sufficient to open and operate a large network of stores. The Committee recommends the following criteria for opening the stores by BPPI which are operated by BPPI:

Population of the city (2011)	Number of Kendras to be opened and operated by BPPI on its own
5 lakh population	At least 1
10 lakh population	At least 2
20 lakh population	At least 3
Above 50 lakh population	At least 5

Reply of the Government

3.6 At present, PMBI is operating five outlets itself. This number may increase gradually keeping in mind the commercial viability of the new kendras. In order to increase to the scale recommended by the Committee, a large-scale increase will be required in manpower, IT, logistics & warehousing, and procurement. The budgetary support will also need to be increased commensurately. The approved outlay of the Scheme for a five period up to March, 2025 is Rs 490 cr, which may not be sufficient to support such large scale expansion of the Schemes. Further, it is submitted that the scheme also serves to promote entrepreneurs and self employment, and budgetary support is leveraged for this purpose. Additional assistance is provided for remote and hilly areas to improve viability. Thus the number of kendras has grown at a very high rate in the last 5 years.

RECOMMENDATION NO.10

QUALITY OF DRUGS

3.7 The Committee note that BPPI procures medicines only from WHO-GMP certified suppliers for ensuring the quality of medicines and batches of drugs are tested at laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and then only after passing the quality terms, medicines are dispatched to PMBJP Kendra. The Committee also note that during the last three financial years 0.54%, 0.37% and 0.46% of batches of medicines procured were declared as of 'Non Standard Quality'. This is a matter of concern that quality is compromised by a few suppliers despite of them being WHO-GMP certified suppliers. The Committee further note that sale and distribution of batches identified as "Not of Standard Quality" is stopped to all levels - Central Warehouse (CWH), Carrying and Forwarding Agent (CFA), Distributor and Janaushadhi Kendra. Consequently stringent action is initiated against the concerned drug supplier as per the relevant clauses of the tender, such as forfeiture of security deposit, recovery of cost of entire batch, blacklisting/debarment of firm from supply of medicines and participation in future tenders for two years. The details of firms blacklisted/debarred by BPPI are also disclosed to the public by hoisting it on BPPI's website. In this regard, the Committee are of the considered view that the quality of medicines sold under the Scheme should not be compromised at any cost as the sale of poor quality medicines will defeat the very purpose of providing quality medicines to the poor people under the Scheme. The Committee, therefore, recommend that the Department of Pharmaceuticals should review whether quality standards scrupulously adhered to by BPPI on periodic basis and suitable corrective steps should be taken to ensure quality of PMBJP medicines. Moreover, the errant drug suppliers should be banned for life or at

least banned for five years instead of two years as done presently so as to create a deterrent effect on others. The Committee also recommend that medicines/injections etc., which need to be stored at low temperatures, should be stored by wholesalers and retailers in refrigerator/cool chambers and it should be ensured by BPPI.

Reply of the Government

3.8 PMBI follows very stringent quality parameters and representative samples from each batch of the medicines are tested at NABL accredited labs. All medicines are procured from WHO-GMP certified manufacturers and prescribed standards of storage and distributions are observed at each stage till the medicines reach the consumers. Also, frequent inspection of kendras & distributors is done by marketing officers/quality assurance team of PMBI for ensuring storage standards.

As per the current practice of the government procurement agencies, the companies are debarred for supply for two years in case of quality failures. For a single failure, debarment for five years will be a little harsh and will discourage qualified bidders to participate in tenders for procurement. However, PMBI may consider increasing this period to five years for repeated failures.

CHAPTER – IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

RECOMMENDATION NO.7

NEW INCENTIVE PLAN

4.1 The Committee note that the Department of Pharmaceuticals has recently revised the incentive plan for Janushadi outlets owners. As per the revised plan, three categories of incentives have been announced viz. normal incentive, additional incentive and special incentive. The normal incentive which will be provided to all the categories of outlets owners including the existing outlets has been enhanced from Rs. 2.50 lakh to Rs. 5.00 lakh and will be given @ 15% of monthly purchase made from BPPI by these outlets subject to a ceiling of Rs. 15,000/- per month upto the total limit of Rs. 5 lakh. Additional Incentive of Rs. 2 lakh in addition to normal incentive will be given to outlets opened in backward areas mentioned as aspirational districts by NITI Aayog and in Himalayan, Island territories and North-Eastern States. Special Incentive of Rs. 2.00 lakh in addition to normal incentive will be given to PMBJP outlets run by women entrepreneurs, Divyang and SCs & STs. Additional and Special incentives are meant for reimbursement of expenditure on furniture and fixtures upto Rs. 1.50 lakh and Rs. 0.50 lakh for reimbursement expenditure on computer, internet, printer, scanner, etc. In order to make the incentive plan more attractive to those who come forward to set up PMBJP outlets, the Committee would like to make the following recommendations:-

- i. Even though the Committee welcome this move of the Department to enhance the normal incentive from Rs.2.5 lakh to Rs.5 lakh, still feel that this should be given for a longer period till the outlet owners establish themselves to run the outlets in a profitable and self sustaining manner. As per the present plan, normal incentive will be given upto 33 months till the outlets reach the limit of Rs.5 lakh. Since the PMBJP is aimed at the holistic social goal of providing quality generic medicines at affordable prices, the Committee recommend that the normal incentive may be provided up to five years so as to boost the morale of outlet owners and accordingly incentive amount may be worked out by the Department.
- ii. Secondly the additional incentive of Rs.2 lakh may be provided to all the categories outlet owners so as to make the Scheme attractive to the prospective entrepreneurs. Temperature control devices like refrigerator, air conditioners etc. may be included in the items of furniture's and fixtures so as to maintain the quality of medicines.

- iii. The number of outlets owned by SC/ST/differently abled persons/women category is only 3% of the total outlets in the country presently. Even though the Department has announced special incentives for these categories, the Committee recommend that special drives may be undertaken by the Department to attract more entrepreneurs from these categories.

Reply of the Government

4.2 The proposed increase in incentive and grant for kendras as proposed, will require huge financial outlay, which is far in excess of approved outlay of Rs 490 cr till March, 2025. In FY 2020-21, approx. 1400 new kendras have been opened. If Rs 2 lakh grant is given to all, it would require Rs 28 Cr for grant only. Similarly, if a sales-based incentive (up to Rs. 15,000 p.m.) is given to all for five years, it will further require a huge outlay. It is further felt that fixed income supports up to five years is given to all kendras, may have adverse effect on entrepreneurial skills of Kendra owners.

Temperature Control devices like fridge and AC have been included for the grants under the clause "Furniture & Fixtures", as these are required to keep medicines in good condition.

Special drive is already being undertaken in social media & other platforms and many seminars are organized for inviting applications from entrepreneurs from these categories.

Comments of the Committee

(Please see Para No. 1.12 of Chapter - I of the Report)

RECOMMENDATION NO.8

SUSTAINABILITY OF PMBJP OUTLETS

4.3 The Committee note the concern expressed by the Department about the sustainability and profitability of PMBJP outlets. Since the margin of profit is very low, the Department feels that it is difficult to run these outlets on sustainable basis. In this regard, the Department has taken certain steps to make the outlets commercially viable viz. product basket has been increased, new products with attractive packing have been launched like poshan, Janani protein powder, Suvidha sanitary napkins, etc. so as to increase footfalls to PMBJP outlets as well as medicine sales, a new incentive plan has been started to support them financially, items other than medicines have been permitted to be sold and now the sale of AYUSH medicines has also been permitted alongwith allopathic medicines. The main causes of worry for the Department are competition with branded medicine industry and sellers, similar schemes of the State Governments and Ayushman Bharat Scheme of the Government of India through which

the beneficiaries are given free medicines. In Committee's view PMBJP outlets can carve out niche for themselves in the vast market for drugs in the country by continuously selling quality generic medicines at affordable prices to all the sections of the society. In this regard, the Committee recommend that Department should work relentlessly for the projection of Jan Aushadi medicine as a trusted public brand which delivers quality medicines at low cost particularly a unique model/design may be developed for all PMBJP outlets. This will give separate identity/glorification for PMBJP outlets. These shops may continuously be permitted to sell other products such as toiletries, cosmetics, hygiene products, nutrition and food supplements etc. to enable them operate in a economically viable position.

Reply of the Government

4.4 The Department is taking all necessary efforts to increase the footfalls at Janaushadhi Kendras. It is placing advertisements in all forms of media, conducting seminars with all stakeholders, organizing Janaushadhi week and Janaushadhi Diwas for increasing popularity. PMBI has also expanded its product basket to cater needs of more and more consumers. These kendras are permitted to sell other products such as toiletries, cosmetics, hygiene products, nutrition, and food supplements etc. to make them economically viable.

Comments of the Committee

(Please see Para No. 1.15 of Chapter - I of the Report)

RECOMMENDATION NO.11

STORAGE AND LOGISTICS

4.5 The Committee note that the Department of Pharmaceuticals has taken steps for the establishment of an effective IT-enabled logistics and supply-chain system for ensuring real-time distribution of medicines at all outlets to avoid stock out situation. In addition, appointment of Distributors in States/UTs is also being envisioned to strengthen the supply chain system. At present three warehouses are functional at Gurugram, Chennai and Guwahati. Earlier the Committee were informed that fourth warehouse was functional at Bengaluru but subsequently the Department has become silent in this regard. However, the Department is planning to increase the strength of warehouses to six by the year 2022-23. Out of these, one regional warehouse is proposed to be set up in the western region and the one in the eastern region of the country for increasing supply in near future. Apart from that, warehouses

of distributors each with 5000 square feet capacity are functioning all over the country to supplement the end-to-end supply chain of BPPI. In this regard, the Committee are concerned to note that only 29 distributors are presently associated with BPPI across the nation but BPPI is in process of appointment of new distributors in 15 states for 19 locations. According to the Department, no target is fixed for the engagement of a certain number of distributors to enhance the warehouse facility and their engagement for any location/area is need-based, as it is only a supplementary step to strengthen the End-to-End supply chain system. The Committee further note that the BPPI strives to ensure the dispatch of the medicines within 48 hours on the receipt of the purchase order from PMBJP Kendra but the delivery time allowed for a consignment after dispatch is maximum of 10 days. The Committee feel that this time period for dispatch and delivery of medicines should be less for a smooth supply chain under the Scheme and for this purpose the Department/BPPI need to set up more warehouses across the length and breadth of the country and multiply the number of distributors as well. Since the supply chain is presently marred by delays, many PMBJP outlets unable to maintain the stock of various generic medicines/devices at their counters and as a result these outlets are becoming commercially non viable as well as not able to fulfill their prime objective of providing quality generic medicines to the people. The Committee, therefore recommend that BPPI should set up chain of its own warehouses and distributors in such a way that the medicines ordered by the outlets are dispatched within a day and delivered within next two days all over the country even in remote and hilly areas. The Committee therefore recommend that the hilly areas of Himachal Pradesh, West Bengal, Uttarakhand, Jammu & Kashmir and Ladakh and North-east special warehouses should be set up with adequate number of distributors to make timely supply in these remote areas with full coverage of all the States of North East region and hilly areas. In this regard, more warehouses region-wise or state-wise should be planned and set up to cover the entire population and area in a time bound manner and commensurate number of distributors should be appointed in each state as they are the key players to strengthen the End-to-End supply chain system. Bigger states like Uttar Pradesh should have more warehouses and distributors.

Reply of the Government

4.6 At present, the number of distributors has increased to 37. Further, one warehouse at Surat, Gujarat, is under construction and expected to get operational by August 2021. PMBI strives to ensure the dispatch of the medicines within 48 hours on the receipt of the purchase order from PMBJP Kendra, the delivery time allowed for a consignment after dispatch is maximum of 10 days. For any delay, penalty is imposed on the logistics partner. PMBI is trying to reduce the turnaround time for dispatch to 24 hrs. within the approval of order. However, for ensuring delivery within 2 days, some operational issues are present. For supply to any store, a route chart is prepared by

the distributor so that orders of all nearby stores are clubbed and a dedicated vehicle can be allotted. So, where stores are in the cluster, delivery can be done within 3-4 days (being done at present also). For stores in the hinterland where density is low, it will take some time as it has to be dispatched through courier. For avoiding stock out position, all stores are directed to maintain inventory of at least 15 days average sales. The kendras who are following this, have never faced stock out position.

PMBI is also trying to appoint more distributors and has placed advertisement in newspapers for this. It keeps on appointing eligible entrepreneurs as distributors. However, willingness of entrepreneurs depends upon commercial viability of the venture. At metro cities, breakeven point for profit to distributors is dispatch of Rs 75 lacs per month. In smaller cities, it is Rs 30-50 lacs. PMBI faces problem in appointing distributors at hinterlands/N-E States where store density is low. In Uttar Pradesh, four distributors are functional at present. Similarly, distributors are functional in J&K, Himachal Pradesh, Uttarakhand and West Bengal. In UT of Ladakh, only two stores are functional, hence, a dedicated distributor cannot be appointed there.

Comments of the Committee

(Please see Para No. 1.22 and 1.23 of Chapter - I of the Report)

RECOMMENDATION NO.13

PRESCRIPTION OF GENERIC MEDICINES BY MEDICAL PRACTITIONERS

4.7 The Committee have noted the huge price differential between branded medicines and the generic medicines under the Jan Aushadhi Scheme. While the Government is committed to the target of “health for all”, the availability of low cost medicines is a critical factor in achievement of this target. At the same time, the Committee are well aware of the “pharmaceutical mafia” which ensures that medical practitioners continue to prescribe branded medicines notwithstanding the Indian Medical Council (Professional Conduct and Ethics) Regulations 2002. This nexus between the pharmaceutical mafia and the medical professionals needs to be broken with a heavy hand because only that can ensure affordable medicine for every citizen of our country. Therefore, the Committee recommend that the Department of Pharmaceuticals and the Ministry of Health and Family Welfare should draw out a strategy which ensures that prescriptions without the generic name are not permitted at all. If required, a new law should be brought to the House on an urgent basis to enforce the same.

Reply of the Government

4.8 PMBI is taking all possible steps to persuade doctors for prescribing medicines in the generic name. It has also initiated an award 'Janaushadhi Chikitsak' to encourage doctors for supporting generic medicines. This award was announced and given in presence of Hon'ble Prime Minister in the year 2021. The advisory has also been issued by the Ministry of Health & Family Welfare to prescribe generic medicines.

The matter was taken up with the Ministry of Health & Family Welfare, which led to issuance of Circular (No.-MCI-211(2)(Gen.)/2017-Ethics/104728 dated 21-04-2017, by the erstwhile Medical Council of India, whereby all registered medical practitioners under the IMC Act have to comply with the provisions of the Regulations without fail. It stipulates that that every physician should prescribe drugs with generic names legibly and preferably in capital letters and he/she shall ensure that there is a rational prescription and use of drugs.

Comments of the Committee

(Please see Para No. 1.25 of Chapter - I of the Report)

RECOMMENDATION NO.14

CONTRIBUTION OF PMBJP DURING COVID-19 PANDEMIC

4.9 The Committee are happy to note that BPPI came forward and joined hands for fight against the Covid 19 pandemic. PMBJP outlets remained functional during lockdown period and maintained operations as part of their commitment to ensure uninterrupted availability of essential medicines. BPPI has sold about 10 lakh Face masks and about 60 lakh tablets of Hydroxychloroquine, which saved around Rs. 1260 crore for the people. Moreover, the Committee note that BPPI is maintaining adequate stocks of the medicines which are currently under demand viz. Face Masks, Hand Sanitizers, Hydroxychloroquine, Paracetamol and Azithromycin. However, Oximeter which is in high demand due to the pandemic is not in the basket of medical devices under PMBJP. The Committee also find from the reply given by the Department of Pharmaceuticals that Hydroxychloroquine tablets are not procured from Public Sector Undertakings under the Department viz. Bengal Chemicals & Pharmaceuticals Limited (BCPL) and Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) which have the capacity to manufacture hydroxychloroquine tablets and can manufacture the same if the required raw material is made available to them. The Committee feel that opportunity should be given to these CPSUs at time of health emergency situations like COVID-19 pandemic to manufacture the quality medicines at affordable prices. The Committee, therefore, recommend that BPPI may consider purchase of hydroxychloroquine from these two CPSUs on competitive rate basis and

this drug may also be included in the Pharmaceuticals Purchase Policy (PPP). The Committee also recommend that Oximeter should be included in the medical devices basket of PMBJP immediately to make available quality Oximeters at affordable prices to the people.

Reply of the Government

4.10 PMBI gives preference to CPSUs for procurement provided they offer competitive rates and has procured medicines from CPSU many times earlier. Presently, it has sufficient stock of HCQ. In future procurement, preferential orders to CPSUs for HCQ or other medicines will be given in case they provide competitive rates.

Comments of the Committee

(Please see Para No. 1.28 of Chapter - I of the Report)

CHAPTER – V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation No. 9

BASKET OF MEDICINES UNDER PMBJP

5.1 While stressing on the need to expand the basket of medicines, the Committee had recommended as under:

" The Committee note that the present product basket of PMBJP consists of 1250 medicines and 204 surgical instruments. DoP is set to enhance it up to 2000 medicines and 300 surgical products by the end of 31st March 2024 so that all essential medicines covering therapeutic groups, like - Anti Diabetics, Cardiovascular Drugs, Anti-Cancer, Analgesics & Antipyretics, Anti Allergic, Gastro Intestinal Agents, Vitamins, Minerals & Food supplements, Tropical Medicines, etc. get included under the Scheme. The Committee note that the Department of Pharmaceuticals has chalked out a programme for gradual increase of number of medicines and surgical instruments over the next four years. In this regard, the Committee are of the firm view that a strong basket of medicines and surgical instruments under the Scheme covering all the therapeutic groups and all the surgical requirements can only compete with the private market. When the people visit Janaushadi stores and find that all the quality medicines and surgical instruments are available in them at a lower cost, it will definitely attract more people towards the Janaushadi stores and with the increase in volume of sales, their profit position will also be enhanced correspondingly. The Committee, therefore, recommend that a Committee of experts in the field including the eminent medical practitioners may be constituted to study the present basket of medicines and surgical instruments under the scheme and to suggest within three months a comprehensive basket of medicines and instruments covering all the therapeutic groups so as to offer all the medicines and surgical instruments to the people at affordable costs. Their suggestions may be implemented within a year to make PMBJP outlets sustainable and profit making.

Reply of the Government

5.2 In reply to the above recommendation of the Committee, the Department of Pharmaceuticals has stated as under:-

"At present, new products are introduced based on the demand given by kendras/distributors which is duly vetted by other commercial data collected from the market. Opinions of medical professionals are also taken about the product to be introduced. The recommendation of the Committee will be put to the Governing Council for necessary action."

Comments of the Committee

(Please see Para No. 1.18 of Chapter - I of the Report)

**New Delhi;
16 November, 2021
25 Kartika, 1943 (Saka)**

**KANIMOZHI KARUNANIDHI
Chairperson,
Standing Committee on
Chemicals and Fertilizers**

**MINUTES OF THE FIRST SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2021-22)**

The Committee sat on Tuesday, the 16th November, 2021 from 1500 hrs. to 1700.hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

**K. KANIMOZHI - CHAIRPERSON
MEMBERS**

LOK SABHA

2. Shri Dibyendu Adhikari
3. Shri Prataprao Patil Chikhlikar
4. Shri Kripanath Mallah
5. Shri Parbhubhai Nagarbhai Vasava
6. Shri Satyadev Pachauri
7. Shri Arun Kumar Sagar
8. Shri Pradeep Kumar Singh
9. Shri Uday Pratap Singh

RAJYA SABHA

- 10 Shri Ayodhya Rami Reddy Alla
- 11 Shri G.C.Chandrashekhar
- 12 Dr. Anil Jain
- 13 Shri Anthiyur P. Selvarasu
- 14 Shri Arun Singh

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri N. K. Jha | - | Director |
| 2. | Shri C. Kalyanasundaram | - | Additional Director |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary |
| 4. | Shri Panna Lal | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the newly constituted Committee and apprised them that the sitting has been convened to consider Memorandum No.1 regarding selection of subjects for examination during the year (2021-22) and also to discuss the future course of action of the Committee during the tenure.

3. The Committee then considered Memorandum No. 1 and after discussion selected the following subjects pertaining to the Ministry of Chemicals and Fertilizers for detailed examination during 2021-22:-

**I. MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF FERTILIZERS)**

1. Nano-fertilizers for sustainable crop production and maintaining soil health.
2. Tax structure on fertilizers sector in terms of GST and import duties – analysis of the tax structure of raw material and final products and its impact on self-sufficiency and use of fertilizers.
3. Prices, Availability and distribution of fertilizers.

**II. MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)**

4. Vision 2024 - To establish India as a leading manufacturer of chemicals and petrochemicals.
5. Insecticides – promotion and development including safe usage - licensing regime for insecticides.
6. Disposal of toxic waste from Bhopal Gas Leak site.
7. Environmental Impact of Petrochemical products.

**III. MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF PHARMACEUTICALS)**

8. Promotion of Medical Device Industry.
9. Availability of Medicines and Medical devices for COVID Management.
10. Self sufficiency of key starting Material and intermediates.

4. The Committee then considered and adopted the following draft Action Taken Reports unanimously without any amendment/change:-

i.	XXX	XXX	XXX
ii.	XXX	XXX	XXX
iii.	XXX	XXX	XXX
iv.	XXX	XXX	XXX
v.	XXX	XXX	XXX
vi.	ATR on the recommendations/observations of the Committee contained in the Seventeenth Report on “Review of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)” (Department of Pharmaceuticals).		
vii.	XXX	XXX	XXX

5 The Committee also authorised the Chairperson to finalize and present the Action Taken Reports to the Parliament in the ensuing session.

The Committee then adjourned.

(Vide Para 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SEVENTEENTH REPORT (SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS ON THE SUBJECT 'REVIEW OF PRADHAN MANTRI BHARTIYA JANAUSHADHI PARIYOJANA (PMBJP) OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF PHARMACEUTICALS)

I	Total No. of Recommendations	15
II	Observations / Recommendations which have been accepted by the Government: (Vide Recommendation Nos. 1,2,5,12 and 15)	5
Percentage of Total		33.33%
III	Observations / Recommendations which the Committee do not desire to pursue in view of the Government's reply:- (Vide Recommendation Nos.3,4,6 and 10)	4
Percentage of Total		26.70%
IV	Observations / Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration:- (Vide Recommendation No. 7,8,11,13 and 14)	5
Percentage of Total		33.33%
V	Observations / Recommendations in respect of which final replies of the Government are still awaited: (Vide Recommendation No. 9)	1
Percentage of Total		6.70%
Total		100%