

# 17

STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2020-21)

SEVENTEENTH LOK SABHA

MINISTRY OF CHEMICALS AND FERTILIZERS  
(DEPARTMENT OF PHARMACEUTICALS)

REVIEW OF PRADHAN MANTRI BHARTIYA JANAUSHADHI  
PARIYOJANA (PMBJP)

SEVENTEENTH REPORT



LOK SABHA SECRETARIAT  
NEW DELHI

MARCH, 2021 /PHALGUNA, 1942 (SAKA)

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PARIYOJANA (PMBJP)



*Presented to Lok Sabha on 17.03.2021*

*Laid in Rajya Sabha on 17.03.2021*

LOK SABHA SECRETARIAT  
NEW DELHI

MARCH 2021 / PHALGUNA, 1942 (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 Er. Bishweswar Tudu
20	Shri Prabhubhai Nagarbhai Vasava
21	Dr. Sanjeev Kumar Singari#

**RAJYA SABHA**

22	Shri G.C.Chandrashekhar
23	Dr. Anil Jain
24	Shri Ahmad Ashfaque 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 K. Arora	-	Officer on Special Duty
2.	Shri N.K. Jha	-	Director
3.	Shri C. Kalyanasundaram	-	Additional Director
4.	Ms. Sonia Sankhla	-	Assistant Committee 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.

## INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2020-21) having been authorized by the Committee to submit the Report on their behalf, present this Seventeenth Report (Seventeenth Lok Sabha) on Review of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) pertaining to the Department of Pharmaceuticals.

2. The subject Review of Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP) was taken up by the Standing Committee on Chemicals and Fertilizers (2019-20) for examination and report. The Committee took the oral evidence of the representatives of the Department of Pharmaceuticals on the subject at their sitting held on 11.8.2020.

3. The Standing Committee on Chemicals and Fertilizers (2020-21) considered and adopted this Report at their sitting held on 19.2.2021.

4. The Committee wish to express their thanks to the Officers of the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals) for their cooperation in furnishing the written replies and other information and for placing their views before the Committee.

5. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold letters at the end of the Report.

**New Delhi;**  
**12 March, 2021**  
**21 Phalguna, 1942 (Saka)**

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

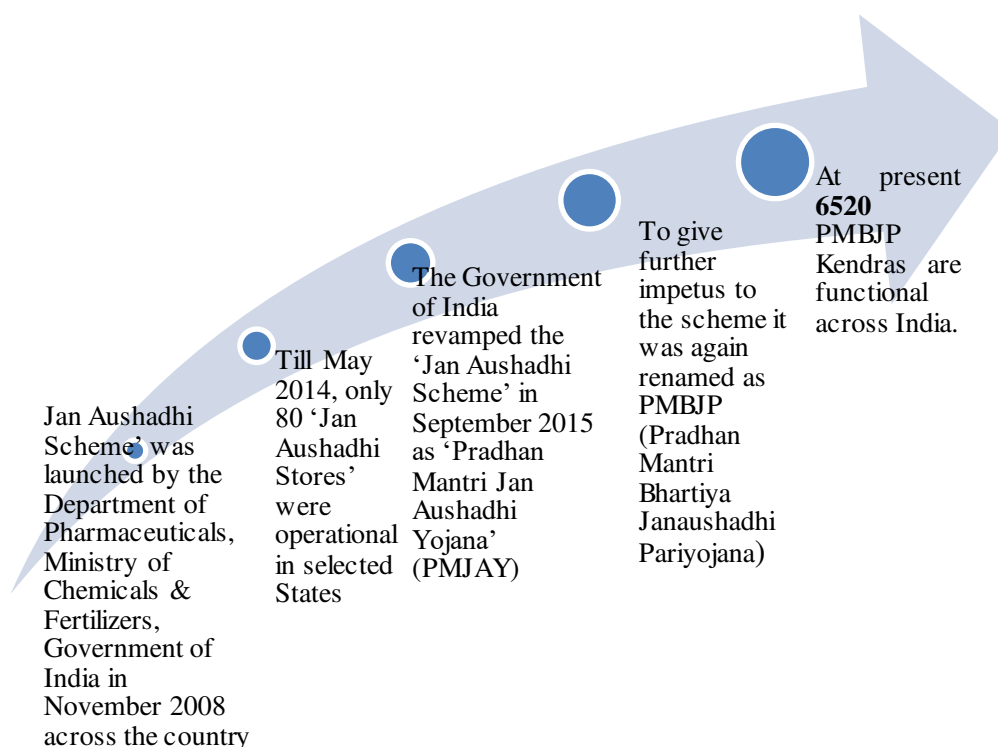
## CHAPTER-I

### INTRODUCTION

1.1 Indians despite being one of the leading exporters of generic medicines to the world, majority of them have no access to affordable medicines. As per a recently published research paper based on cross-sectional analysis of National Sample Survey Organization (NSSO) data, 55 million Indians were pushed into poverty in a single year because of having to fund their own healthcare, and out of this, 38 million fell below the poverty line due to spending on medicines alone. It is true that the total expenditure on out-patient care is significantly higher than the in-patient care. Further, as per the 71st Round (January-June 2014) report of the National Sample Survey Organization (NSSO) on Health in India, purchase of medicine accounted for around 72% in rural sector, and 68% in urban sector, of the total expenditure on non-hospitalized treatment of ailments.

1.2 With an objective of making quality generic medicines available at affordable prices to all, Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) was launched by the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers, Government of India in the year 2008. Under this scheme, dedicated outlets known as Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK) are opened all over the country to sell generic medicines to the public.

1.3 During Oral evidence of the representatives of DoP on the subject, the following presentation was made on the journey of the Scheme from 2008 to the present:-



1.4 The nodal agency responsible for implementation of the Scheme is Bureau of Pharma Public Sector Undertakings of India (BPPU) which was set up by the DoP with the major objective to have a focused and empowered structure to implement the Jan Aushadhi Campaign initiated by the Government of India.

1.5 According to DoP, a medicine under PMBJP is priced on the principle of a maximum of 50% of the average price of top three branded medicines. Therefore, 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 the financial year (2019-20), PMBJP has achieved sales of Rs. 433.60 crore (at MRP). In this regard, DoP has claimed that this has led to savings of approximately Rs. 2500 crore to the common citizens of the country.

1.6 PMBJP is a flagship Scheme of the Government of India which aims to make available quality medicines at affordable prices to the people of this vast country particularly to the middle class, lower middle class and poor people including those who live under poverty line. Implementation of the Scheme in letter and spirit will go a long way in considerably reducing the expenditure on medicines to the people. The Committee, therefore, selected the subject "Review of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)" for detailed examination and Report to the Parliament for effective implementation of the Scheme. The subsequent chapters of this Report deal with the various aspects of the subject in detail.

## CHAPTER-II

### OBJECTIVES OF THE SCHEME, VISION PLAN AND RECENT CHANGES/INITIATIVES

2.1 In the background note submitted by the Department of Pharmaceuticals (DoP), the following have been stated as the objectives of the Scheme :-

- (a) To make available quality medicines consumables and surgical items at affordable prices for all and thereby reduce out of pocket expenditure of consumers/patients.
- (b) To popularize generic medicines among the masses and dispel the prevalent notion that low priced generic medicines are of inferior quality or are less effective.
- (c) Generate employment by engaging individual entrepreneurs in the opening of PMBJP Kendras.

#### Targets as per the Vision Plan

2.2 DoP has informed the Committee that it has chalked out the following Vision Plan to achieve the above objectives:-

- (i) **Coverage:** The target is to cover all districts of the country, so that a mass community get benefitted. The target is to establish 10000 Jan Aushadhi Kendras by the end of 31<sup>st</sup> March 2024.
- (ii) **Basket of medicines:** The present product basket consists of 1250 medicines and 204 surgical instruments. The target is set to enhance it up to 2000 medicines and 300 surgical products by the end of 31<sup>st</sup> 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.
- (iii) **Storage & Logistics:** 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. At present three warehouses at Gurugram, Chennai & Guwahati are functional. Further, it has planned to open two more



warehouses in Western and Central India. Thus, opening one warehouse at Surat, Gujarat is currently under process. In addition, appointment of Distributors in States/UTs is also being envisioned to strengthen the supply chain system.

### **Recent changes/initiatives made to achieve the objectives**

2.3 The following recent changes/initiatives have been made by DoP to achieve the objectives of the Scheme:-

(i) The Scheme has been approved for continuation with the financial outlay of Rs. 490 crore for the period 2020-2021 to 2024-2025. The target is to cover all districts of the country by the end of Financial Year 2020-2021 and to open 10500 PMBJP Kendras in all over the country by March, 2025.

(ii) The incentive provided to the Kendra owners has been enhanced from existing Rs. 2.50 lakh to up to Rs. 5.00 lakh to be given @ 15% of monthly purchases made, subject to a ceiling of Rs. 15,000/- per month.

(iii) One-time incentives of Rs. 2.00 lakh is to be provided to the PMBJP Kendras opened in North-Eastern States, Himalayan areas, Island territories and backward areas mentioned as aspirational district by NITI Aayog or opened by women entrepreneur, Divyang, SC & ST in the form of furniture & fixtures and IT equipment.

(iv) To ensure easy availability of the menstrual health services to all women across India, "Janaushadhi Suvidha" sanitary pads are now made available for sale @ Rs 1.00 per pad since 27<sup>th</sup> August 2019 in more than 6500 Kendras across the country.

(v) It has been decided to include AYUSH products specifically 75 Ayurvedic drugs in the product basket of the Pariyojana.

(vi) On 7<sup>th</sup> March every year, Jan Aushadhi Diwas is being celebrated. In the celebration, a wide range of activities are carried to propagate the achievements of the scheme and create awareness about its benefits.

(vii) It has been decided to present annual awards under various categories for promoting and encouraging various stakeholders for growth and development of the Scheme.

(viii) It has been decided to re-name the BPPI as the Pharmaceuticals & Medical Devices Bureau of India (PMBI) and to set up a Pharma Bureau with an objective of "Single point interface of the Department of Pharmaceuticals with Industry".

(ix) The powers, functions and duties of CEO, Executive Council and the Governing Council have been properly delineated to have clarity and smooth functioning."

## CHAPTER- III

### IMPLEMENTING AGENCY BPPI AND ITS BUDGETARY ALLOCATION

3.1 Bureau of Pharma Public Sector Undertakings of India (BPPI) is implementing agency of the scheme. It is an independent society, registered under the Societies Registration Act, 1860 and set up by the pharma PSUs with major objective to have focused and empowered structure to implement the Jan Aushadhi Campaign initiated by the Department of Pharmaceuticals. The Bureau is headed by the Chief Executive Officer (CEO), who reports to the Governing Council of the Bureau. Recently DoP informed the Committee that it has been decided to re-name the BPPI as the Pharmaceuticals & Medical Devices Bureau of India (PMBI).

3.2 While describing the organizational structure of BPPI, the Department in their written reply stated as under:

“Bureau of Pharma Public Sector Undertakings of India (BPPI) was established in November 2008 under the Department of Pharmaceuticals with the support of all pharma CPSUs. The Department of Pharmaceuticals manages the functioning of BPPI through the Governing Council of BPPI. The current structure of the Governing Council is as given below:

I.	Secretary, Department of Pharmaceuticals	Chairperson
II.	Joint Secretary, Department of Pharmaceuticals	Member
III.	Chairman & Managing Director, Indian Drugs & Pharmaceuticals Limited (IDPL)	Member
IV.	Managing Director, Hindustan Antibiotics Limited (HAL)	Member
V.	Managing Director, Karnataka Antibiotics & Pharmaceuticals Limited (KAPL)	Member
VI.	Managing Director, Rajasthan Drugs & Pharmaceuticals Limited (RDPL)	Member
VII.	Managing Director, Bengal Chemicals & Pharmaceuticals Limited (BCPL)	Member
VIII.	Joint Secretary/Director/Deputy Secretary/Under Secretary, Internal Finance Division, Department of Pharmaceuticals	Member
IX.	Two members (Expert in the field of Pharma industry) to be nominated by Government	Member
X.	Chief Executive Officer, Bureau of Pharma PSUs of India	Member Secretary

3.3 On being asked about the adequacy of the present staff strength of BPPI to deal with the nation-wide expansion of network of PMBJP in states and the steps

that are proposed to be taken in this regard, the Department in their written reply stated as under:-

“Presently, the organization consists of 104 on-roll employees at different levels. The designation and strength thereof is indicated as under:

<b>S. No.</b>	<b>Designation</b>	<b>No. of posts</b>	<b>Department</b>
1.	Chief Executive Officer	1	Head of BPPI and Member of GC
2.	General Manager	3	Finance & Administration, Sales & Marketing, Procurement & Quality Control
3.	Manager	7	Accounts, Quality, Sales & Marketing, Logistics & Supply Chain
4.	Deputy Manager	20	Marketing, HR & Admin., IT, Media, Procurement, Finance, Quality, PR & Vigilance
5.	Senior Executive	56	Marketing, Procurement, Quality, Finance, IT
7.	Executive	15	Marketing, Procurement, Supply, Quality, Administration, Finance
8.	Jr. Officer / Non - Executives	2	HR & Admin, Finance

The Department has recently approved a new wage policy and organization structure of BPPI.”

3.4 While replying to a question on the details of the new wage policy and organization structure of BPPI, the Department have stated in their written reply as under:

"In the 33<sup>rd</sup> meeting of the Governing Council of BPPI held on 22.08.2019, a new wage policy was approved, which was supposed to be effective from 01.04.2020. However, in the present pandemic situation, it was not implemented. In the 35<sup>th</sup> meeting of Governing Council of BPPI held on 26.06.2020, it was decided to adopt a revised consolidated wage policy instead of the approved wage policy due to some technical issues. Accordingly, the new wage policy and organization structure is under formulation and same will be placed for the approval of the Governing Council in due course."

3.5 Presently Government of India is providing financial support to BPPI for implementing PMBJP. In long term, it is proposed to make BPPI self supporting. In this regard, the Committee asked about the quantum of financial assistance provided to BPPI during the last 3 years, the Department in their written reply stated as under:

“Total financial assistance of Rs 124.50 Cr was provided to BPPI in last three years as mentioned in table below.

(In Rs. Crore)

<b>Grant Details</b>				
<b>Year</b>	<b>Grant Sanctioned</b>	<b>Grant Disbursed</b>	<b>Actual Expenditure</b>	<b>Expenditure percentage of Grant Disbursed</b>
2017-18	47.64	47.64	47.27	99.22
2018-19	42.50	42.50	42.30	99.53
2019-20	42.00	35.10	35.59	101.40

3.6 When the Committee asked about the efforts that are being made by BPPI to be independent of Government assistance in implementation of PMBJP scheme and the success that has been achieved so far, the Department in their written reply stated as under:

“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. In F.Y.-2018-19, BPPI achieved turnover of Rs 315 crore (at MRP) which led to savings of Rs 2,000 crore to citizens as compared to the average price of the branded medicines. This has been further increased to Rs 433.30 crore (Unaudited) in F.Y. 2019-20. BPPI has focused on cost reduction and has given financial prudence in all 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. Thus, at present, BPPI is doing both cost control and cost reduction, which is evident from the table below:

<b>Comparison of HR and Admin Cost</b>								
S. No.	Year	Total Staff	Sales (dispatch)	Total Kendra	HR Cost (Cr)	Percent of Sales	Admin Cost (Cr)	Percent of Sales
1	2017-18	92	102.02	3322	4.79	4.70	4.60	4.51
2	2018-19	98	207.86	5140	4.57	2.20	4.52	2.17
3	2019-20	104	277.71	6306	4.75	1.71	4.12	1.48

Thus, BPPI is taking all steps to reach at self-sufficiency and it has earned a Profit Before Tax (PBT) of Rs 5.50 crore in FY 2019-20 (unaudited).”

3.7 The Committee also asked about the monitoring mechanism that the Department has and the outcomes/success of such monitoring achieved during the last three years. In this regard, DoP in their written reply stated as under:-

“Operations of BPPI is regularly monitored by the Governing Council of BPPI which is headed by the Secretary, Department of Pharmaceuticals as

Chairman. Further, regular review meetings are conducted by Hon'ble Minister, Hon'ble Minister of State, Secretary & Joint Secretary of the Department in which progress of the scheme is reviewed against pre-set goals. Any deviations, if observed and timely interventions are done to achieve the goals. The Scheme has recently been appraised by the SFC and approved by the Hon'ble Minister.

The Committee were informed that following results were achieved as a result of monitoring of implementation of the Scheme by DoP:-

Year	2017-18		2018-19		2019-20	
	Target	Actual	Target	Actual	Target	Actual
No. of Kendras	3000	3316	5000	5140	6300	6306
Districts Covered	500	510	625	650	728 (all)	726
No. of Medicines	600	700	800	900	1200	1250
No. of Surgicals	100	120	150	174	200	204
Sales Turnover (mrp) (inRs. Cr.)	125.00	143.84	300.00	315.00	400.00	433.60

3.8 While elaborating on the difficulties that BPPI is facing in implementation of scheme and measures taken are being taken to reduce the difficulties, the DoP in their written reply stated as under:-

"BPPI is facing many hurdles in timely procurement of medicines due to failure of suppliers on time. 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. BPPI is working on new procurement policy to encourage large scale manufacturers to participate in tenders so that supply can be further smoothed."

3.9 On the reasons for 90% of supplies from MSME sector and details of procurement policy of the government to buy medicines from MSME sector, DoP in their written reply stated as under:

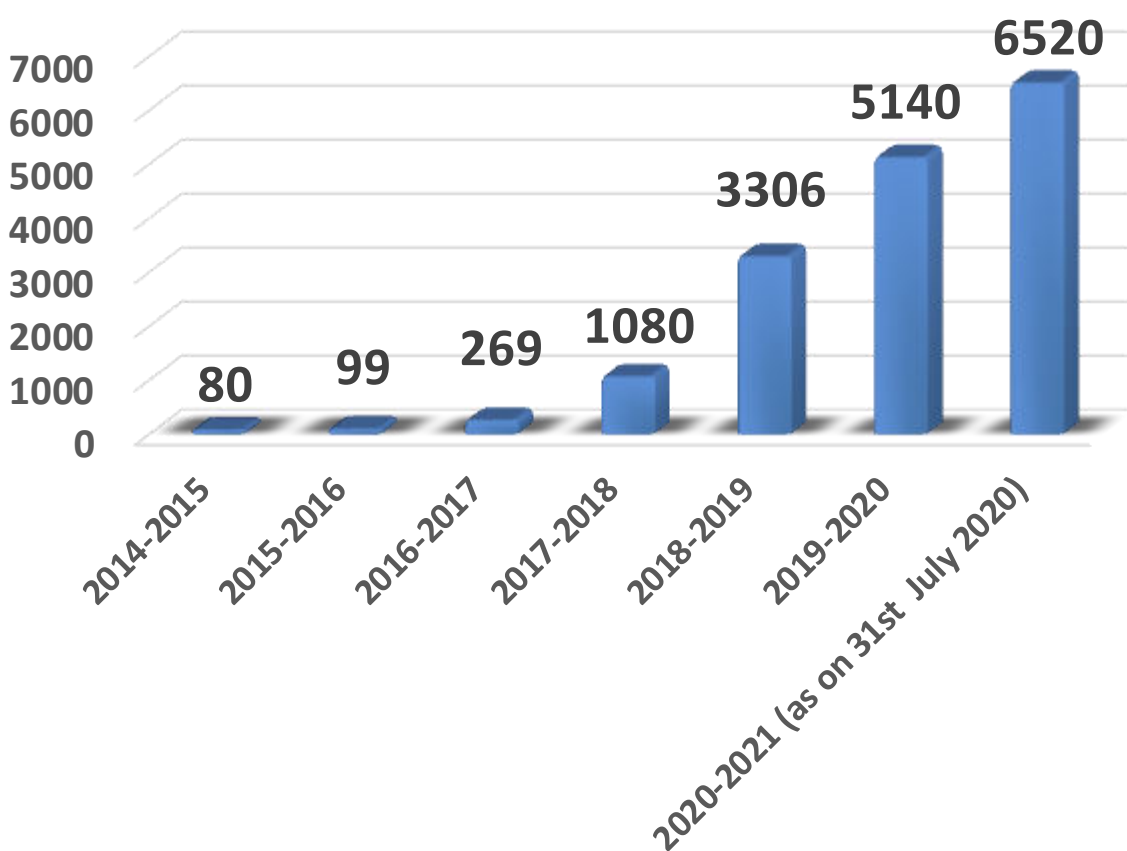
"BPPI procures medicines and other products through open tender published on e-procurement website of the central government. Rate contract is entered with eligible bidders who give L1 rate. It places criteria for minimum turnover of the organization for participating in the tender. However, special 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. Department of Industrial Policy and Promotion (DIPP), has issued Public Procurement (Preference to make in India) Order (PPO), 2017 vide Order

No. P-4502/2/2017-B.E.-II dated 15.06.2017. The Department of Pharmaceuticals has also notified the same vide Order No. 31026/4/2018-Policy dated 01.01.2019 and 31026/36/2016-MD dated 18.05.2018. The selection of MSME units in the tenders of BPPI for supply of Janaushadhi products owes broadly to various relaxed norms viz. waiver of tender fee & Earnest Money Deposit (EMD), relaxation in prior turnover & prior experience condition and purchase preference for startups; Medium, Micro & Small Enterprises in public procurement and preference to make in India, as notified and amended from time to time by the concerned Departments/Ministries of the Govt. of India. BPPI *per se*, doesn't give any additional reservation/preference in procurement to MSME units other than those notified by the Government of India."

## Chapter IV

### COVERAGE OF THE SCHEME

4.1 During oral evidence of the representatives of DoP , the Committee were informed that presently 732 districts (including 124 aspirational districts) have been covered under the Scheme out of 739 districts in the country. The Department has fixed a target to cover all districts of the country by this Financial Year. The Committee were given the following information about the growth in number of PMBJP outlets since 2014-15 during oral evidence of the representatives of DoP on the subject:-



4.2 The Department in its written reply also stated that presently around 1800 to 2000 people are purchasing medicines from one PMBJP outlet in a month.

4.3 With respect to a question seeking state wise and category wise details of number of individual entrepreneurs, NGOs, Societies, Institutions, Pharmacists, Government bodies who have set up PMBJP Kendras and the number of SC/ST/ differently-abled entrepreneurs benefitted in opening PMBJP Kendras in the country, DoP in their written reply furnished the following information:-



(As on 12-05-2020)

S No.	State	Colleges/ Institutes	Government	Individuals - SC/ST/ Differently abled	NGO/Trust/ Society/ Federation/ Organization	Private	Grand Total
1	Andaman & Nicobar	0	2	0	0	0	2
2	Andhra Pradesh	3	35	11	14	127	190
3	Arunachal Pradesh	0	22	0	1	7	30
4	Assam	3	4	9	16	59	91
5	Bihar	0	38	13	11	110	172
6	Chandigarh	0	4	0	0	2	6
7	Chhattisgarh	1	167	2	2	45	217
8	Dadar & Nagar Haveli	0	0	0	0	17	17
9	Daman & Diu	0	0	0	0	6	6
10	Delhi	0	7	4	6	130	147
11	Goa	0	6	0	0	2	8
12	Gujarat	2	0	3	22	507	534
13	Haryana	2	7	12	9	151	181
14	Himachal Pradesh	1	15	0	17	33	66
15	Jammu & Kashmir	0	45	1	8	36	90
16	Jharkhand	0	16	2	2	45	65
17	Karnataka	5	163	9	34	435	646
18	Kerala	6	6	9	96	428	545
19	Ladakh	0	3	0	0	0	3
20	Madhya Pradesh	0	4	5	16	153	178
21	Maharashtra	4	7	5	29	413	458
22	Manipur	0	26	0	3	6	35
23	Meghalaya	0	1	0	0	8	9
24	Mizoram	0	9	1	2	12	24
25	Nagaland	0	14	0	0	2	16

26	Odisha	1	18	4	3	181	207
27	Puducherry	0	0	2	2	12	16
28	Punjab	1	30	7	2	169	209
29	Rajasthan	1	35	6	7	89	138
30	Sikkim	1	0	0	1	0	2
31	Tamil Nadu	9	3	19	80	502	613
32	Telangana	0	2	23	32	69	126
33	Tripura	0	23	0	0	2	25
34	Uttar Pradesh	2	142	23	27	742	936
35	Uttarakhand	2	64	9	6	111	192
36	West Bengal	1	1	12	7	111	132
<b>Grand Total</b>		<b>45</b>	<b>919</b>	<b>191</b>	<b>455</b>	<b>4719</b>	<b>6329</b>

4.4 The following information was provided to the Committee during oral evidence on the subject in regard to goals set for opening PMBJKs during the next five years:-

<b>Goal</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Districts to be covered by opening PMBJKs</b>	<b>All</b>	<b>All</b>	<b>All</b>	<b>All</b>	<b>All</b>
<b>Total No. of PMBJKs</b>	<b>7300</b>	<b>8300</b>	<b>9300</b>	<b>10000</b>	<b>10500</b>

4.5 When asked about the steps that are being taken to achieve the target of opening 10000 Kendras by the end of 31 March 2024, the Department in their written reply stated as under:-

“In order to open a *Pradhan Mantri Bhartiya Janaushadhi Kendras*, online applications are invited through the website. BPPI is also inviting the applications by giving advertisements in various newspapers from time to time. BPPI also uses social media platforms for inviting applications from individual entrepreneurs and un-employed pharmacists.

Further, the Department has written letters to the Principal Secretaries (Health & Family Welfare) of all States/ UTs requesting them to provide rent free space in Government Hospitals for opening PMBJP kendra. BPPI's Marketing Officers also organizes workshop and seminars to encourage private entrepreneurs/NGO/Civil Society and unemployed pharmacists for opening PMBJP Kendras.

Department of Pharmaceuticals has also written request letters to the Hon'ble Chief Ministers, Chief Secretaries and District Magistrates to open Jan aushadhi Kendras in maximum number of government hospitals to make available quality generic medicines at affordable prices to the citizens. Positive progress is being made in this direction. Also, new incentive scheme is proposed to attract more persons for opening of new kendras in unserved area."

4.6 On being asked about the initiatives taken by the government to encourage people especially unemployed qualified youths/retired pharmacists to open Jan Aushadhi Kendras and to make it profitable proposition to some extent, DoP in their written reply stated as under:

"The Department has been utilizing all the different forms of media and publicity to encourage people, especially unemployed qualified youths/retired pharmacists to open *Jan Aushadhi Kendras*. The application form has been made simple & online, application fees is waived, and dedicated marketing officers are appointed in the States to facilitate applicants for getting drug license from the State Authorities. Further, in order to make the kendras commercially viable, product basket is increased, new products with attractive packing are launched like poshan, Janani, protein powder, suvidha sanitary napkins which will increase footfall to kendras and sales. Also, new incentive scheme is proposed to support them financially. BPPI is also running regular advertisement campaigns in all forms of media for publicity of the scheme so that sales can be increased."

4.7 The representatives of DoP showed the following chart to the Committee during oral evidence on value of sales from 2014-15 to 2020-21(upto 31 July) with the target of Rs.500 crore for 2020-21:-

Details	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (upto 31/07/2020)
<b>Volume of sales ( In Rs. Crore)</b>	<b>7.29</b>	<b>12.16</b>	<b>32.66</b>	<b>140.84</b>	<b>315.00</b>	<b>433.60</b>	<b>198.39</b>

4.8 Further, the Committee were informed by the representatives of DoP during oral evidence that the following sales targets have been fixed for the period from 2020-21 to 2024-25:-

Details	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Estimated Sales (In Rs. Crore)</b>	<b>500</b>	<b>625</b>	<b>775</b>	<b>1000</b>	<b>1200</b>

4.9 On seeing the above targets, when the Committee asked about the share of sale of medicines by PMBJP outlets in the overall share of medicines sold in the country and the rationale for keeping low the estimated sale target of only Rs 1200 crore by the year 2024-25, the Secretary, DoP stated as under:

"...today in the country total consumption of medicines is nearly 1.5 lakh crore...you are right, we are ready to increase the sales target but the one thing that we have to keep in mind that these Kendras don't turn unsustainable later on. This is our main worry"

4.10 During the Oral evidence, when the Committee observed that an entrepreneur running Jan Aushadhi Kendra with limited generic medicine products, would not be able to earn adequate profit margin and this would dissuade them from opening these shops,, the Secretary, DoP submitted before the Committee that:

"The biggest problem right now is sustainability and profitability. Its margin is so low that making it sustainable is very difficult. We said last year that items other than medicines can be sold. We had said in December 2019 that you can sell ayurvedic medicines as well. It came to mind that there is a great need to bring quality to Ayurvedic medicine. First we took policy decision, we designed two months ago that AYUSH medicine should also be taken. We told the AYUSH Ministry to give us a list of the low price medicines for the poor. They gave a list of 75 medicines which are of WHO-GMP standard.....every month we are giving Rs 15000 assistance to Kendra owners but because their margin is very low....this is our biggest worry...we want that entrepreneurs get adequate hand holding, margin and profit, this is very necessary ."

4.11 Further elaborating on the issue of financial suitability of PMBJP outlets, the Secretary stated as below:

"....The biggest problem in this is that state governments run their own shops. For studying this I went to Rajasthan...their including our scheme four other schemes are running...so there is so much competition.....cooperative federations also run shops to deliver generic medicines.....Second problem on which I want your attention is Ayushman Bharat scheme which covers 40 percent of population. Under this scheme the poor people are getting free medicines then why will they come to our shops...our biggest concern is competitive conflict. On one hand is pharmaceutical industry, on the other state government schemes and Ayushman Bharat which is very successful we have to work out something amid this. We will do this"

4.12 During 16<sup>th</sup> Lok Sabha, the Committee (2015-16) in their 15<sup>th</sup> Action Taken Report on Jan Aushadhi Scheme recommended to increase the one-time financial assistance of Rs. 2.5 lakh provided to NGOs/agencies/individuals for opening Jan Aushadhi Kendra in Government hospital to Rs. 3.5 lakh. In this regard, the

Department at that point of time found that the financial assistance of Rs. 2.5 lakh is sufficient. However, when the Committee followed up this matter, the DoP in their written reply stated that the Department has recently enhanced the limit of financial assistance upto Rs. 5.00 lakh from existing Rs. 2.50 lakh.

4.13 While furnishing details in their written reply on the new incentive scheme mentioned above, the Department stated as follows:-

"The Department has recently revised the incentive plan for *Pradhan Mantri Bhartiya Janaushadhi Kendras* owners, in which the incentive provided to the Kendra owners has been enhanced from existing Rs. 2.50 lakh to up to Rs. 5.00 lakh. Further, an additional one time incentive of Rs. 2 lakh has been approved for stores opened in specified area and/ or by specified categories of persons. The details of the incentive plan are as follows:-

**Normal Incentive:-** The Kendras run by entrepreneurs of any class that are linked with BPPI through software will get incentive up to Rs. 5 lakh. The incentive will be given @ 15% of monthly purchase made from BPPI by these Kendra subject to a ceiling of Rs. 15,000/- per month upto total limit of Rs. 5 lakh. It will also cover women, divyang, SC,ST & any entrepreneurs running 'Janaushadhi Kendra' in aspirational district as notified by NITI Aayog & in North-Eastern States.

This will be applicable to existing Kendras also whose existing limit of incentives of Rs. 2.50 lakh is fully disbursed. Further, it will also cover the Kendra opened in government premises to whom one-time grant of Rs. 2.50 lakh was disbursed. They will get additional incentive of Rs. 2.50 lakh based on purchases made by them from BPPI as per other terms and conditions applicable to all JAKs.

The one-time grant of Rs. 2.50 lakh to a Kendra opened in Government premises has been discontinued. These Kendras will also get normal incentive as applicable to Kendras in private premises.

**Additional Incentive:-** For Kendras opened in backward areas mentioned as aspirational districts (backward districts) by NITI Aayog and in Himalayan, Island territories and North-Eastern States, an amount of Rs. 2 lakh in addition to normal incentives as applicable is to be given to entrepreneurs as per followings:-

- i. Rs. 1.50 lakh reimbursement of furniture and fixtures
- ii. Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner, etc.

**Special Incentive:-** PMBJP Kendras run by women entrepreneurs, Divyang, SC, & ST gets an amount of Rs. 2.00 lakh as special incentive in addition to normal incentives as applicable. This is to be given to entrepreneurs as per followings:-

- i. Rs. 1.50 lakh reimbursement of furniture and fixtures
- ii. Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner etc."

4.14 When the Committee asked about any proposal of the Department to extend the financial assistance to PMBJP Kendras set up outside Government hospital premises so as to encourage private entrepreneurs, un-employed pharmacists, NGOs etc. to set up PMBJP Kendras, the Department in their written reply stated that the Department has decided to give incentive of Rs. 5.00 lakh to all *Jan Aushadhi Kendras* set up either in Government hospital premises or outside. Further, the Committee also asked whether this financial assistance is also provided to the PMBJP Kendras which are set up in primary and community health centres, the Department in their written reply stated that the Department provides incentive upto Rs. 5 lakh to all *Jan Aushadhi Kendras*, including those set up in Primary and Community Health Centres, linked with BPPI through software."

4.15 The Committee asked about the involvement of Primary Health Centres/Community Health Centres as part of policy initiative to open new Kendras at these locations as district hospitals may not be able to cover countryside population, the Department in their written reply stated as under:

"Pradhan Mantri Bhartiya Janaushadhi Pariyojana was launched by the Department of Pharmaceuticals with an objective of making quality generic medicines available at affordable prices to all especially for poor and the deprived ones. Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK) are opened based upon the applications received from the applicants. However to reach out to the maximum number of population, the Department has requested the Chief Secretaries of all States/UTs and Principal Secretaries (Health & Family Welfare) of all States/UTs requesting them to provide rent free space in Government Hospitals including Primary Healthcare Centers (PHCs)/Community Health Centers(CHCs). Secretary, Pharmaceuticals has last written a D.O. letter to Chief Secretaries of all the State Governments on 23rd December, 2019 to provide rent free space in PHCs/CHCs. Last reminder has been sent to the State/ UT administrations on 18th August, 2020."

4.16 In this regard, when the Committee enquired during oral evidence whether the matter of providing free space in Government hospitals and Primary Health Centres was taken up at highest level with the State governments, the Secretary, DoP stated as below:-

"Madam, actually what happened is the response is not very enthusiastic. In this regard, our Minister has written to Chief Ministers. I have also written several times to Chief Ministers. We did video conferencing also. I personally visited many states and requested them to select entrepreneurs for the Primary Health Centres without taking any money. We will start our PMBJP outlets there".

## CHAPTER 5

### BASKET OF MEDICINES/EQUIPMENTS AND QUALITY OF MEDICINES

5.1 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 31<sup>st</sup> 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.

5.2 In regard to the targets fixed for increasing basket of medicines during the next five years, the representatives of DoP provided the following information during oral evidence :-

Details	2020-21	2021-22	2022-23	2023-24	2024-25
Product Basket					
(a) Medicines	1400	1600	1800	2000	2000
(b) Surgicals	220	240	280	300	300

5.3 On being asked about the concrete steps that are being taken to enhance the product basket under PMBJP so as to make available all the essential medicines covering all the major therapeutic groups and all the surgical products in Jan Aushadhi stores, the Department in its written reply stated as under:-

“Presently, product basket of medicines comprises of 1250 drugs and 204 surgicals equipment. The endeavor is to analyze the market trends and evolve accordingly for making available enhanced range of products. It is a continuous process based on feedback of various stakeholders including doctors and market demands.”

5.4 Further, the Committee asked whether all the essential drugs enumerated under NLEM are available in Jan Aushadhi Kendras and if not, steps that are being taken to ensure that at least all the essential drugs are made available in these stores. In this regard, DoP in its written reply stated, “BPPI product baskets consists of all essential medicines of NLEM other than lab regents & stents.”

5.5 DoP informed the Committee in its Background Note that the medicines listed in the product list of PMBJP are procured only from World Health Organization – Good Manufacturing Practices (WHO-GMP) certified suppliers for ensuring the quality of the products. Apart from this, each batch of drug is tested at laboratories

accredited by the 'National Accreditation Board for Testing and Calibration Laboratories' (NABL). Only after passing the quality tests, the medicines are dispatched to PMBJP Kendras.

5.6 During oral evidence of the representatives of DoP on the subject, the Committee were shown the following slide on 'Quality Management System' under PMBJP as part of Power Point Presentation on the features of the Scheme:



5.7 In this regard, the secretary, DOP further informed the Committee during oral evidence as under:-

“The procurement of medicine is done under open tender. We procure medicines only from WHO-GMP organizations or manufacturers and not from others. Medicine is procured only after quality checking. Quality is checked in both sides. First it is checked in manufacturer side. Then sample is obtained from them. Medicine is dispatched only after clearance of the sample.”

5.8 The Committee asked about details of any complaints received by Department/BPPI during last three years on quality compromise of drugs and action that was being take to resolve these complaints. The Department in its written reply stated as follows:-

“The status of complaints received from the State Drug Inspectors for “Not of Standard Quality (NSQ)” drugs under PMBJP during the last 3 financial years are as follows: -



Sl. No.	Financial Year	No. of Batches Procured	No. of Batches Declared NSQ	NSQ Percentage
1	2017-2018	3137	17	0.54
2	2018-2019	5324	20	0.37
3	2019-2020	8238	38	0.46

On receipt of a market complaint, where a product is declared as NSQ by respective authority, the following immediate steps are taken by BPPI:

- 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, Janaushadhi Kendra.
- If sold, then Central Warehouse (CWH), Carrying and Forwarding Agent (CFA), Distributor, Janaushadhi Kendra are informed by email/registered post/phone/mobile to stop the sale and return it. The item is recalled from all levels like from CWH, CFA, Distributor, Janaushadhi Kendra.

Consequently stringent action is initiated against the 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: <http://janaushadhi.gov.in>".

5.9 On being asked about the details on basic infrastructure facilities like refrigerator, temperature controlling devices etc that are provided to PMBJP outlets and how BPPI ensures quality of medicines that are being sold in the outlets, the Department in their written reply stated as under:-

"PMBJP Kendras run by women entrepreneurs, divyang, SC, ST & any entrepreneur running Janaushadhi stores in aspirational districts as notified by the NITI Aayog & in North-Eastern States gets an amount of Rs. 2.00 lakh as special incentive for the following items:-

- Rs. 1.50 lakh reimbursement of furniture and fixtures
- Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner, etc.

The facilities like refrigerator, temperature controlling devices etc. are purchased under the reimbursement of furniture and fixtures.

These facilities are not provided to other Kendras. However, so far as the matter pertaining to ensure quality of medicines being sold in these outlets is concerned, it is informed that the drug license issued by Drug controllers of the concerned State are subject to statutory and regulatory compliances of Drugs and Cosmetics Act 1940. Drug Inspectors of the concerned State as well as Marketing Officers of BPPI regularly monitor the PMBJP Kendras by

way of physical inspection. Kendras are properly guided and trained to maintain proper physical conditions to ensure quality as required by law.”

5.10 The Committee also asked the Department to give details on mechanism of institutional training for operators of Jan Aushadhi Kendras, the Department in their written reply stated as under:

"There is no institutional training mechanism for the operators of Janaushadhi Kendras. Every Kendra owner must be a pharmacist himself or need to employ a trained pharmacist. Thus, they do not need product-specific training. However, BPPI provides general guidelines to them on the operational management of the Kendras. Various seminars and workshops are also conducted by BPPI across the country by engaging educators and influencers from the medical fraternity, State Drugs Department, Department of Pharmaceuticals, etc. to disseminate various updates, best practices pertinent to the sector, success stories, etc. to boost the morale of the Kendra operators.

BPPI provides technical IT training to the Kendra operators viz. Point-of-Sale (PoS) software installation, training, support, ticket management, etc. Online video tutorial materials are also made available on the website of BPPI for ease of access. Moreover, BPPI is having a dedicated Store Facilitation Cell in the office for handling the day to day queries and grievance redressal of the Kendra owners. Further, regular meetings through video conferencing are organized by BPPI with Kendra owners."

5.11 While replying on the duration of such training programme, the Department stated as under:

"As there is no institutional mechanism for the training, time & duration is not fixed. BPPI organizes various seminars and workshops as and when required across the country by engaging educators and influencers from the medical fraternity, State Drug Departments, Department of Pharmaceuticals, etc. to disseminate various updates, best practices pertinent to the sector, success stories, etc.

Further, when a person starts a Kendra, software of BPPI is installed at their computer. The company which installs point of sales software at kendras, trains the owners about its usages. It also provides troubleshooting to the problems being faced by them, if any. BPPI has also made training videos and uploaded the same on YouTube page of PMBJP. BPPI also conducts training sessions online via Facebook and is also planning to introduce an interactive training session via video call software."

## CHAPTER-6

### STORAGE AND LOGISTICS

6.1 DoP's vision plan target is 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. At present warehouses at Gurugram, Chennai, Bengaluru & Guwahati are functional. Further, it has planned to open two more warehouses in Western and Central India. In addition, appointment of Distributors in States/UTs is also being envisioned to strengthen the supply chain system.

6.2 On being asked about the sufficiency of these four warehouses to store and distribute medicines throughout the country and justification for one warehouse for the entire north India set up in Gurugram, the Department in their written reply stated as under:-

“Presently, one central warehouse in Gurugram measuring around 88,500 sq. ft. and two regional warehouses at Guwahati and Chennai are functional. Information Technology (IT) enabled End-to-End supply chain system with Point-of-Sale (PoS) application for value added services has been implemented in the warehouses of PMBJP which increases its capacity manifold. It reflects data on real time basis, thus inventory can be properly managed. At present, number of warehouses is sufficient to meet the present scale of operations. It will be increased as and when required.”

In regard to increasing the number of warehouses during the next five years, the representatives of the DoP provided the following information during oral evidence:-

<b>Warehouses</b>	<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25
<b>No. of Warehouses</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>

6.3 In regard to the above information provided during oral evidence held on 11.08.2020, the Committee raised concern over the limited number of warehouses of BPPI at 3 locations only and rationale for subsequent target of increasing these to 4 warehouses in 2020-21, 5 warehouses in 2021-22 and 6 warehouses during 2022-23 to 2024-25, on this the CEO, BPPI submitted that:

"... Like on your suggestion of having warehouse in each state, so in states where we don't have distributors for all of them tenders have been floated and advertisement for distributor selection is under process. It is compulsory for every distributor to have warehouse of 5000 square feet.....our warehouses

are outsourced...We have 3 warehouses they are very big in size nearly 70,000 square feet."

6.4 While furnishing the details on warehouses that are proposed to be set up and reasons for no proposals under consideration, the Department in their written reply stated, "The Department is planning to set up one regional warehouse in the west and one regional warehouse in the east for increasing supply in near future. At present, warehouses of distributors are functioning all over India to supplement the end-to- end supply chain of BPPI."

6.5 The Committee also asked about the source of funding for opening a warehouse and the difficulties faced in mobilizing funds for the same the Department in their written reply stated, "Entire storage, warehousing and logistics operations of BPPI are outsourced to private vendors as a commission based on 7.49% percent of dispatch value. The distributors maintain their own warehouses at their own cost."

6.6 When asked about the criteria for selection of distributors by BPPI, the Department in their written reply that BPPI has invited Expression of Interest (EOI) in the month of May 2020 for appointment of distributors for distribution of Janaushadhi products to the Kendras in 15 States for 19 locations. It mainly focuses on financial & technical competence. Eligibility criteria & documents required for the same has been enumerated in detail as below-

- The average annual sales turnover of retail handled by the applicant in the preceding two financial years should be more than Rs 5.00 Crore;
- Storage area of min 5000 sq. feet for storing medicines in controlled temperature as per the requirements of Drugs & Cosmetics Act 1940;
- Interest free security deposit of minimum Rs 25.00 lakh (Twenty-Five lakh) with BPPI which is refundable at the time of termination/expiry of agreement between BPPI & the applicant; and
- Non-refundable application fees of Rs 10,000/- & refundable earnest money deposit (EMD) of Rs 5,00,000/- in form of DD/NEFT"

6.7 On the issue of distributors that are associated with BPPI as on date and the details of target fixed by BPPI on this front to engage with certain number of

distributors so as to enhance the warehouse facility, the Department in their written note stated as under:

"As on 14.08.2020, a total 29 distributors are associated with BPPI across the nation. BPPI is also in process of appointment of new distributors in 15 States for 19 locations. There is no stipulated target for engagement of a certain number of distributors to enhance the warehouse facility. The engagement of distributors for a location/area is need-based, as it is only a supplementary step to strengthen the End-to-End supply chain system. BPPI is also making direct supply to outlets from its warehouses, whose number is proposed to be increased to six. It depends on stores from where they want to procure medicines."

6.8 Further, the Committee also asked about the average time taken for supply of medicines to PMBJP Kendras and steps that are being taken to reduce this time, the Department in their written reply stated as under:-

"BPPI strives to ensure the dispatch of the medicines within 48 hours on the receipt of the purchase order from PMBJP kendra. The delivery time of a consignment after dispatch is maximum of 10 days. BPPI is implementing latest technology for inward and outward of medicines like GS1 bar-coding, optical scanners for bills, modern crane & trolleys for handling the stock etc. It has also entered partnership with private couriers and India Post for quick delivery of medicines. Also, process of appointment of new distributors to unserved area is under progress."

## CHAPTER-7

### PUBLICITY AND AWARENESS CREATION

7.1 In its background note on the subject, DoP stated that a medicine under PMBJP is priced on the principle of a maximum of 50% of the average price of top three branded medicines. Therefore, 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 the financial year (2019-20), PMBJP has achieved sales of Rs. 433.60 crores (at MRP). This has led to savings of approximately Rs. 2500 crores of the common citizens of the country. Further, the representatives of DoP informed during oral evidence on the subject provided the following information on comparison of prices of Jan Aushadi medicines and branded medicines:-

Cheaper by 91-98%	=	56 medicines
Cheaper by 81-90%	=	199 medicines
Cheaper by 71-80%	=	163 medicines
Cheaper by 61-70%	=	111 medicines
Cheaper by 51-60%	=	157 medicines
Cheaper up to 50%	=	214 medicines

In view of the above, DoP has claimed that the prices of medicines brought down drastically and made within the reach of large sections of population, especially the poor.

7.2 Even though the prices of Jan Aushadi medicines (generic medicines) are comparatively lesser than the branded medicines and quality is also ensured upto the WHO-GMP standard, quantum of sale of Jan Aushadi medicines are miniscule when compared to the sale of branded medicines as total volume of sale of medicines in the country is about Rs.1.5 lakh crore but the Jan Aushadi medicine sale is not even Rs.500 crore presently. Hence it is very much necessary to create awareness among the people about the price and quality of Jan Aushadi medicines. It is also an objective of PMBJP is to create awareness through education and awareness programmes that high price need not be synonymous with high quality. In view of this issue, when the Committee asked about the steps that were taken during last 3 years in this regard and the success that has been achieved in creation

of desired awareness among people, the Department in their written reply stated as under:

“The Department through various ways and means takes steps to create awareness about generic medicines through education and publicity to counter the perception that quality is synonymous with high price. 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, etc. BPPI has further made 4 radio jingles, 4 TV commercials, one corporate AV and one documentary film on PMBJP. Further, Radio jingles and TV commercials are available in Hindi. BPPI has also launched mobile application “*Janaushadhi Sugam*” for locating stores & comparing prices.

The efforts taken by BPPI, as above, have resulted in increase of demand of generic medicines, which is reflected in terms of increase in sales of BPPI from Rs 33 cr. to Rs. 433.60 cr. in the last three years. This shows the trust of people on quality of *Jan Aushadhi* Medicines.”

7.3 In this regard, during oral evidence, the representatives of DoP shown to the Committee the visuals of outdoor branding through ‘Bus Queue shelters and ‘Bus/Auto wrapping’. They also showed the following information on the social media presence of PMBJP at time of power point presentation:-



Social media presence		
	<a href="#">Facebook</a>	9.5 Lakh Followers
	<a href="#">Twitter</a>	23 Thousand Followers
	<a href="#">Instagram</a>	11 Thousand Followers
	<a href="#">Linkedin</a>	668 Followers
	<a href="#">Pinterest</a>	610 Followers
	<a href="#">Youtube</a>	2930 Followers

7.4 In this regard when the committee asked about the expenditure that is incurred by BPPI for advertisement and outdoor publicity against the fund allocated

during the last three years and the adequacy of initiatives taken by BPPI, the Department in their written reply stated as below:

"The details of the funds and expenditure made by BPPI for creating awareness about generic medicines through education and publicity are as under: -

Sl. No.	Financial Year	Funds allocated in Cr.	Expenditure in Cr.
1.	2017-18	4.76	4.76
2.	2018-19	6.50	6.50
3.	2019-20	5.70	5.70

Considering the scale of operations of Janaushadhi and the impact it has on life of common citizens, more expenditure under the head media & publicity is required. Hence, a total of Rs 95.00 crore has been approved by the Standing Finance Committee (SFC) for the next five years up to 2024-25. The budget will be also be used for celebrating annual *Janaushadhi Diwas* on 7<sup>th</sup> march every year. Further, it has been decided to give awards under various categories for successful implementation of PMBJP Scheme."

7.5 During the course of oral evidence of the representatives of the Department of Pharmaceuticals held on 11.08.2020, the Committee suggested that the awareness campaigns of the Department need to target poorest of the poor living in slums, juggies and shanty places in both urban and rural areas and need to take their awareness campaign deep down to the last man. The Committee also suggested that all PMBJP outlets should be based on same model and design to give an unique identity to them so as to attract people. In this regard, the Secretary, DoP responded during oral evidence that the suggestions of the Committee in regard to glorifications of PMBJP outlets are welcome for placing the same before the competent authority.

7.6 One of the objectives of PMBJP mission is to create awareness and demand for generic medicines among people through medical practitioners. In this regard, the Committee asked about the concrete steps that have been taken to impress upon medical practitioners to prescribe generic medicines instead of costly medicines and the results achieved thereon, the Department in their written reply stated as under:-

"In order to encourage doctors to prescribe generic medicines, the Medical Council of India has amended the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 on 08.10.2016 to provide a new para 1.5 regarding use of generic names of drugs which provides as under:



*“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.”*

It has also been proposed that the Ministry of Health & Family Welfare should extend the mandate of writing generic prescriptions by all doctors including those outside the Government system. Also, communications were sent to the Ministry of Health & Family Welfare for amendments in the Rule 65(11A) in the Drugs & Cosmetics Rules, 1945 for substitution of drugs and making prescription of drugs in generic names mandatory in Medical Council of India Act.

Secretary, Department of Pharmaceuticals and Joint Secretary, Department of Pharmaceuticals have also written many letters to senior officers in the State Governments about prescribing medicines in generic form only.

Bureau of Pharma PSUs of India (BPPI), the implementing agency of *Pradhan Mantri Bhartiya Janaushadhi Pariyojana*(PMBJP) has appointed State-level Marketing Officers to monitor the functioning of the kendras in each state. Handholding support is being provided to kendras with continuous efforts to make them viable. Marketing officers of BPPI regularly meet doctors to make them aware about generic medicines. They brief them about quality parameters of *Janaushadhi*, cost advantage & larger advantage to the citizens. Workshops are organized by BPPI at different places from time to time to spread awareness about the scheme. Further, all the forms of media are used to create awareness among the public so that they can request their doctors to write prescriptions in generic medicines. Due to efforts taken as above, demand of generic medicines has increased which is reflected in terms of increase in sales of BPPI and other pharma companies.”

7.7 In regard to prescription of generic medicines by doctors, the Secretary informed the Committee further as follows:-

“It is our wish that more and more generic medicines are sold. When we wrote to the Ministry of Health and Family Welfare, Medical Council of India made change in the regulation that every physician should prescribe drugs – ‘should’ is written and ‘must’ is not written – with generic names legibly and preferably in capital letters and he/she shall ensure that there is a rational prescription and use of drugs. We have said that it should be made compulsory but decision has not been taken in this regard”.

## CHAPTER 8

### Performance of PMBJP during outbreak of COVID 19

8.1 In the wake of COVID 19 crisis, BPPI came forward and joined hands for fight against the pandemic. The Jan Aushadhi Kendras remained functional during lockdown 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 of the citizens. BPPI is maintaining adequate stock of the medicines which are currently under demand viz. Face Masks, Hand Sanitizers, Hydroxychloroquine, Paracetamol and Azithromycin. 100% growth in Sales has been achieved in the 1<sup>st</sup> Quarter of the Financial Year 2020-2021 as compared to same period of the previous Financial Year. BPPI has also supplied drugs worth Rs 30 crore to Ministry of External Affairs (MEA) for distribution to friendly countries.

8.2 On the active role played by BPPI during the outbreak and spread of COVID 19 pandemic on availability of medicines in Jan Aushadhi Kendras, the Department in their written reply stated as under:

“In the present situation of the spread of pandemic COVID 19, *Janaushadhi Kendras* are functional and maintaining their operations. The *Kendras* are providing various kinds of medicines to the people. Number of kendras are also providing facility of home delivery of medicines, which has been covered positively by the media positively. Various neighboring countries have been helped by providing them number of essential medicines through Ministry of External Affairs like Bhutan, Nepal, Sri Lanka, Maldives.”

8.3 While furnishing written reply about the status of sufficient stock of Paracetamol, Hydroxychloroquine and Azithromycin in all the PMBJP Kendras especially those located in hospitals designated for the treatment of COVID 19, the Department stated as under:-

“BPPI has sold about 50 Lakhs tablets of Hydroxychloroquine in the month of March & April, 2020. Further, BPPI has placed orders for 60 lakh tablets. It also has enough stock of Paracetamol and Azithromycin. Purchase orders are also issued for procurement of enough stock for the next six months of these medicines.”

8.4 During oral evidence of the representatives of DoP on the subject, when the Committee enquired about the sale of Oximeters through Jan Aushadi outlets, the secretary of the Department informed as below:-

“Oximeter is not in the basket of medicines/medical devices under PMBJP. It was stated one and half month before that it is important. It is difficult for us to respond immediately that we will purchase and provide it. I would like to inform the Committee that we distribute Hydroxychloroquine and Azithromycin throughout the country .... Oximeter has now only come to our notice. We have put it in the protocol that it should be given to all. We have not thought about it now but we can do this”.

8.5 The Committee also asked about the PSU which are manufacturing Hydroxychloroquine and the role of Public Sector Pharmaceutical companies in making available sufficient quantity of medicines required for the treatment of COVID1, the Department in its written reply stated as under:-

“All the five pharmaceutical CPSUs are under closure and/ or strategic sale. Production activities have already stopped at Indian Drugs & Pharmaceuticals Limited. (IDPL) and Rajasthan Drugs & Pharmaceuticals Limited (RDPL). The other three CPSUs, viz., Hindustan Antibiotics Limited (HAL), Bengal Chemicals & Pharmaceuticals Limited (BCPL) and Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) either have the manufacturing licenses or have recently obtained the same. They have, as such the capacity to manufacture hydroxychloroquine tablets and can manufacture the same if the required raw material is made available to them. The drug is, however, not listed in the Pharmaceuticals Purchase Policy (PPP). Further, the CPSUs have not received any Purchase Order of Hydroxychloroquine from the State Governments, Central Government or any other Government Departments / CPSEs.”

## **OBSERVATIONS/RECOMMENDATIONS**

### **1. Composition of Governing Council of BPPI**

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 alongwith expert industry representatives. The Committee should also be informed about the status of transformation of BPPI into PMBI.

### **2. Budgetary allocation for BPPI**

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 eventhough 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 upto 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.

### 3. Procurement of medicines by BPPI

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 smoothened. 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 start ups/MSME sector so as to encourage them flourish as per the goals of “Make in India” mission.

#### **4. Supply of Jan Aushadi Medicines to government Health facilities**

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.

#### **5. Coverage of PMBJP**

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 31<sup>st</sup> 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. Eventhough 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.

#### **6. Economic viability of BPPI**

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:



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

## **7. New Incentive Plan**

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 upto 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.

#### **8. Sustainability of PMBJP outlets**

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 an economically viable position.

#### **9. Basket of medicines under PMBJP**

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 31<sup>st</sup> 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.

## **10. Quality of Drugs**

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 banned for life or atleast 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.

## **11. Storage and Logistics**

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 Ladkhakh 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.

## **12. Need for wide publicity of PMBJP**

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.

13. Prescription of generic medicines by medical practitioners

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.

#### **14. Contribution of PMBJP during Covid-19 pandemic**

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.

#### **15. Public Perception**

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.**

**New Delhi;  
12 March, 2021  
21 Phalgun, 1942 (Saka)**

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

**MINUTES OF THE TWELFTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS**

**(2019-20)**

The Committee sat on Tuesday, the 11<sup>th</sup> August, 2020 from 1100 hrs. to 1430 hrs. in Committee Room No. 1 Block A, Extension to Parliament House Annexe Building, New Delhi.

**PRESENT**

**Ms Kanimozhi Karunanidhi - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Ramakant Bhargava
3. Shri Satyadev Pachauri
4. Shri Arun Kumar Sagar
5. Shri Uday Pratap Singh
6. Dr. Manoj Rajoria

**RAJYA SABHA**

- 7 Dr. Anil Jain
- 8 Shri Vijay Pal Singh Tomar
- 9 Shri Arun Singh
- 10 Shri A. D. Singh

**SECRETARIAT**

1. Shri Manoj K. Arora - OSD (LSS)
2. Shri A. K. Srivastava - Director
3. Shri C. Kalyanasundaram - Additional Director

2. First the Hon'ble Chairperson expressed her deep sorrow on the sad demise of Rajya Sabha Member Shri Amar Singh who was also a sitting Member of the Committee. The Committee observed two minutes silence as a mark of respect to the departed soul.

3. The Hon'ble Chairperson then welcomed three Rajya Sabha Members viz. Shri P.Selvarasu, Shri A.D.Singh and Shri Vanlalvena who have been nominated as Members of the Committee.

4. XXX XXXX XXXX XXXX

**Session II**

6. XXXX XXXX XXXX XXXX

**Session-III**

11. In Session III, the Committee took oral evidence of the representatives of Ministry of Chemicals & Fertilizers, D/o. Pharmaceuticals on the subject 'Review of Pradhan Mantri Janaushadi Pariyojana (PMBJP)'.

**LIST OF WITNESSES (DEPARTMENT OF PHARMACEUTICALS)**

- |    |                                |  |
|----|--------------------------------|--|
| 1. | <b>Dr. P.D. Vaghela</b>        | <b>Secretary</b>                           |
| 2. | <b>Smt. Alka Tiwari</b>        | <b>AS&amp;FA</b>                           |
| 3. | <b>Shri Rajneesh Tingal</b>    | <b>Joint Secretary</b>                     |
| 4. | <b>Shri Sachin Kumar Singh</b> | <b>CEO, Bureau of Pharma PSUs of India</b> |

12. The Hon'ble Chairperson first welcomed the representatives of the Ministry of Chemicals & Fertilizers (Department of Pharmaceuticals) and other officials to the sitting. Their attention was again invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings.

13. After the witnesses introduced themselves, the representatives of Department of Pharmaceuticals made a power point presentation to the Committee on the subject covering *inter-alia* the following Points:-

- (i) Objectives and progress of the Pradhan Mantri Janaushadhi Pariyojana (PMBJP);
- (ii) E-initiative- Janaushadhi Sugam mobile application;
- (iii) Quality Management System and Supply Chain of medicines to PMBJP Kendras;
- (iv) Awareness and Publicity initiatives; and
- (v) New initiatives viz target to cover all districts by the year 2020-21 and enhancement of financial assistance to open Janaushadi Kendras

14. The power point presentation was followed by discussion on various issues/points relating to the subject. During the discussion, the Hon'ble Chairperson and Members of the Committee raised questions which were replied by the representatives of the Ministry. Some of the important points that came up for discussion are as follows :-

- (i) Steps taken to increase the number of warehouses and distributors for smooth supply chain;
- (ii) Efforts made towards sustainable functioning of PMBJP Kendras and ways to make them financially viable for entrepreneurs;
- (iii) Need for wider publicity of scheme in rural areas and the areas inhabited by poor people like slums etc;
- (iv) Location of PMBJP Kendras within the premises of PHC/CHC/District Hospital;
- (v) Ways to enhance percentage share of sale of PMBJP medicines in overall domestic sale of medicines in the country;
- (vi) Need for uniform design and outlook of all PMBJP Kendras to give it a public brand appearance;
- (vii) Steps taken for assuring quality and availability of all essential drugs and medical devices in all Kendras;
- (viii) Further financial handling and business management training of PMBJP Kendra entrepreneurs;

15. Thereafter, the Chairperson thanked the witnesses of the Department of Pharmaceuticals for appearing before the Committee as well as for furnishing valuable information to the Committee. They were also asked to furnish these information which were not readily available with them to the Secretariat within a week.

A copy of the recording of the proceedings of the sitting has been kept.

***The Committee then adjourned.***

***XXXX Matters not related to this report.***

**MINUTES OF THE SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS**

**(2020-21)**

The Committee sat on Friday, the 19<sup>th</sup> February, 2021 from 1015 hrs. to 1030 hrs. in Committee Room No. 3, Extension to Parliament House Annexe Building, New Delhi.

**PRESENT**

**Ms Kanimozhi Karunanidhi- Chairperson**

**MEMBERS  
LOK SABHA**

2. Shri Deepak Baij
3. Shri Ramesh Chandappa Jigajinagi
4. Shri Satyadev Pachauri
5. Shri Arun Kumar Sagar
6. Shri Pradeep Kumar Singh
7. Er. Bishweswar Tudu
8. Dr. sanjeev Kumar Singari

**RAJYA SABHA**

9. Shri G. C. Chandrashekhhar
10. Shri Jaiprakash Nishad
11. Shri Arun Singh
12. Shri A. D. Singh
13. Shri Vijay Pal Singh Tomar
14. Shri K. Vanlalvena

**SECRETARIAT**

1. Shri Manoj K. Arora - OSD
2. Shri Nabin Kumar Jha - Director
3. Shri C. Kalyanasundaram - Additional Director

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee.

3. The Committee thereafter took up for consideration and adoption the following draft Reports:

- (i) Demand and availability of Petrochemicals including imports and exports;
- (ii) Revival of closed and sick fertilizers units; and
- (iii) Review of Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP)

4. After deliberations the Draft Reports were unanimously adopted by the Committee without any changes/amendments.

5. The Committee authorised the Chairperson to make consequential changes, if any, arising out of the factual verification of the Reports by the Department of Chemicals and Petrochemicals, Department of Fertilizers and Department of Pharmaceuticals and present the same to both the Houses of Parliament.

6. XXX

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The Committee then adjourned.

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**XXX Matter not related to this Report**