

**Government of India
Ministry of Railways
(Railway Board)**

No.2006/H/4/1/1

New Delhi, dated : 10 .10.2006

**General Managers,
All Indian Railways.**

**Managing Director,
Konkan Railway Corporation Ltd.
CBD Belapur, Navi Mumbai.**

**Sub: Policy for preferential purchase of 102 medicines
manufactured by Pharma Central Public Sector Enterprises
(CPSEs) and their subsidiaries.**

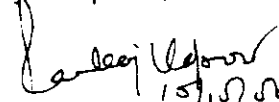
**Ref : Secretary, Ministry of Chemicals & Fertilizers, Deptt. of
Chem. & Petrochemical's O.M. No. 50013/1/2006-SO(PI-IV)
dated August 17, 2006.**

====

Ministry of Chemicals & Fertilizers, Deptt. of Chemicals & Petrochemical's, New Delhi have circulated the policy for preferential purchase of 102 medicines manufactured by Pharma Central Public Sector Enterprises (CPSEs) and their subsidiaries by the Ministries/Departments/Public Sector undertakings/Autonomous Bodies etc., of the Central Government. The policy has been approved by the Cabinet.

It is advised that the above said policy / guidelines (copy enclosed) may be strictly adhered to for the purchase of medicines for All Railway Hospitals, Health Units, dispensaries, etc.

Encl : 6 pages.


(Dr. Pankaj Kapoor)
Executive Director Health (Plg.)
Railway Board

Copy for information and necessary action to :-

1. Chief Medical Directors, All Indian Railways.
2. Sr. Professor, Railway Staff College, Vadodra.
3. Chief Medical Officer, Konkan Railway Corpn. Ltd., CBD Belapur, Navi Mumbai.
4. FA & CAO, , Konkan Railway Corpn. Ltd., CBD Belapur, Navi Mumbai.
5. FA & CAO, All Indian Railways and Production Units.;
6. Principal Director of Audit, All Indian Railways & Production Units.
7. *Secretary, Min. of Chem. & fert., Deptt. of Chem. & Petrochemicals.
Shastri Bhawan, New Delhi.*

D(1H)

Encls: to No. 2006/H/4/1/1 Dt. 10/10/06
Forwarded by M/o RHP (Rly. Bd.)

No. 50013/1/2006-SO(PI-IV)
Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals

Shastri Bhavan, New Delhi
7th August, 2006

OFFICE MEMORANDUM

Sub: Purchase Preference Policy (PPP) for products of Pharma Central Public Sector Enterprises (CPSEs) and their subsidiaries

The undersigned is directed to say that Government has decided to grant purchase preference exclusively to Pharma CPSEs and their subsidiaries in respect of 102 medicines manufactured by them. The list of 102 medicines is enclosed. The salient features of PPP are as under :

- i) Purchase Preference Policy (PPP) in respect of a maximum of 102 medicines would be applicable to purchases made by Ministries / Departments, PSUs, Autonomous Bodies, etc. of the Central Government. It would be valid for a period of five years.
- ii) This would also be applicable to purchase of 102 drugs made by State Governments under health programmes which are funded by Government of India. (e.g. purchases under National Rural Health Mission etc.)
- iii) PPP will extend only to Pharma CPSEs and their subsidiaries (i.e. where Pharma CPSEs own 51 % or above shareholding).
- iv) It would be applicable to a maximum of 102 medicines. The list of 102 medicines would be reviewed and revised by Department of Chemicals & Petrochemicals as and when required taking care not to include any item reserved for SSI units.
- v) The Purchasing Departments / PSUs / autonomous bodies etc. of the Central Government may invite limited tenders from Pharma CPSEs and their subsidiaries or purchase directly from them at NPPA certified / notified price with a discount upto 35%.
- vi) The purchasing departments would purchase from Pharma CPSEs and their subsidiaries subject to their meeting Good Manufacturing Practices (GMP) norms as per Schedule 'M' of the Drugs & Cosmetic Rules. If no Pharma CPSE is forthcoming to supply these 102 medicines, the purchasing departments would be at liberty to purchase from other manufacturers.
- vii) If the Pharma CPSEs or their subsidiaries which have the benefit of PPP, fail to perform as per the purchase order, they would be subject to payment of liquidated damages or any other penalty included in the contract.

- viii) The medicines covered under Drug & Price Control Order (DPCO) would be supplied at the rates fixed by National Pharmaceuticals Pricing Authority (NPPA) rates minus discount up to 35 per cent.
- ix) In case of medicines not covered under DPCO, prices would be got certified from NPPA, only for the limited purpose of supply to Central Government Departments and their Public Sector Undertakings, autonomous bodies etc. On the certified price, Pharma CPSEs and their subsidiaries would provide discount up to 35%
- x) The Purchase Preference Policy (PPP) as contained in Department of Public Enterprises O.M. No. DPE.13(12)/2003-Fin.Vol.II dated 18.7.2005 would not be applicable to Pharma CPSEs.
2. Pharma CPSEs and their subsidiaries would strengthen their marketing capabilities for a larger market share in the open market during the currency of Purchase Preference Policy.
3. All Ministries / Departments are requested to immediately bring the contents of this O.M. to the notice of all concerned officers in the Ministries / Departments, States, CPSEs, Autonomous bodies and other organizations under their administrative control for strictly following the PPP in respect of products of Pharma CPSEs and their subsidiaries
4. Hindi version will follow

S. Sharma

(S.C. Sharma)

Deputy Secretary to the Government of India

Tele : 23389840

1. All Secretaries of the Ministries / Departments in the Government of India (List enclosed).
2. All Chief Secretaries of State Governments. It is requested that purchase of 102 medicines as per the enclosed list by the States under various Central Health Programmes may be made from Pharma CPSEs, as per the PPP contained in this O.M
3. All Principal Secretaries / Secretaries, Health, State Governments.
4. All Financial Advisers of the Ministries / Departments, Government of India (List enclosed).
5. Chairman, National Pharmaceutical Pricing Authority, (NPPA), New Delhi
6. Managing Directors of Pharma PSUs (IDPL, HAL, BCPL, KAPL, RDPL). It is requested that necessary action as required in the matter may be taken immediately.
7. Chief Executives of Public Sector Undertakings /autonomous organizations / Bodies etc. (List enclosed).

Copy to :

1. The Prime Minister's Office, South Block, New Delhi.
2. Cabinet Secretariat, New Delhi. This has reference to their O.M. No.31/CM/2006(i) dated 31st July, 2006
3. Department of Public Enterprises (Shri Priyadarshi Thakur, Secretary) It is requested that contents of this O.M. may specifically be brought to the notice of the Chief Executives of PSUs, autonomous bodies, etc. for strict compliance.
4. PS to Minister (C&F&S),
5. PS to MOS (C&F)
6. PPS to Secretary (C&F).
7. Hindi Section.

S. Sharma

(S.C. Sharma)
Deputy Secretary to the Government of India
Tele : 23389840

LIST OF MEDICINES MANUFACTURED BY CPSUs AND PROPOSED FOR PURCHASE PREFERENCE.

S.NO.	PRODUCT'S NAME
-------	----------------

CAPSULES

- 1) Tetracycline IP
- 2) Ampicillin IP
- 3) Amoxicillin IP
- 4) Doxycycline IP
- 5) Cephalexin IP
- 6) Rifampicin IP
- 7) Amoxicillin + Cloxacillin
- 8) Cebexin-Z (B-Comp. + Zinc)
- 9) Indomethacin
- 10) Cefadoxil
- 11) Orneprazole I.P
- 12) Fluconazole

TABLETS

- 13) Co-trimoxazole I.P
- 14) Metronidazole IP
- 15) Ciprofloxacin IP
- 16) Diclofenac Sodium
- 17) Domperidone
- 18) Cetrizine Hydrochloride BP
- 19) Albendazole IP
- 20) Paracetamol IP
- 21) Erythromycin Stearate IP
- 22) Tinidazole IP
- 23) Ethambutol IP
- 24) Isoniazid IP
- 25) Pyrazinamide IP
- 26) Chloroquine Phosphate IP
- 27) Ranitidine IP Hcl.
- 28) Dicyclomine Hcl. IP + Paracetamol
- 29) Ibuprofen IP
- 30) Norfloxacin
- 31) Norfloxacin + Tinidazole
- 32) Ofloxacin
- 33) Ofloxacin+Ornidazole
- 34) Sparfloxacin
- 35) Ciprofloxacin + Tinidazole
- 36) Nimesulide
- 37) Furazolidone I.P.

S. Sharma

4

-49-