

Panel Formed to Rethink Premium Condom Pricing

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The Department of Pharmaceuticals has set up a panel to decide on the pricing of premium condoms after it fixed a cap of ₹6.50 a piece last year for both pleasure-aided and basic varieties, a move which forced premium condom makers to seek redressal in various courts.

The panel will decide on whether pleasure-aided condoms should be priced differently from the basic kind, an official familiar with the development told ET. "The standing technical committee will analyse whether pleasure-aided condoms and some variants of latex-free condoms have a market and manufacturing process completely different from that of the basic condoms and hence should be treated as a different category under the price control regime,"

the person said.

Indians use about 2.4 billion condoms every year. Of this, about 600 million are distributed free, while another 800 million are subsidised by the government. The size of the commercial market is ₹650-700 crore. Manforce is the market leader with 28% share, followed by KamaSutra, which commands about 18%. Kohinoor and Moods have 13% and 12% market share, respectively.

Most companies that sell premium prophylactics — TTK Protective Devices (Skore), JK Ansell (KamaSutra), Reckitt Benckiser (Durex, Kohinoor) and Mankind (Manforce) — have challenged the condom pricing order of the National Pharma Pricing Authority.

While TTK has moved the Madras High Court and Reckitt Benckiser has moved the Delhi High Court against the government order by treating condoms as a drug,

other companies have queued up before the Department of Pharmaceuticals to review the order, government officials familiar with the matter told ET recently.

Companies welcomed the government's move for a rethink by setting up a panel.

"This is a positive move. It shows that government wants to encourage the usage of condoms," said M Ayyappan, chairman and managing director of state-owned Hindustan Latex Ltd, the largest public sector condom maker and owner of brands such as Moods and Nirodh.

Most condom marketing firms have drastically cut promotional spending in the last two months since the order came into effect, media planners said. They have also either shelved or postponed launches of new premium condoms in the Indian market until the matter is resolved.

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