



Personally handed over by President on 16/07/2014.

INDIAN DRUG MANUFACTURERS' ASSOCIATION

B-4/115 (2nd floor), Safdarjung Enclave, New Delhi 110 029

Phone : 91-11 - 26171367
91-11 - 41650726
Fax : 91-11 - 26171369

E mail : idmadelhi@gmail.com
akmadan.idma@gmail.com
Website : www.idma-assn.org

PARTNERS IN GLOBAL HEALTHCARE

July 14, 2014

The Chairman,
National Pharmaceutical Pricing Authority,
Department of Pharmaceuticals,
YMCA Cultural Centre,
1, Jai Singh Marg, New Delhi.

RE: Prices Notified Under Para 19 of DPCO by NPPA

Dear Sir,

We refer to the Internal Guidelines and subsequently the prices announced on 11th July 2014 by NPPA. Sir, we would like to address our concerns on the said issue as under: -

1. DPCO 2013 has just completed one year of implementation, and the industry is grappling to come to terms with the reality of its impact on its operations. Even before the industry has recovered from the impact, NPPA has gone beyond the span of control as defined under NPPP 2012. This kind of control on the industry will only act as a dampener to the development of the industry. Industry today, leading manufacturers of medicines in the world, would be forced into negative growth by such actions. API industry is already suffering due to such actions in the past and the same will be replicated in formulation industry as well.
2. In the National Pharmaceutical Pricing Policy 2012, Govt. has very clearly specified under Para 1.6, that NPPP 2012 presently seeks to limit itself to the central objective of promulgating the principles for pricing of Essential Drugs as laid down in the NLEM 2011.
3. Again, under para 4 "Principles for Drugs Price Control and Determination In NPPP-2012", the Government has clearly specified in Sub para (iii) that "The Span of Price Control shall be as per the dosages and strengths as listed in NLEM- 2011."
4. Para 19 of DPCO 2013 deals with situations under extra-ordinary circumstances. And under such circumstances it is the Govt. who would decide fixing ceiling price for a specific period of time. The internal guidelines issued just mentions certain circumstances and aims to fix price selectively for certain therapeutic groups permanently.

AFFORDABLE MEDICINES FOR ALL

Head office: 102-B, Poonam Chambers, Dr. A.B Road, Worli, Mumbai - 400 018 (India)
Ph.: 022 - 24944624, 24974308 Fax: 022 - 24950723 E mail. idma1@idmaindia.com
Registered under the Societies Reg Act XXI of 1860 Reg. No. Bom. 111/1961 G.B.B.S.D
Registered under the Bombay Public Trust Act, 1950 (Bom. XXIX of 1950) Reg. No. F-1514 (Bom.) Dt. 11-4-67

5. If NPPA wants to control prices of all medicines available in the market, then the purpose of having DPCO to establish transparency is defeated.

Para 19 can be operated only under 'Extra Ordinary Circumstances'. Though the term 'extra ordinary circumstances' have not been defined in DPCO 2013, the common understanding of the phrase is situations which are not common. This can be defined as Emergency / Panic situation such as outbreak of epidemic; or we may state it as grave situation. When such situation does not exist, nor has it been declared by the Govt., it is not fair to control non-scheduled formulations, which was not the objective of the Government, when NPPP 2012 was promulgated.

We are concerned that this method of controlling prices of Non Scheduled Formulations beyond National Pharmaceutical Pricing Policy 2012 will be a disincentive to the Pharmaceutical companies and retard growth and investments in the Pharmaceutical Sector.

Thanking you & with regards,

Yours sincerely,



S V Veerramani
President