



## AIOCD TO MOVE SC AGAINST DPCO 2013

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AIOCD has decided to move the SC against the DPCO 2013. AIOCD believes that the DPCO 2013 is not cost based and would benefit pharma manufacturers who produce low cost drugs. Further, the AIOCD will make a plea to the SC requesting it to address the long pending demand of revising margins on the 74 drugs which are still at 16% and 8% for retailers and wholesalers, respectively. DPCO 2013 has further reduced this margin by 4% and 2%, respectively for retailers and wholesalers on 348 drugs. The existing basis of calculating the prices is the simple average formula, which has already been challenged by a civil society group, All India Drug Action Network (AIDAN). DPCO 2013 provides that the ceiling price will be based on the simple average of the prices of all brands of a drug that have a market share of at least 1%.

**PSA view** – Industry has received the DPCO 2013 with warm hearts and have had raised several issues since inception. Moreover, the pending issue of margin for retailers and wholesalers since 2005 has added to the misery. To top it all, the DPCO 2013 has not only continued the same price determination formula but it has also reduced the margin for retailers and wholesalers.

### AIOCD challenges CCI decision in COMPAT

The AIOCD has filed an appeal with COMPAT against the CCI order to pay a penalty of INR 47 lakhs approx for resorting to anti-competitive practices, directed it to cease and desist from indulging in and following practices which have been found anti-competitive in violation of Section 3 of the Competition Act and directed it to file an undertaking that the practices carried on by it and its members regarding grant of NOC for appointment of stockists, fixation of trade margins, collection of product information service charges and boycott of products of pharmaceutical companies have been discontinued within 60 days from the date of receipt of this order. The main contention of AIOCD is related to the CCI finding that AIOCD is into price fixation and that it was mandated by the AIOCD that NOC has to be furnished for appointment of stockists. AIOCD submitted that district units of the organization have been asking for NOCs as per their bye laws provisioned under the Societies Registration Act, 1860 and Companies Act, 1956 and that there is no interference or say by the parent body AIOCD in this matter.

**PSA view** – AIOCD did not agree with the CCI order and maintained that the practice of seeking NOC was carried by some of the district units and under their charter documents. AIOCD promotes competition and does not restrict it. It would be interesting to see if COMPAT would continue to agree to CCI's findings in this matter or overturn the decision.

### Nano biomedical technology all set to bring in a revolution in modern medicine world

Recent scientific research conducted across the globe in the field of nanotechnology and nano-medicine research indicate that the innovative products from the area of nano-biomedical technology will bring revolution in the medicine world. As per experts nano-biomedical technology will have a dramatic impact on medicine. Dealings with regard to complex issues associated with the development of this interdisciplinary technology should be allocated to both public and private sectors.

**PSA view** – Awareness for this field of medicinal products should be created; otherwise it will meet the same fate as ayurveda. The state must introduce study on this technology at post graduate levels. Students must be promoted to do specialization in nano-medicine and nano pharmacy. As the technology is taking off at a global level, exchange courses across different jurisdictions should be designed for students.

### **Health ministry to set up expert panel for banning plastic bottles in Pharma packaging**

The Ministry is planning to constitute an expert committee for banning Pharma products in PET and plastic bottles. They fear that same may contribute to hazardous factors of public health and the environment. The issue of banning was taken up by the Drugs Technical Advisory Board (“DTAB”) in its meeting held on May 16, 2013. The DTAB, authorised Dr. Jagdish Prasad, Chairman Director General of Health Services to constitute an expert committee for examination and generation of scientific opinion on the issue before the matter is further deliberated in detail. The idea behind banning PET and plastic bottles is to avoid medical and pharmaceutical products from being made available to the consumers in a health threatening packages. The PET and plastic bottles are composed of rigid plastic and are of light weight and shatter resistant quality. Various scientific studies have revealed that leaching of plastic leads to contamination of stored product with the chemicals released by its packaging which is harmful for patients.

**PSA view** – The idea to ban plastic seems consumer and patient friendly. The union health ministry is taking the right steps to make the Pharma industry environmentally compliant. However, before bringing in the any blanket law banning plastics in Pharma products, the Ministry should review the aspect that certain Pharma products are best stored, transported and retained in plastic bottles

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