

CONFEDERATION OF INDIAN PHARMACEUTICALS INDUSTRIES (ssi)

CIRCULAR No. – 2

1. We have sent in representations to Mr. Abani Roy, Mr. Prakash Karat (General Secretary – CPM), and Mr. A.B. Bardhan (CPI) reminding them of their earlier assurances for redressal of our grievances and for taking up our cause with the Government.
2. A delegation of Small Scale Pharma Association, Aurangabad met Mr. Ram Vilas Paswan, Union Minister for Chemical & Fertilizers and Mr. Mahabir Prasad, Union Minister, Ministry of Small Scale Industries. Mr. Ram Vilas Paswan assured the delegates that the cause of small scale Industry will be taken up with the Union Finance Minister for increasing limit of excise free clearances to Rs. 5 Crores from Rs. 1 Crore at present.
3. The Ministry of Finance has written to Industry Association asking them to substantiate their demand for increase in abatement percentage. CIPI requires input from all State Level Association in this matter. A Xerox copy of news item on this matter is being sent herewith.
4. The Secretary General (CIPI) has filed suggestions on behalf of CIPI. to the proposed amendments to Drugs & Cosmetics Act for incorporating penal provision to check sale and distribution of spurious / adulterated drugs. These suggestions have been sent to the Committee in the Rajya Sabha who are examining the proposed amendments.
5. We have informed you in our earlier communication dated 24-08-05 about the meeting which was scheduled to be held on 30-08-05 with the Union Minister of Chemical & Fertilizers for discussion on the recommendations of the task force on drug pricing and availability. The meeting was called off subsequently and may be convened in about one week hence. The issues to be discussed in the meeting with the Minister are as under :
 - (i) Suggestions regarding modifications in the span of price control of medicines.
 - (ii) Suggestions regarding price control of essential drugs.
 - (iii) Trade Margins in Pharmaceutical Industry.
 - (iv) Price negotiation for Patented Drugs.
 - (v) How to control high prices of anti HIV / AIDS and Cancer drugs.
 - (vi) How to make drugs available for use by the Government at lower prices.
 - (vii) Suggestions regarding introducing Health Insurance Scheme.
 - (viii) Fiscal and Non – Fiscal policy initiatives for pharma R & D.
 - (ix) Any other issue with the permission of the chair.

Subsequent to receipt of the above agenda from the Ministry, a communication was received that the following points will also be discussed :

- a) Increase in exemption limit of Central Excise duty for small, scale pharmaceutical units from the present Rs. 1 Crore turnover to Rs. 5 Crores turnover.
- b) Reduction in Central Excise from present 16% to 8% on medicaments.

We request all the Member Associations to send in their valued suggestions in this regard so that a cohesive face of CIPI presented to the Government.

6. CIPI is providing to its members WHO publication on GMP at a nominal cost of Rs. 350/- including courier charges. Served members have purchased this publication. Those interested to buy the same may send a D.D. for Rs. 350/- in favour of Confederation of Indian Pharmaceutical Industry (ss) payable at Chennai.
7. **Meeting at Indore :** We are waiting for your confirmation about your participation in the Executive Committee meeting of CIPI to be held at Indore on 8th and 9th Oct, 2005 (2 days). Please expedite the same and give us names of the delegates.
8. **Sales of Medicines in the State of Kerala :** FDA, Kerala State had issued a circular stating that the products of only those manufacturers will be allowed to be marketed in the state who have GMP certificates / schedule 'M' complaint certificates. A delegation from CIPI lead by Mr. T.S. Jaishankar met the concerned authorities at Kerala and made a representation. We are happy to inform you that the State Authorities have agreed to maintain a status quo atleast upto 31-03-2006 and has scraped the deadline of 25-08-2005 fixed earlier for compliance.
9. **Sub Committees :** CIPI has constituted the following sub committees focusing on the task allocated to them :
 - (i) Sub Committee 'A' for Schedule 'M', Amendments to D & C Acts and Rules, Loan Licensing and PCD System.
Chairman : Mr. Umesh Sanghi
 - (ii) Sub Committee 'B' for NPPA / DPCO
Chairman : Mr. Subhash Malhotra
 - (iii) Sub Committee 'C' for Central Excise Matters, Use of Pharma fund for the benefit of SS units.
Chairman : Mr. P.K. Gupta

Members are requested to sent in their suggestions to the respective committee Chairman on these issues.

10. **Annual Subscription :** Manufacturers Associations of Rajasthan, Kolkata and Surender Nagar have paid their annual subscription for the year 2005 – 2006 (Rs. 15000/- each). We hope that the remaining associations will follow suit and will remit their annual subscription of Rs. 15000/- on receipt of this communication .

11. **E-mail Identity :** Messages sent to the member associations in few cases have bounced back. We therefore request all the member associations once again to send their E-mail identities to the undersigned and also a single address to which all the communications be sent to the member associations.