

CONFEDERATION OF INDIAN PHARMACEUTICAL INDUSTRY (ssi)

CIRCULAR No. – 7

1. Meeting at Indore : Keeping in view that celebrations for Drugs Puja shall commence from 8th Oct, 2005, it has been decided to prepone the Indore meeting to 1st & 2nd Oct, 2005. The members please take note and confirm their participation.
2. Schedule 'M' : Our suggestions / representation to the Committee on subordinate Legislation in Rajya Sabha was sent to concerned Ministries for comments. The committee has received comments from the concerned Ministries except Ministry of Health their comments are expected soon. Thereafter CIPI may be called once again by the committee for discussion.
3. Task Force Meeting : A meeting was held with Mr. Ram Vilas Paswan on 06-09-05 for discussion on the report of the task force for price control on drugs. During the meeting CIPI thanked the Minister for excise duty relief and cut in duty rate to 8% as recommended in the report.

CIPI and IDMA were in agreement on the following points / objections to the draft report :

- De-branding of the drugs shall not be done.
- Declaration of price of a new drug based on new API shall not be necessary while seeking marketing approval (para 5.14).
- There should be no price negotiation for drugs not contained NLEM.
- National Authority on Drugs & Therapeutics shall be implemented in a phased manner.
- It was suggested that leader price may be taken as the ceiling price instead of weighted average price as suggested by the task force.
- In some cases manufacturers have to pay duty on ceiling price even when MRP is lower than ceiling price. It was requested that this practice may be stopped.
- The Government should permit 5% annual increase on prices to counter the inflation.
- Review of the list of essential drugs shall take place every 5 years instead of 2 years as suggested by the task force.
- Veterinary drugs should be kept out of price control.
- It was suggested that duties and taxes on essential drugs shall be removed.
- De-branding of the drugs at Govt. purchase level may be done. Such de-branded drugs were offered to Govt. at 50% of MRP.
- MAPE be increased to 150%
- CE + PC – be linked with WPI
- Exemption limit to S.S. units for excise free clearances upto Rs.5 crores was welcome.
- Reduction of C.E. from 16% to 8% for S.S. sector was welcome.

- Centralization of drug approvals in the hands of DCG (I) was opposed by CIPI where as IDMA has not objection to it.
- CIPI requested for allocation of funds for S.S. units for schedule 'M' compliance.
- CIPI suggested that generics may be reserved for manufacturing by SS units only.
- CIPI suggested that investment limit for SS units in capital goods may be raised to Rs.3 Crores from one Crore at present.
- It was felt that implementation of the recommendations of the task force relating to price monitoring, price ceiling and price control on 274 drugs and their formulations (essential drugs) was a very difficult task to achieve.
- CIPI has to file its views on the Report of the task force on drug pricing by 14-09-05, therefore, all the Member Association are requested.

4. D & C Act Amendment Bill : The objections filed by CIPI are being sent to the members.
5. Valuation of Physicians Samples : An article on this subject may be available to CIPI by Mr. Umesh Sanghi is being sent to the members.
6. Inputs – Abatement : The member-associations were requested to provide inputs so that justification for abatement on MRP may be substantiated.