

Druggist trade body makes a foray into manufacturing

Ramnath Subbu

MUMBAI: The All India Organization of Chemists & Druggists (AIOCD), an association that represents chemists and pharmaceutical drug retailers, has ventured into the manufacture and retail of medicines.

AIOCD, which represents about 750,000 chemists and pharmaceutical retailers, has promoted All India Origin Chemists and Distributors Ltd. (AIOCDL) to make generic products.

Sankha Roy Choudhury, Joint Secretary, AIOCD, told *The Hindu* that AIOCDL would make 80-100 generic, mainly over-the-counter, products that addressed the consumer health, cough & cold and nutritional segments. "We have outsourced manufacturing to some units in Baddi, Himachal Pradesh," he said.

J.S. Shinde, President, AIOCD and a Director of AIOCDL, said the move was

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aimed at facing foreign direct investment (FDI) in the retail sector. "We have to protect the interests of our members. We have also ventured into logistics, cold-chain management and research for the pharmaceutical market," he added.

"There is no problem with AIOCD selling products in the market but there will be a conflict of interest and violation of law if they push their product over other prescribed drugs," D.G. Shah, Secretary General, Indian Pharmaceutical Alliance (IPA), said.

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establishing some organized retail shops to try out a new innovative model. "The first phase covering around 500 shops will be completed by the end of this calendar," Mr. Shinde said.

The new Drug Price Control Order (DPCO 2013), which came into effect in July 2013, regulated prices of 348 essential drugs with a ceiling price set for each of them. This put pressure on drug makers to cut the margins of distributors and chemists, which led to AIOCD boycotting stocks of several leading companies. Retailers' margins were cut from 20 per cent to 16 per cent while wholesalers' margins fell from 10 per cent to 7.4 per cent, Mr. Shinde said.

However, following talks with AIOCD, Mr. Shinde said a large number of manufacturers had restored margins. "About 70 per cent of them have restored margins to earlier levels and talks are on with the others," he said.

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