

NPPA to crack the whip on drug cos, chemists for overcharging

Khomba Singh
NEW DELHI

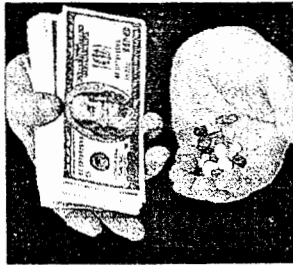
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TWO months after the country's drug price regulator reduced the maximum retail price of popular antibiotic Ciplox TZ by about 75% to ₹25 for a strip, consumers are still charged over four times by the chemist. This is one among many such cases where consumers are overcharged by drug retailers and pharma companies in violation of the law. The Drug Price Control Order mandates drugmakers to send a supplementary price list to stockists to be passed on to the retailers for selling medicines to consumers at a price equal or lower to the maximum price of a product fixed by the drug price regulator.

The NPPA says it will now crack the whip on drugmakers for not implementing its notifications. "Action will be taken against those companies and we will demand recovery of the overcharged amount from the chemists and drug firms," NPPA chairman S M Jharwal said. Drugmakers and stockists say that it is practically impossible to cover huge stockists and retailers network within a period of 15 days, as mandated by the law. "There are over five lakh chemists and thousands of stockists so companies apply the new price from

the next batch it produces," Dilip Mehta, president of Pharmaceutical Wholesalers' Association, Mumbai said.

But industry watchers say companies do not respond quick enough to inform their distribution channel to revise prices even though their representatives are in regular contact with stockists. "Most chemists don't have a huge stock, and place fresh orders to stockists daily," NPPA official said.



For instance, few pharmacies, ET spoke to, said they have not yet received any revised pricing information from the company concerned for Ciplox TZ. Cipla that makes and markets Ciplox TZ declined to comment for the story. A senior member of the Indian Drug Manufacturer's Association (IDMA) said it is impossible for a drugmaker to recall and repackage the medicines that has been to far flung parts of the country. "NPPA has rejected our request to use a sticker or a chit for the revised price and has," he said.

The regulator has also turned down a request by the industry lobby body to allow drugmakers to implement the new price from the next batch onwards, that will make the existing practice acceptable by law. "We don't know how to implement the revised price?" the industry representative said on condition of anonymity.

khomba.singh@timesgroup.com

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15/12/2010