

PHARMA RULING

No need to recall stock if price lists issued: HC

Dispute existed between the Centre, firms over relabelling

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NEW DELHI, NOVEMBER 24

GRANTING RELIEF to pharmaceutical manufacturers in the country, the Delhi High Court on Tuesday held that it was "not obligatory" for the companies to withdraw and relabel stock of medicines with the revised DPCO price lists.

The bench of justice BD Ahmed and justice Vibhu Bakhru has noted that the National Pharmaceutical Pricing Authority (NPPA) had earlier accepted that if revised price lists had been issued by the pharma companies, they would not need to relabel the entire manufactured stock, but had later changed its stand and had asked companies to recall all the drugs.

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prices according to the Drug Pricing Control order 2013.

The companies were required to sell their medicines with the revised prices, 45 days from the date the revised price-list was notified. Otherwise, they risked running foul of the National Pharmaceutical Pricing Authority, the implementing agency of the DPCO (Drug Pricing Control Order).

The dispute between the companies and the government was over the issue of whether the existing stock would have to be relabelled. The NPPA had also issued demand notices to the

companies imposing fines for violating the price control orders as the medicines had not been recalled.

The companies on the other hand had argued that while medicines manufactured after the date of notification would show the revised ceiling price, it was not possible for companies to recall existing stock supplied into the distribution channels.

While the detailed judgment is likely to be released later in the week, Central Government standing counsel Jasmeet Singh confirmed that the bench has said that the demand notices issued by the NPPA would now be treated as show cause notices, giving time to the firms to file their responses. "they now have to show compliance in terms of the Supreme court order of 2013 in the GlaxoSmithkline case where the apex court had said that medicines have to be sold at the same controlled price even if they were manufactured before the date of the DPCO.

Price