

No. 31015/52/2014-PI.I
GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

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B Wing, Janpath Bhavan, New Delhi

O R D E R BY REVIEWING AUTHORITY UNDER PARA.31 OF DPCO, 2013

Subject: Review application of M/s. Inventia Healthcare Pvt. Ltd. against fixation/revision of Retail prices of Metformin HCl, Gliclazide and Pioglitazone tablet vide NPPA notification S.O. No. 2101(E) dated 20/8/2014 issued under Drugs (Prices Control) Order, 2013 (DPCO, 2013).

Ref. 1) Applicant Review application dated 12.9.2014
2) NPPA notification under review S.O. No. 2101(E) dated 20/8/2014
3) Record Note of discussions held in the personal hearing held in the matter on 1.10.2014

Whereas National Pharmaceutical Pricing Authority (NPPA), Government of India, vide price fixation Order S.O. No. 2101(E) dated 20/8/2014 fixed/revised Retail price of Metformin HCl, Gliclazide and Pioglitazone tablet under DPCO, 2013. The said formulation is a non-scheduled formulation.

2. And whereas aggrieved by the above notification, M/s Inventia Healthcare Pvt. Ltd. (hereinafter referred to as the Petitioner) submitted review application dated 12.9.2014 under para.31 of DPCO, 2013 for the review of NPPA Price fixation Order S.O.No. 2101(E) dated 20/8/2014 fixing Retail price of Metformin HCl, Gliclazide and Pioglitazone DPCO, 2013.

3. The grievance of the Petitioner raised in their Review application dated 12.9.2014 were sent to NPPA and the comments of NPPA thereon were given to the Petitioner through the record note of discussions held in the personal hearing on 1.10.2014. Record note of discussion is made integral part of the review order. After considering the comments of NPPA, the Petitioner has raised the following points, on which comments given by NPPA representative, during the hearing and Department's comments on the issue is recorded subsequently against each point:

(i)Company: Company representative mentioned that the monopoly condition applied by NPPA do not prevail as formulation is being manufactured by M/s Inventia Healthcare for more than one marketers i.e. M/s IPCA Lab and M/s Panacea Biotech since 2011 i.e. prior to DPCO 2013.

NPPA comments: NPPA representative mentioned that M/s Micro Lab Ltd. applied for price fixation in Form I for the said formulation. As NPPA received information from M/s Panacea Biotech only and informed that M/s Inventia Healthcare is the manufacturing company. Therefore they applied monopoly condition and fixed the price under para 6 of DPCO 2013.

(ii) Company: Company representative mentioned that their name should not have been appeared in the price notification as they did not apply in Form I.

NPPA comments: NPPA representative mentioned that as per information received by them in Form I from M/s Micro lab, M/s Inventia is the manufacturer of the said formulation. Therefore the words manufactured and marketed by M/s Inventia Healthcare Pvt. Ltd. and M/s Micro Labs respectively as the manufacturer mentioned in the notification and not the marketer.

Government's comments and recommendation:

4. As per the information given by the company during the review hearing, they are the only manufacturers of the subject formulation. The subject formulation is being marketed by M/s Panacea and M/s IPCA Lab. The third company i.e. M/s Micro Labs had applied in Form I to NPPA not as a manufacturer but as a marketer company. Therefore, there is no competition as petitioner is the only manufacturer of the said formulation. During the hearing in the case of M/s Micro Labs it transpired that M/s IPCA Labs is selling the same formulations at Rs.75/- and M/s Panacea at Rs.55/- per 10 tablets.

5. It may be noted that ideal marketing competition does not exist. Sole manufacturer is selling the same formulation to two marketers and both are selling at different prices which is unethical. Ideally there should be no reduction in prices and the conditions of monopoly under para 6(1) of DPCO 2013 are satisfied.

6. The contention of the company does not appear to be justified. Since they have been mentioned as only manufacturer of the said formulation and M/s Micro Labs Ltd has been mentioned as the marketing company. Deletion of their name as the manufacturing company will not be justified since the price fixation has been done for the formulation manufactured by the petitioner and marketed by M/s Micro Labs Limited.

7. As far as the question of unethical marketing practices which have been brought out during the hearing, the issue has been dealt with during the review application of M/s Micro Labs Ltd. which is the marketing company. It is correct that the same formulation being

manufactured by the petitioner company is being sold by different marketing companies at different rates in the market but the issue of price fixation is to be decided in the review application of the marketing company and not in the application under consideration. Hence, there is no force in the contention of the petitioner company.

8. Based on the above and other documents on record, the Government has decided as under:

“The review application of the petitioner is rejected.”

Issued on this date 23rd January, 2015.

(Anil Jain)
Under Secretary to the Govt. of India
For and on behalf of the President of India

To

1. M/s. Inventia Healthcare Pvt. Ltd.,
Unit 703, 7th Floor, Hubtown Solaris
N S Phadke Marg
Mumbai-400069
2. The Member Secretary,
National Pharmaceutical Pricing Authority,
YMCA Cultural Centre Building, New Delhi-110001

Copy to :

1. PS to Hon'ble Minister (C&F), Shastri Bhawan, New Delhi for information.
2. Sr. PPS to Secretary (Pharma), Shastri Bhawan, New Delhi for information.
3. TD (NIC) for uploading the order on Department's Website.

