

**F.No.25(5)/2014/Div-V/NPPA**  
**National Pharmaceutical Pricing Authority**  
**Department of Pharmaceuticals**  
**Ministry of Chemicals & Fertilizers**  
**Government of India**

5th / 3rd Floor,  
YMCA Cultural Centre Building,  
1, Jai Singh Road, New Delhi – 110 001  
Dated: 10<sup>th</sup> May, 2016

**Office Memorandum**

**Sub: Implementation of prices fixed and notified under the provisions of DPCO, 2013 ...reg.**

In respect of OM dated 13.04.2016 on captioned matter, NPPA has received some queries from drugs manufacturer associations, drug distributors and dealer associations, etc. In this connection, it is further stated that –


1. The Hon'ble Supreme Court in *GlaxoSmithKline Pharmaceuticals limited versus Union of India and others*, case reported in 2014 SCC vol. II 753 has held that the current price list is simply the price reflecting the currently operating notified price under the DPCO and once a price is notified for a formulation, it takes effect immediately and sale of the formulation to the consumer has only to be at the price specified in the current price list or price indicated on the label of the container or pack thereof, *whichever is less*".
2. The manufacturers shall issue a revised price list or supplementary price list, if required, in Form V to dealers, the retailers, State Drug Controllers and the Government, in compliance with the prices fixed or revised by the NPPA, under provisions of paragraph 24 sub-paragraph (3) of the DPCO, 2013. Manufacturers are advised to ensure compliance.
3. The manufacturers recalling or re-labelling or re-stickering on the label of container or pack of released stocks in the market prior to date of notifications, shall ensure that adequate stocks are maintained to avoid shortage of such medicines. However, it does not mean that revised prices get deferred for the stock in circulation. The price change takes place with immediate effect.
4. It has also been informed to the NPPA that some Stockists/Trade Associations are showing resistance in selling the products without stickering/re-labelling. The dealers including Stockists/Retailers may not return any stocks in case current price list as per revised notified price has been made available. In this connection, attention is drawn to paragraph 28 of the DPCO, 2013 which states as under-

*"28. Manufacturer, distributor or dealer not to refuse sale of drug*

*Subject to the provisions of the Drug and Cosmetics Act, 1940 (23 of 1940) and the rules made thereunder, -*

- (a) no manufacturer or distributor shall withhold from sale or refuse to sell to a dealer any drug without good and sufficient reasons;*
- (b) no dealer shall withhold from sale or refuse to sell any drug available with him to a customer intending to purchase such drug".*

All the manufacturers and retailers shall make sure that prices fixed/notified by the NPPA for essential medicines are duly implemented and benefit of price is made available to the consumers.

  
(Kalyan Nag)  
Adviser