



सत्यमेव जयते

F. no. 16(1)/ 2021/ Div-III/ NPPA

Government of India/ भारत सरकार

Ministry of Chemicals & Fertilizers/ रसायन एवं उर्वरक मंत्रालय

Department of Pharmaceuticals/ औषध विभाग

National Pharmaceutical Pricing Authority/ राष्ट्रीय औषध मूल्य निर्धारण प्राधिकरण

3rd / 5th Floor

YMCA Cultural Centre Building

वाई.एम.सी.ए. सांस्कृतिक केंद्र भवन

1, Jai Singh Road, New Delhi-110001

1, जय सिंह रोड, नई दिल्ली -110001

Date/ दिनांक: 22nd November, 2021

OFFICE MEMORANDUM

Subject: Complaints under Paragraph 28 of the Drugs (Prices Control) Order, 2013 regarding refusal to sell drugs by manufacturers

The Drugs (Prices Control) Order, 2013, issued under Section 3 of Essential Commodities Act, 1955, provides, under paragraph 28, that:

"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."*

2. As per the prevailing supply chain model(s), the manufacturers supply drugs to the market through their authorized distributors, who then supply drugs to other dealers including retail dealers.

3. A number of complaints are received in this office from persons/ firms, who intend to become dealer of a particular manufacturer and the manufacturer refuses to appoint them as authorized dealer. Similarly, complaints are received wherein the manufacturer refuses to sell drugs directly to a person/ firm and redirects him to the authorized dealer. In such cases, the complainant requests NPPA to invoke paragraph 28 of DPCO, 2013.

4. It may be noted that the demand to procure drugs directly from the manufacturer or the demand to be appointed as authorized dealer arise from the commercial interests of the complainant. This office has, time and again, clarified that commercial issues/ terms/ disputes etc. between the dealer and concerned Company or its distributor/ stockist are not within the purview of or resolved by NPPA.

5. Notwithstanding the above, the manufacturers may note that they shall give utmost importance to public interest in all such cases and ensure proper distribution of drugs and ensure sufficient availability in the market. In case any aspect of public interest is adversely affected in such cases, this office shall be duty bound to invoke Paragraph 28 and take appropriate action, including passing orders under Paragraph 3 of Drugs (Prices Control) Order, 2013 and/ or prosecution under Section 7 of the Essential Commodities Act, 1955.


(Saurabh Bansal)
Deputy Director

To
All manufacturers
All stakeholders