

Frequent changes in drug price control list a pain for chemists

Ramnath Subbu

MUMBAI: The move by the National Pharmaceutical Pricing Authority (NPPA) to increase the span of drugs under price control by adding new strengths of 43 drugs of already under price control and revising ceiling prices of some others has been opposed by industry and trade.

No effective date has been announced and J. S. Shinde, President, All India Organisation of Chemists & Druggists (AIOCD), said that although the move would bring around Rs.450 crore worth of new drugs under price control, "there is a possibility of a

shortage in the market as had happened in the past. This is because the products will have to be withdrawn from the market, packed and dispatched to manufacturers and they would have to re-label with new prices and send them back to stockists."

Logistics problem

He said the logistics problem could take six weeks to sort out.

"A far more desirable way would be to announce a batch number after which new prices could have come into effect," Mr. Shinde said adding that the revision would impact wholesale margins by 2.4

per cent and [that of] retailers' by 6.2 per cent.

The Drug Price Control Order 2013 capped the retail price of 348 drugs and in July 2014, added a further 108 cardiovascular and diabetes drugs.

The changes announced last week cover mainly anti-infectives.

"This has been the second salvo by NPPA post the new DPCO 2013," said Rahul Sharma, pharma analyst, Karvy Stock Broking.

"The NPPA may target segments where the therapeutic segments are important from size and usage. Ceiling prices may be imposed on products

in cancer, HIV, anti-malaria, anti-TB, cardiovascular, anti-diabetics, anti-asthmatic and immunological."

The new revision has increased the uncertainty, said S. V. Veeramani, President, Indian Drug Manufacturers' Association (IDMA). "When several cardiac and diabetes drugs also came under price control earlier, the total loss to industry was of the order of Rs.2,000 crore," he said, adding that frequent changes made it difficult for companies to plan for future.

Industry bodies plan to meet the NPPA chairman at the end of the month to try and resolve the issues.

Price,