

Most drug prices likely to go up

Rupali Mukherjee | TNN 18

Mumbai: You will have to pay more for that flu shot, or to ease pain during surgery. Prices of vaccines, anaesthetics and intravenous fluids (IV fluids) are expected to rise with the imposition of an excise levy.

Not just that. Ayurvedic, unani, siddha and homeopathic drugs will also cost more with them being brought under the excise net for the first time, with a 1% levy.

The Budget has hiked the excise levy on medicines by 1% from the existing 4%, making all medicines (allopathic) dearer. On vaccines, a 5% excise duty is being levied, with a concessional duty of 1% without Cenvat credit facility. A top official of major vaccine manufacturer Serum India told TOI: "We will pass on the excise burden to consumers, and accordingly, there will be around 1% increase in prices of vaccines."

Others like Sanofi and Panacea Biotech are also planning to increase prices. Prices may go up in the range of 1-1.5% for most vaccines, excluding those under the National Immunization Programme.

Also, prices of most homeopathic, unani, siddha and ayurvedic concoctions and pills are expected to go up with the 1% excise levy. So, companies like Dabur, Baidyanath, Himalaya Drug Company, Dr Batra's and Baksons Homeopathy will be impacted.

The domestic pharma industry will be adversely impacted because of the imposition of minimum alternate tax of 18.5% on special economic zones. Cipla director S Radhakrishnan said: "The removal of tax benefit on SEZs is not good news. We have made a huge investment of over Rs 700 crore at Indore SEZ".

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