

No major impact on prices of Essential Drugs post introduction of GST

Government ensuring Essential drugs are available to public at reduced prices: Shri Mansukh L. Mandaviya

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Minister of State for Road Transport & Highways, Shipping and Chemicals & Fertilizers, Shri Mansukh L. Mandaviya, in a written reply to a question in Rajya Sabha today, informed that the Government has analyzed the impact of Goods and Services Tax (GST) on prices of the formulations and it is noticed that there will be almost no impact on the prices of non-scheduled formulations which account for nearly 80% of the total pharmaceuticals sector.

In respect of Scheduled formulations, there is no impact on the prices of about 4% formulations, which mainly include formulations related to Immunization Program, Anti-cancer, Oral rehydration salts, Contraceptives etc. In most of the remaining formulations, which account for nearly 16% of total pharmaceutical sector, there is an increase in the prices to the extent of nearly 2.30%, the Minister informed.

Shri Mandaviya stated that the Government has fixed the ceiling prices of 851 formulations/ (packs) included in Revised Schedule - I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). The details have been uploaded on National Pharmaceutical Pricing Authority (NPPA)'s website www.nppaindia.nic.in. The slab-wise reduction in the prices under National List of Essential Medicines, 2015 (NLEM 2015) is as given below:

Slab-wise Percentage reduction with respect to Maximum Price	No. of formulations
0<= 5%	234
5<=10%	134
10<=15%	98
15<=20%	98
20<=25%	93
25<=30%	65
30<=35%	46
35<=40%	24
Above 40%	59
Total formulations in NLEM 2015	851

Describing the measures taken to prevent overcharging of medicines, Shri Mandaviya stated that NPPA is effectively monitoring the prices of scheduled as well as non-scheduled medicines under DPCO, 2013 so that these formulations are available to public at ceiling prices notified and increase in price is limited to the provisions of DPCO, 2013. It takes action against companies found overcharging the consumers based on the references received from the State Drugs Controllers/ individuals, samples purchased from the open market, reports from market based data and complaints reported through the grievance redressal websites - 'Pharma Jan Samadhan' and 'Centralized Public Grievance Redress and Monitoring System (CPGRAMS)'. The monitoring of

increase in the price of formulations beyond the permissible limit is also done on the basis of market data submitted by All Indian Origin Chemists & Distributors Limited (AIOCD)(Pharma Trac Data) and individual complaints received, the Minister added.

Further, the production and availability of medicines is also regularly monitored by the NPPA mainly through Drugs Control Administration of State Governments. Whenever shortage is reported by the State Drug Controllers or when the matter comes to the notice of NPPA, remedial steps are taken for ensuring availability of drugs by impressing upon manufacturers to rush the stocks to the places of shortage, Shri Mandaviya informed.

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