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Pricing revision to cost Indian pharma $160 mn

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Mumbai: The pharmaceutical industry will be widely impacted after India's National Pharmaceutical Pricing Authority (NPPA) notified leading drug majors about ceiling prices. This will lead to a dramatic drop in prices of widely used medicines.

The drugs pricing regulator had notified drug companies about ceiling prices earlier last week. This price reduction will impact products like antiseptic skin lotion Betadine, fever pill Calpol, supplement Folvite, antibiotic Azithral, a host of cardiac medication including Ismo, Losar and Repace (Losartan) and anti-diabetic drug Daonil.

Prices of gastro-intestinal medication including Buscopan and Pantodac (pantoprazole) will also be slashed, while anti-infectives and anti-malarials will see a reduction. Even prices of certain crucial HIV and anti -cancer medicines will also witness a drop. Certain HIV medicines like lamivudine and stavudine, and nevirapine too are slated to go down.

NPPA had notified the ceiling prices of 151 medicines, of which around 140 products (3,088 packs) were analysed by the research firm. Of these, 950 packs were found to be above the ceiling price and will expected to be revized downwards by companies over the next few weeks.

As per an analysis released by pharma research company, Aiocd Awacs, the first round of the policy implementation will cost the industry around $160 million (Rs920 crore) annually. Multinationals like Pfizer and GSK will be the most impacted in the first round. Companies like Bharat Serums, Win-Medicare, Abbott, Wockhardt, Sun Pharma, Ranbaxy and Zydus Cadila too are going to be hit really hard. In the first round of the implementation of this policy, Pfizer will suffer a loss of around $8 million (Rs48 crore), followed by GSK that will lose around $7 million (Rs43 crore) annually.

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