



# INDIAN DRUG MANUFACTURERS' ASSOCIATION

B-4/115 (2<sup>nd</sup> floor), Safdarjung Enclave, New Delhi 110 029

ole

Phone : 91-11 - 26171367  
91-11 - 41650726  
Fax : 91-11 - 26171369

E mail : idmadelhi@gmail.com  
akmadan.idma@gmail.com  
Website : www.idma-assn.org

## INDIAN PHARMACEUTICALS FOR GLOBAL HEALTH

March 20, 2015

**The Chairman,**  
National Pharmaceutical Pricing Authority,  
Department of Pharmaceuticals,  
Government of India,  
1, Jai Singh Marg, New Delhi.

**Re: NPPA NOTIFICATION NO. S.O 776( E ) DATED 17<sup>TH</sup> MARCH 2015**

Dear Sir,

We refer to the captioned notification with reference to passing of Excise Duty (ED). We would like to represents as under: -

1. The said notification refers to all formulations wherein the prices have been fixed by NPPA as per the provisions of Para 4,5& 6 of DPCO 2013. The Ceiling Price worked out by NPPA is based on PTR, which is inclusive of all duties. Thus the price is adopted by all manufacturers whether located in excise payable zone or non-excisable zone.
2. **NPPA has already announced the revised CP uploaded on the web on 16<sup>th</sup> March 2015.** Thus NPPA could have worked out the revised PTR as per the provisions of Para 4,5 & 6 and uploaded the revised CP considering the latest ED applicable.
3. **In the present DPCO, NPPA fixes the prices considering PTR which is inclusive of all duties.** The manufacturers need to add only VAT actually payable by the manufacturers. Unlike earlier DPCO wherein the manufacturer had to add ED & VAT actually payable to the CP fixed by NPPA.

Recd  
30/3/2015

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Manufacturers have continued with the clearances in the normal course as there is no provision of separate ED calculation in the prices announced by NPPA. Further all manufacturers of Schedule formulations would be entitled to increase the CP by WPI on all batches manufactured effective 1<sup>st</sup> April. Thus uploading a notification with retrospective effect is not practicable.

We may inform you Sir, the industry will always work in the interest of the general public and would always pass on all benefits that needs to be passed on. Further as stipulated in the notification under reference, we would request NPPA to forthwith announce revised CP considering the new ED rate i.e. by reducing 0.60% from CP already announced. Since the price increase is due shortly, we would request your office to consider that the new price with ED reduction would be effective from 1<sup>st</sup> April, to avoid multiple MRPs in the market in short span of time.

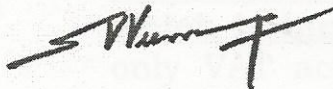
**NON-SCHEDULE FORMULATIONS:** Since the price revision for non-schedule formulations are governed by Para 20, which fix a maximum limit of 10% on MRP to MRP, hope there would not be any change in the MRP.

Looking at the facts referred to above, we request your office to kindly consider the following:-

1. Announce new CP by reducing the CP by 0.60% from the CP already announced.
2. Members will implement the revised price effective 1<sup>st</sup> April to avoid multiple MRPs in the market place.
3. No change in non-schedule formulation MRP as the same is governed by the provisions of Para 20 of DPCO 2013.

Thanking you,

Yours sincerely,



S V Veerramani  
President

Cc to: Dr. V.K. Subburaj, - for your kind information.  
Secretary to the Government of India,  
Department of Pharmaceuticals,  
Shastri Bhawan, New Delhi

Submitted on  
30/3/2015.