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## Medicines likely to get more costly

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**Government Lets Companies Charge More For Non-Chemical Ingredients In Drugs**

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NEW DELHI

COUNTRY'S drug price regulator plans to allow pharma companies to charge more for non-chemical ingredients used in making medicines which could increase retail prices of drugs.

National Pharmaceutical Pricing Authority (NPPA) asked companies to submit market prices of about 65 excipients — non-chemical ingredients such as sugar, starch, lactose and coatings — for price revision, in a meeting with industry stakeholders on Tuesday. Excipient prices were last revised in 2007. "Cost of some of excipients may increase while others may come down depending on the price movement observed in the last three years," S M Jharwal, chairman NPPA told ET. Excipients are mostly added to give the form, consistency or carry the active ingredient.

A top executive from a local drug-maker said, "Excipient cost constitute about 5-10% of a drug, so the final increase in retail price of brands should be marginal." Since they are used more in liquid forms such as syrups, companies who have products in liquid forms will benefit most from the price hike, he said. Many of the country's top selling brands are popular cough syrups and vitamin supplements that are sold in liquid form such as Pfizer's Corex, GSK's Zineac, Pfizer's Becosules and Franco Indian's Dexorange.

But another industry executive said some brands could see significant price rise depending on the quantum of increase in excipient prices. "Inflation has been high over the last three years which could mean significant increase in few medicines," he said. Based on industry's submission and

its own analysis, NPPA will then fix the cap on the cost of excipients. The process is expected to be completed by September. NPPA regulates prices of medicines made using 74 bulk drugs in the country's Rs 42,000 crore drug retail market. It also prevents drug-makers from increasing prices of medicines beyond 10% within any consecutive 12 months.

Besides, NPPA is also in the process of revising annual conversion cost (CC), packing charges (PC), process loss (PL) and packing material (PM) for 2010.

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