

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION NO. 1317
TO BE ANSWERED ON 27th July, 2021

Price Reduction of Drugs

1317. SHRI M.K. RAGHAVAN:

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) whether National Pharmaceutical Pricing Authority (NPPA) makes any efforts to stabilize the pharmaceutical prices in the country;
- (b) if so, the details thereof;
- (c) whether the NPPA has asked Pharma manufactures to reduce the prices on medicines in lieu of reduction in GST by the Government; and
- (d) if so, the details regarding the same and the list of medicines for which prices have been reduced?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI MANSUKH MANDAVIYA)**

(a) & (b): Yes, National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals fixes / revises the ceiling prices of the scheduled formulations as per the provisions of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). Further, NPPA also monitors the Maximum Retail Price (MRP) of scheduled formulations so as to ensure that the MRP of such formulations are within the range of ceiling price and that of non-scheduled formulations to ensure that MRP does not increase by more than 10% of MRP during the preceding twelve months. The details of ceiling / retail prices fixed/revised by NPPA are available on NPPA's website, www.nppaindia.nic.in.

(c) & (d): NPPA has issued detailed guidelines on 13th April, 2016 for compliance of revised prices by the manufacturers / marketing companies due to change in the Tax/ GST rates. Recently, the GST Council in its 44th meeting held on 12th June, 2021 has reduced GST on goods being used in COVID-19 management. A copy of the press release issued by the Ministry of Finance indicating the details of medicines and medical devices used for COVID management, on which GST rates were revised, is enclosed. In order to pass the benefit of reduction in GST rates to the consumers, NPPA has issued instructions on 15th June, 2021 to all the manufacturers and marketing companies of drugs/formulations and medical devices to revise the MRP of drugs/formulations on which Tax/GST rates have been reduced. A copy of OM dated 15th June, 2021 of NPPA is enclosed.



File No. 19(175)/2019/DP/NPPA/Div.II
Government of India
Ministry of Chemicals & Fertilizers
Department of Pharmaceuticals
National Pharmaceutical Pricing Authority

3rd and 5th Floor,
YMCA Cultural Centre Building,
1, Jai Singh Road, New Delhi - 110001

Dated: 15th June, 2021

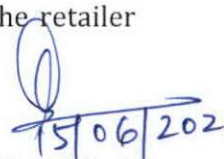
OFFICE MEMORANDUM

The undersigned is directed to refer to the queries from some of the manufacturers/marketing companies regarding implementation of MRP on the drugs due to change in the Tax/GST rates.

2. In this regard, reference is invited to the O.M. No. 25(5)/2014/Div-V/NPPA dated 13th April, 2016 (copy enclosed) issued by NPPA which contains detailed guidelines for compliance of revised prices by manufacturers/marketing companies.

3. The change in Tax/GST rates has an impact on the fixation of MRP of items attracting Tax/GST. As per DPCO, 2013 MRP of drugs/formulations is inclusive of Taxes/GST. Therefore, any downward change in Tax/GST rates should be reflected in MRP and benefit of Tax/GST reduction should be passed on to consumers.

4. In view of the above, all the manufacturers and marketing companies are required to revise the MRP of drugs/formulations on which Tax/GST rates have been reduced taking into effect the revised rates of Tax/GST. Recalling or re-labelling or re-stickering on the label of container or pack of released stocks in the market prior to date of notifications, is not mandatory, if manufacturers are able to ensure price compliance at the retailer level through issuance of a revised price list.


(S. S. Ojha)

Director (Pricing)

To,

All the manufacturers and marketing companies of drugs/formulations and medical devices for compliance.

Copy to:

1. PPS to Hon'ble Minister (HCF)
2. PPS to Hon'ble Minister of State (HCF)
3. Secretary (Pharma), Government of India
4. Secretary (Health), Government of India
5. Principal Health Secretaries (All States/UTs)
6. Drug Controller General (India)
7. All the Drug Controllers / Food & Drug Administration of all the State / UT Governments.

44th Meeting of the GST Council

12th June, 2021

PRESS RELEASE

(Change in GST Rates on GST on goods being used in Covid-19 management)

The GST Council in its 44th meeting, held on 12th June, 2021 through Video Conference, decided to reduce the GST rates on the specified items being used in Covid-19 relief and management till 30th September, 2021, as detailed below, -

S. No.	Description	Present GST Rate	GST Rate recommended by GST Council
A. Medicines			
1.	Tocilizumab	5%	Nil
2.	Amphotericin B	5%	Nil
3.	Anti-Coagulants like Heparin	12%	5%
4.	Remdesivir	12%	5%
5.	Any other drug recommended by Ministry of Health and Family Welfare (MoHFW) and Dept. of Pharma (DoP) for Covid treatment	Applicable Rate	5%
B. Oxygen, Oxygen generation equipment and related medical devices			
1.	Medical Grade Oxygen	12%	5%
2.	Oxygen Concentrator/ Generator, including personal imports thereof	12%	5%
3.	Ventilators	12%	5%
4.	Ventilator masks / canula / helmet	12%	5%
5.	BiPAP Machine	12%	5%
6.	High flow nasal canula (HFNC) device	12%	5%
C. Testing Kits and Machines			
1.	Covid Testing Kits	12%	5%
2.	Specified Inflammatory Diagnostic Kits, namely D-Dimer, IL-6, Ferritin and LDH	12%	5%
D. Other Covid-19 related relief material			
1.	Pulse Oximeters, incl personal imports thereof	12%	5%

S. No.	Description	Present GST Rate	GST Rate recommended by GST Council
2.	Hand Sanitizer	18%	5%
3.	Temperature check equipment	18%	5%
4.	Gas/Electric/other furnaces for crematorium, including their installation, etc.	18%	5%
5.	Ambulances	28%	12%

These rate reductions/exemptions shall remain in force up to 30th September 2021.
