

Fresh price control to hit Abbott, GSK

Soumnty Kanungo @SoumntyK

Mumbai: The move by National Pharmaceutical Pricing Authority (NPPA) to cap prices of 52 formulations may not hit drug makers much as the total market size of these drugs is Rs 123 crore.

Of this the value loss due to lowering MRP to ceiling prices set by the regulator would be 14% of the total Rs 123 crore.

dna was the first to report on Friday that drug regulator had brought 52 drugs under price control.

Drug makers which are likely to be impacted due to the price ceiling are Abbott Healthcare, GlaxoSmithKline Pharmaceutical, Wockhardt, Mankind and Cadila Healthcare among others.

According to data released by pharma market research firm AIOCD AWACS, the estimated value loss of the market due to this price control is around Rs 17.4 crore (based on MRP),

Companies impacted due to the recent price control

Company	Mat value (₹cr) Nov-14-MRP	Value loss (₹cr)-MRP	% Loss
New market under DPCO	123.4	17.4	14.1
Abbott Healthcare	34.9	2.7	7.6
GlaxoSmithKline	14.3	4.5	31.8
Wockhardt	12.1	3.6	29.7
JB Chemicals	11.0	2.5	22.7
Wallace Pharma	9.3	1.7	17.9
Zuventus Healthcare	8.8	0.3	3.5
Zydus Cadila	6.4	0.5	8.2
Baxter India	5.6	0.0	0.0
Claris Lifesciences	4.5	0.1	1.1
Mankind Pharma	3.9	0.8	20.9

Source: AIOCD AWACS

which is around 14.1% of the total market of Rs 123 crore (MAT value November 2014).

On Thursday, NPPA issued a notification which said that it has fixed or revised the ceiling and retail prices for 52 formulations packs under Drugs Price Control Order, 2013. The formulations whose prices were fixed include bleaching powder, ketamine hydrochloride, zinc sulfate, ascorbic acid, cloxacillin, gentamycin, glucose, glucose

with-normal saline, mannitol, paracetamol, amoxycillin with potassium clavulanate, metoprolol succinate with cilnidipine (cardiocil M), losartan, diclofenac, paclitaxel, and a number of other combination drugs.

According to AIOCD AWACS data, GSK Pharma is likely to see the highest 31.8% impact with a total value loss of Rs 4.5 crore out of its market share of Rs 14.3 crore. This is followed by

Wockhardt with a 29.7% impact at a loss of Rs 3.6 crore, JB Chemicals with a 22.7% hit of with a loss of Rs 2.5 crore, and Mankind Pharma with a 20.9% hit with a loss of Rs 80 lakh.

According to a pharma expert, the new market under price control is in itself very small compared with Rs 77,000 crore domestic pharma market. "The impact for each player is actually very little as the loss in the entire market value is only about Rs 17 crore," the expert said.

Lupin, the retail price of whose skin disorder drug clobetavate GM and clobetavate NM was also fixed under this order, feels the impact would be negligible for the company. "Though Lupin wouldn't see any impact, we have always maintained that competition is a great leveller and the market finds its own level when it comes to matters such as pricing," said a company spokesperson. **Turn top 12**

Price