



What's New

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Higher Wholesale Price Index - A cheers to Pharma companies

The Government of India Ministry of Commerce & Industry, Office of the Economic Adviser has announced **Wholesale Price Index** of all commodities in **November 2017** as below:

Monthly Wholesale Price Index

Name of Commodity : All commodities

Type : Group Item

Weight : 100

Base Year : 2011-12 = 100

Month/Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	112.6	113	113.2	113.2	112.9	112.7	113.9	114.8	114.9	115.5	116.3	

1. **Figure 0 may be treated as index for particular item not-available.**
2. **Figures for the latest two months are provisional. Latest two months are to be reckoned with reference to the latest monthly press release issued.**

Accordingly, **Wholesale Price Index of all commodities in 2017 for Eleven months stands 113.909.**

If **Wholesale Price Index of all commodities in 2017 for Twelve months stands between 113.909 to 114.00**, The Annual change in **Wholesale Price Index of all commodities will come out between +3.272% to +3.35%** on the basis of the **wholesale price index** with respect to previous calendar year i.e. **110.30**.

Higher WPI may be a reason to worry for all others but higher the Wholesale Price Index of all commodities in 2017 will be a cheers to Pharmaceutical manufacturers as they may revise the prices of their scheduled formulations equal to Positive change in WPI w.e.f. 1st April 2018 as per the provisions of DPCO 2013.

Extracts from DPCO 2013

Sub Section (ze) of Para 2 of **DPCO 2013** defines “**wholesale price index**” means annual wholesale price index of all commodities as announced by the Department of Industrial Policy and Promotion, Government of India, from time to time.

Para 10 of DPCO 2013 - Pricing of the formulations covered under Drugs (Prices Control) Order, 1995 states – (1) The prices of scheduled formulations, which are also specified in the First Schedule to the Drugs (Prices Control) Order, 1995, fixed and notified under the provisions of the said order, up to 31st May, 2012, shall remain effective for further one year i.e. up to 30th May' 2013 and the manufacturers may revise the prices of such scheduled formulations as per

the annual **wholesale price index** for the previous calendar year announced by Department of Industrial Promotion and Policy and thereafter the formula as in sub- paragraph (1) of paragraph 4 of this Order shall be applied for fixing the ceiling prices of such formulations.

(2) The prices of scheduled formulations, which are also specified in the First Schedule to the Drugs (Prices Control) Order, 1995, fixed and notified under the provisions of Drugs (Prices Control) Order,1995 after 31st May,2012, shall remain effective for one year from the date of notification of such prices under Drugs (Prices Control) Order,1995 and immediately thereafter the manufacturers may revise the prices as per the annual **wholesale price index** for the previous calendar year announced by Department of Industrial Promotion and Policy and on the 1st April of succeeding financial year, the formula as in sub-paragraph (1) of paragraph 4 of this Order shall be applied for fixing the ceiling prices of such schedule formulations.

Para 13 of DPCO 2013 - Price of scheduled formulations for the existing manufacturers.–

(1) * * * * *

(2) * * * * *

(3) Annual increase in maximum retail price may be carried out as per the increase in the **wholesale price index** with respect to previous year as per the provision of sub-paragraphs (2) and (3) of paragraph 16.

Provided that in case of decline in **wholesale price index**, a corresponding reduction in the prices shall be made as per the provision of sub-paragraph (4) of paragraph 16.

Para 16 of DPCO 2013 - Revision of ceiling price of scheduled formulations.– (1) The Government shall revise the ceiling prices of scheduled formulations as per the annual wholesale price index (WPI) for preceding calendar year on or before 1st April of every year and notify the same on the 1st day of April every year.

(2) The manufacturers may increase the maximum retail price (MRP) of scheduled formulations once in a year, in the month of April, on the basis of the **wholesale price index** with respect to previous calendar year and no prior approval of the Government in this regard shall be required.

(3) * * * * *

(4) In case of decline in **wholesale price index**, there shall be a corresponding reduction in the maximum retail price and in case of scheduled formulations produced or available in the market before the date of notification of revised ceiling price, the manufacturers shall ensure within a period of forty-five days of the date of such notification that the maximum retail price (MRP) of such scheduled formulation does not exceed the revised ceiling price (plus local taxes as applicable) and information about the revision shall be sent to the Government in either electronic or physical form in Form-II within a period of fifteen days of such revision.

(5) Non-submission of information under the sub-paragraph (4) shall be construed as non reduction in maximum retail price (MRP) and the concerned manufacturer shall be liable to deposit the amount charged over and above the maximum retail price revised based on decline in **wholesale price index**, along with interest thereon as overcharged amount from the date of overcharging.

Para 19 of DPCO 2013 - Fixation of ceiling price of a drug under certain circumstances.- Notwithstanding anything contained in this order, the Government may, in case of extra-ordinary circumstances, if it considers necessary so to do in public interest, fix the ceiling price or retail price of any Drug for such period, as it may deem fit and where the ceiling price or retail price of the drug is already fixed and notified, the Government may allow an increase or decrease in the ceiling price or the retail price, as the case may be, irrespective of annual **wholesale price index** for that year.