

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:6379
ANSWERED ON:09.05.2005
SMALL SCALE DRUGS MANUFACTURING UNITS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the number of loan drug licenses issued by the Government on behalf of marketing companies/ multinationals/ large scale unit to manufacture medicines;
- (b) the price paid by these units to small scale manufacturing units vis-a-vis norms fixed by the Government under drug price control order;
- (c) the total value of medicines manufactured by said units during the last three years, year-wise; and
- (d) the steps being taken by the Government for manufacturing of medicines by the said units at reasonable prices in the country?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d): The office of the Drugs Controller General of India, in the Ministry of Health and Family Welfare has stated that it does not maintain the details of the individual loan license issued by State drugs control organization for manufacturing of drugs. However, as per a rough estimate collected in year 2003, the total number of loan licences issued by States were 4692.

74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO.95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95 and the norms notified from time to time. The ceiling prices fixed under para 9 of DPCO, 95 are applicable to every manufacturer including small scale units, unless exempted.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected. No norms have been fixed by the Government for the price at which small scale manufacturing units can sell non-Scheduled formulations to large units or marketing companies.