

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

UNSTARRED QUESTION NO:3373

ANSWERED ON:06.09.2007

SELLING OF SCHEDULED DRUGS AT INCREASED PRICES

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

- (a) whether the Pharmaceutical companies are openly selling scheduled drugs at increased priced by making some changes in the composition of the drugs and selling them under new names;
- (b) if so, the details thereof;
- (c) whether the prices of some medicines are still increasing despite the tax exemption given to them;
- (d) if so, the details thereof;
- (e) whether the Government has prepared any action plan to curb the unprecedented increase in the prices of medicines; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (f): The 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. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. In case of any violation of the price fixed by NPPA, action for recovery of overcharging amount is taken by NPPA.

The issue of change of composition of Scheduled formulations has been referred by the NPPA to the Office of Drugs Controller General (India) since it comes under the purview of Drugs and Cosmetics Act, 1940 administered by the Ministry of Health and Family Welfare.

In case of non-Scheduled formulations NPPA only monitors the price movement and if there is any price increase by more than 10% in one year and the annual turnover of the formulation pack exceeds Rs.1 crore, further, the share of the formulator in the segment of the formulation is required to be at least 20% of the market or the medicine is first 3 top medicines of that group. The case is take up for further examination and if required prices are fixed in public interest under Para 10(b) of DPCO,95,. So far 30 companies have reduced the price of 51 packs as a result of the intervention of NPPA/Government. NPPA have fixed the price of 20 packs under Para 10(b) of DPCO,95.

The Drug Policy as announced from time to time is directed towards making available quality drugs at reasonable prices to the poor. In the draft National Pharmaceutical Policy, 2006 it has been proposed, inter alia, that one of the ways to make available cheaper drugs to people at large and to public health system could be to promote the production and marketing of generic drugs in the country. This may be achieved through preference of generic drugs for public procurement and distribution and free of cost quality certification for generic drugs. Draft National Pharmaceutical Policy was considered by the Cabinet at its meeting held on 11.1.2007. The Cabinet has referred the Policy to Group of Ministers (GOM). The First meeting of the GOM was held on 10.4.2007. No time frame has been set for finalizing the National Pharmaceuticals Policy.