

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

UNSTARRED QUESTION NO:1134

ANSWERED ON:26.11.2009

INCREASING PRICES OF MEDICINES

Laguri Shri Yashbant Narayan Singh;Yadav Shri M. Anjan Kumar

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

- (a) whether the National Pharmaceutical Pricing Authority has not been able to control the increasing prices of medicines in the country;
- (b) if so, the reasons therefore;
- (c) whether the Government has reviewed/proposed to review the functions of the said Authority; and
- (d) if so, the details thereof and the steps taken by the Government to check the increasing prices of medicines in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICAL AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a)to(d): Under the provisions of the Drugs (Price Control) Order, 1995 (DPCO, 1995) the prices of 74 bulk drugs, specified in the first Scheduled, and the formulations containing any of these Scheduled drugs are controlled. National Pharmaceutical Pricing Authority (NPPA)/Government. fix or revise prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. Price fixation/revision is an ongoing process. No one can sell any Scheduled drug / formulation at a price higher than the price fixed by NPPA / Govt.

In respect of drugs which are not covered under the Drugs (Prices Control) Order, 1995 i.e. non-Scheduled drugs, NPPA as part of its price monitoring activity, regularly examines the movement in their prices. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring the prices of non-Scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the specific manufacturers are asked to bring down the price voluntarily fating which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest. This is an ongoing process. As per the ORG IMS monthly SSA report for the month of June 09, out of 58067 formulation packs covered in the report, the prices in respect of 55307 (around 95.25%) packs have either remained stable or declined during June, 2009

Further based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 27 formulation packs under para 10(b) of DPCO, 95 and companies have reduced price voluntarily in case of 64 formulation packs. Thus, in all, prices of 91 packs of non-scheduled drugs were reduced as a result of the intervention of NPPA.

At present there is no proposal to review the functions of NPPA.