

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

UNSTARRED QUESTION NO:2394
ANSWERED ON:03.12.2009
VARIATION IN PRICES OF DRUGS
Singh Shri Uday Pratap

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

- (a) whether the Government has decided to review its drug pricing policy;
- (b) if so, the details thereof;
- (c) whether the Government has received representations on variation in the prices of drugs; and
- (d) if so, the action contemplated by the Government on such representations ?

Answer

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

(a) and (b): The draft National Pharmaceuticals Policy 2006 prepared by this Department after extensive discussions with various stakeholders and in line with the declared objective of the Government in the National Common Minimum Programme (NCMP) was submitted before the Cabinet for its approval. The Cabinet considered the Policy in its meeting held on 11.1.2007 and decided that the matter may, in the first instance, be considered by a Group of Ministers (GOM). The GOM has held four meetings. However, after the formation of the new Government, the GOM has been re-constituted on 1.9.2009. The final decision on the issue of Pharmaceutical Policy will be possible after GOM makes its recommendation to the Cabinet, At present, the prices of medicines are being controlled as per DPCO, 1995 which was formulated as per Pharmaceutical Policy, 1994.

(c) and (d): References/representations received from individuals, Non-Government Organizations, State Drugs Controllers and Consumer fora are attended to promptly for appropriate and necessary action.

Under the provisions of the Drugs (Price Control) Order, 1995 (DPCO 1995, the prices of 74 bulk drugs, specified in the first schedule, 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. No one can sell any scheduled drugs/formulations at a price higher than that fixed by NPPA. 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 price of non-scheduled formulations. Whenever a price increase beyond 10% per annum is noticed, the specific manufacturers are asked to bring down the price voluntarily failing 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.