

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

UNSTARRED QUESTION NO:2449

ANSWERED ON:11.03.2010

PRICES OF INDIGENOUS IMPORTED MEDICINES

Agarwal Shri Rajendra;Alagiri Shri S. ;Chauhan Shri Sanjay Singh

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

- (a) whether any norms for fixing the prices of indigenous and imported medicines have been laid down;
- (b) if so, the details thereof;
- (c) the details of violation of these norms alongwith the reasons therefor during the last three years and the current year;
- (d) whether the indigenous and imported medicines are being sold in the market on the much higher prices;and
- (e) if so, the steps taken by the Government for providing the medicines at fair prices to common men?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SR1KANT KUMAR JENA)

(a) to (c): Yes Sir, the prices of indigenous and imported medicines are fixed / revised as per the norms notified every year and the formula prescribed in paragraph 7 of the Drug (Prices Control) Order, 1995 (DPCO, 1995).

Norms of Conversion Cost (CC), Packing Charges (PC), Packing Material cost (PM) and Process Loss (PL) were notified, every year, during the last three years and these norms are applied uniformly in all cases of price fixation of indigenous scheduled formulations. The prices of imported scheduled formulations are also fixed as per the provisions under paragraph 7 of the DPCO, 1995 uniformly.

(d) & (e): The prices of indigenous scheduled formulations are fixed as per the paragraph 7 of the DPCO,1995. In the case of imported scheduled formulations, the landed cost of imported formulations is the basis for fixing the price along with such margin to cover selling and distribution expenses including interest and importer's profit which shall not exceed fifty percent of the landed cost. For the scheduled formulations, NPPA has the enforcement mechanism. As and when the cases of overcharging come to the notice of NPPA, appropriate action is taken as per the provision of DPCO, 1995.

So far as non-scheduled formulations/medicines are concerned (drugs out of price control), companies are shortlisted as per the prescribed criteria in public interest. Wherever any abnormal price increase is noticed, the manufacturer is impressed upon in such cases to bring down the price voluntarily within 10% limit failing which, if justified, action is initiated under para 10(b) of the DPCO, 1995. This is an ongoing process.

Based on monitoring of prices of non scheduled formulations, NPPA has fixed prices in case of 27 formulation packs under para 10 (b) and companies have reduced price voluntarily in case of 64 formulation packs. Thus in all, prices of 91 packs of non scheduled medicines have got reduced as a result of the intervention of NPPA.