

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

UNSTARRED QUESTION NO:3409
ANSWERED ON:15.04.2010
PRICES OF ANTIBIOTICS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether any proposal of pharmaceutical companies regarding raising the prices of antibiotics is under the consideration of the Government;
- (b) If so, the details thereof;
- (c) whether the National Pharmaceutical Pricing Authority (NPPA) has suggested for not raising the prices of antibiotics;
- (d) if so, the details thereof;
- (e) whether the pharmaceutical companies fix the prices of around 10 per cent of medicines arbitrarily;
- (f) if so, the details thereof; and
- (g) the action taken by the Government in this regard?

Answer

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

(a) to (g): The National Pharmaceutical Pricing Authority (NPPA) has not received any proposal from pharmaceutical companies regarding raising the prices of antibiotics. NPPA fixes the prices of scheduled medicines as per provisions of Drugs (Price Control) Order, 1995 (DPCO, 1995).

The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the DPCO, 1995, no person can sell any formulation (medicine) of price controlled category to a consumer at a price exceeding the price notified/ approved by the NPPA. In case, a company is found selling at prices higher than the price notified/ approved by the NPPA, action is taken against them as per the provisions of the DPCO, 1995.

In respect of drugs - not covered under the Drugs (Prices Control) Order, 1995 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R & D, cost of utilities/packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc.

As a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Whenever a price increase beyond 10% per annum is noticed, the manufacturer is 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.

Based on monitoring of prices of non-scheduled formulation, 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 drugs have got reduced as a result of the intervention of NPPA.