

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

UNSTARRED QUESTION NO:4372
ANSWERED ON:22.04.2010
DECONTROLLING OF LIFE SAVING DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the details of life saving drugs decontrolled by the Government during the last three years;
- (b) the reasons for decontrolling the said drugs;
- (c) whether the prices of these drugs have increased much after decontrolling them;
- (d) if so, the details thereof;
- (e) whether the prices of drug have also increased despite rebates given in customs and excise duties; and
- (f) if so, the steps taken/being taken to control the increasing prices of life saving drugs?

Answer

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

(a) to (f): Life saving drugs have not been defined in the Drugs (Prices Control) Order, 1995 (DPCO,95). Government/ National Pharmaceuticals Pricing Authority (NPPA) fixes/ revises the prices of 74 bulk drugs, specified in the First Schedule of DPCO, 1995 and the formulations containing any of these Scheduled drugs. During the last three years there is no change in this Policy and hence no drug has been decontrolled. The prices of Scheduled formulations are fixed or revised in accordance with the paragraph 7 of the DPCO, 1995 which take into account custom/ excise duties as may be applicable. No one can sell any Scheduled drug/ formulation at a price higher than the price fixed by NPPA, Prices of Non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/ selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

However, NPPA monitors the prices of all formulations based on the reports of ORG IMS and the information furnished by the individual manufacturers. 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 formulation in public interest. This is an ongoing process.