

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

STARRED QUESTION NO:324
ANSWERED ON:02.12.2010
PRICES OF MEDICINES
Lal Shri Kirodi

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

- (a) whether the Group of Ministers (GoM) constituted to consider the draft National Pharmaceutical Policy has finalised the same;
- (b) if so, the details thereof;
- (c) whether the delay in finalisation of the draft policy has adversely impacted control over prices of essential drugs; and
- (d) if so, the reaction of the Government thereto?

Answer

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

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) of LOK SABHA STARRED QUESTION NO. 324 FOR ANSWER ON 2-12-2010 REGARDING PRICES OF MEDICINES.

(a): No, Sir.

(b): In view of reply to (a) above, does not arise.

(c) & (d): Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO 1995), the prices of 74 bulk drugs included in its First Schedule and the formulations containing any of these drugs are controlled. NPPA/ Government fixes or revises prices of the Scheduled drugs/ formulations as per the provisions of the DPCO, 1995. No one can sell any Scheduled drug/ formulation at a price higher than the price fixed by NPPA/ Government.

In respect of drugs not covered under the DPCO, 1995 i.e. non-Scheduled drugs, the manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA, Such prices are normally fixed depending on the various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of Research and Development, cost of utilities/ packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc. Wherever a price increase beyond 10% per annum (20% before 01.04.2007) 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.

The National Pharmaceutical Pricing Authority (NPPA) has informed that as per the Wholesale Price Indices released by the Economic Adviser's office of the Ministry of Commerce & Industry, Government of India, it has been observed that the increase in prices of medicines has been generally lower than that for all commodities during 2007-08 to 2010-2011.