

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

UNSTARRED QUESTION NO:1445
ANSWERED ON:18.11.2010
PRICE CONTROL ON BRANDED MEDICINES
Naik Dr. Sanjeev Ganesh

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

(a) whether the major pharmaceutical companies have suggested the Government to be more predictable in the way it imposes price control on branded medicines that are normally outside the Government's direct price control and to consider price fluctuations in the current financial year; and

(b) if so, the other main points mentioned by these companies and the extent to which these suggestions have been accepted and implemented by the Government?

Answer

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

(a) & (b) : There is no specific representation received from drug majors in this regard. However, various representation received from drug companies from time to time in the matter of price control on drug/medicines manufactured by them are dealt with as per the provisions of Drugs (Prices Control) Order, 1995 (DPCO, 1995). So far as matter regarding consideration of price fluctuation in current financial year is concerned it is stated that prices of non-scheduled formulations/medicines, i.e. drugs out of price control, are monitored by National Pharmaceutical Pricing Authority (NPPA) regularly. As per the prescribed criteria companies are shortlisted by NPPA where there is an increase in price of a non-scheduled formulation by more than 10% in one year and the annual turnover of the formulation pack exceeds Rs.1 crore. Further, share of the formulator in that segment of the formulation is required to be at least 20% of the market or the medicine is one of the first 3 top brands of that group. The criteria, namely, high turnover and 10% price increase during a year are designed to identify cases of mass consumption and to meet the requirement of 'public interest', referred to in para 10(b) of the DPCO, 1995. The price fluctuations need to be assessed each month for this purpose considering the preceding twelve month period and hence current year or calendar year would not be relevant for monitoring the changes in prices and further action thereon.