

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

UNSTARRED QUESTION NO:1872  
ANSWERED ON:11.08.2011  
INCREASE IN PRICES OF ESSENTIAL MEDICINES BY NPPA  
Ramasubbu Shri S.

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

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) has announced huge increase in the prices of many of the essential medicines;
- (b) if so, the details thereof alongwith its impact on the common man;
- (c) whether the Government has taken any steps to control the hike in the prices of essential medicines; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): Essential medicines are not defined in Drugs (Prices Control) Order, 1995 (DPCO, 1995). The price fixation / revision is a continuous process under the DPCO, 1995. The National Pharmaceuticals Pricing Authority (NPPA) fixes / revises the prices of scheduled medicines as per provisions of DPCO, 1995. The details of the prices fixed / revised during last two years and the current year are given below:

2009-10    2010-11    2011-12 (upto 31.7.2011)

Nos.    %age    Nos.    %age    Nos.    %age

Price Increased    184 10.08    223 31.28    95 34.80

Price Decreased    450 24.67    60 8.42    30 10.99

Price fixed for    1155 63.33    371 52.03    114 41.76  
the first time

No change in prices    35 1.92    59 8.27    34 12.45

Total    1824 100    713 100    273 100

Includes Pro-rata prices fixed

It is evident from the details mentioned above, that during the current financial year 2011-12 (up to 31st July, 2011), the prices of 273 scheduled medicine packs have been fixed / revised by the NPPA, out of which only in 95 cases the prices were increased which comprises 34.80% of the total cases for which prices were fixed / revised during the year. In the remaining cases, prices were either reduced or fixed for the first time or there was no change in the price.

(c) & (d) Under the provisions of the DPCO, 1995, the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. NPPA fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the provisions of DPCO, 1995, no person can sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified / approved by the NPPA.

In respect of drugs not covered under the Drugs (Prices Control) Order, 1995 i.e. non-scheduled drugs, manufactures fix the prices by themselves without seeking the approval of Government /NPPA. As a part of price-monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of IMS Health and the information furnished by individual manufactures are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever 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.

Based on monitoring of prices of non-scheduled formulations, NPPA has fixed prices in case of 30 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 65 formulations packs. Thus in all, prices of 95 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA