

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

UNSTARRED QUESTION NO:1903

ANSWERED ON:11.08.2011

DIFFERENCE IN PRICES OF SIMILAR MEDICINES

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

- (a) whether there is a huge difference in the prices of similar medicines sold under different brands in various parts of the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether prices of the said medicines are fixed by the National Pharmaceutical Pricing Authority;
- (d) if so, the details thereof;
- (e) whether the Government proposes to print maximum retail price and the profit component on the medicines wrappers so that the prices could be checked easily;
- (f) if so, whether a stringent law is proposed to be made to bar those manufacturers which seek more than one per cent profit and restrict them from charge more for the similar drug available at lower prices with same properties; and
- ((g) 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) to (d) Under the provisions of the Drugs (Price & Control) Order, 1995 (DPCO, 1995) the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. National Pharmaceutical Pricing Authority (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 DPCO, 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 decided by companies themselves 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. This may lead to price variation in the prices of similar medicines sold under different brands in respect of non-scheduled formulations.

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.

(e) Government has issued notification S.O. No. 946(E) dated 26.6.2006 directing all manufacturers of medicine to print Maximum Retail Price (MRP) Inclusive of all Taxes with effect from 2nd October, 2006. Hence, all medicines manufactured after 2nd October, 2006 are available in the market at Maximum Retail Prices (MRP) inclusive of all taxes. However, there is no proposal to print profit component on medicine wrappers/packs.

(f) No, Sir.

(g) Question does not arise.