

Price fixed 1256 79.65 1155 63.33 371 52-03 114 41.76 5937 52.42
for the
first
time

No change 42 2.66 35 1.92 59 8.27 34 12.45 373 3.29
in prices

Total 1577 100 1824 100 713 100 273 100 11326 100

includes Pro-rata prices fixed

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.

The details of percentage number of packs whose prices have increased or decreased or remained stable on the monthly basis in percentage terms for the last three financial years as per Retail Audit Reports of ORG-IMS Research Pvt. Ltd, which covers around 61000 medicine packs, are as per Annexure-I.

The common reasons for rise in the prices of medicines, normally stated by the industry and trade are:-

rise in the price of raw materials which, inter alia, includes increase in the raw material cost, packing material cost, conversion cost and packing charges cost.

rise in the cost of production /import;

rise in the cost of transport, freight rates;

rise in the cost of utilities like fuel, power, diesel etc.

for imported medicines, rise in the c.i.f value and depreciation of the Rupee;

changes in taxes and duties.

(e): No such details are being maintained centrally.

(f): Apart from purchase of samples by the officers of NPPA from different parts of the country, complaints by individuals / NGOs and report from the State Drug Controllers are utilized to ensure compliances of the prices fixed / notified by the NPPA / Government. Price list submitted by the companies in Form V are scrutinized for the purpose. In case a company is found selling any scheduled formulation at a price higher than notified / approved by the NPPA / Government, action is taken against such companies as per the provision of DPCO, 1995 for recovery of the overcharged amount.

In respect of drugs - not covered under the Drugs (Prices Control) Order, 1995 i.e. non-scheduled drugs, manufacturers are at liberty to 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 ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. 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.

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