

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

UNSTARRED QUESTION NO:3537
ANSWERED ON:15.12.2011
PRODUCTION COST OF DECONTROLLED DRUGS
Pandey Shri Ravindra Kumar

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

- (a) whether the production cost of decontrolled drugs is several times higher than the production cost of controlled drugs;
- (b) if so, the reasons therefor;
- (c) the steps taken by the Government in this regard; (
- (d) whether the Government has formulated any policy to bring down the prices of life saving drugs of cancer and AIDS;
- (e) if so, whether the pharmaceutical companies have threatened to close down the production of drugs in protest against the said decision;
- (f) if so, the reaction of the Government thereto; and
- (g) the steps taken by the Government in this regard?

Answer

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

(a) to (c): No such details of differential cost of production of the decontrolled drugs vis-a-vis controlled drugs are being maintained centrally. Under the provisions of the Drugs(Price & Control) Order, 1995, (DPCO, 1995), prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. National Pharmaceuticals Pricing Authority (NPPA) fixes or revises prices of 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.

In respect of non-scheduled drugs, i.e. drugs not under price control, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. However, as a part of price monitoring activity, NPPA regularly examines the movement in their prices. 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. 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.

(d): The Department of Pharmaceuticals has prepared a draft National Pharmaceutical Pricing Policy 2011(NPPP-2011) based on the criteria of essentiality and requirements as stipulated by the Ministry of Health & Family Welfare. The draft Policy envisages bringing the National List of Essential Medicines (NLEM) -2011 and associated medicines under price control.

(e): No, Sir. There is no such report,

(f) & (g): The question does not arise