

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

UNSTARRED QUESTION NO:532

ANSWERED ON:15.03.2012

NATIONAL PHARMACEUTICAL POLICY

Agarwal Shri Rajendra;Natarajan Shri P.R.;Singh Shri Ravneet;Vardhan Shri Harsh

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

- (a) whether the Group of Ministers (GoM) formed for deliberating upon a new National Pharmaceutical Policy, 2006 has reached any conclusion and made any recommendations;
- (b) if so, the details of the said recommendations;
- (c) whether any new GoM was formed for this purpose after the formation of the present Government in the year 2009;
- (d) if so, the recommendations made by the said GoM;
- (e) if not, the steps being taken by the Government to formulate a policy in this regard;
- (f) the mechanism available to ensure availability of essential medicines at affordable prices in the country; and
- (g) the steps being taken by the Government to mitigate the adverse effects of non- implementation of a new pharma policy on crores of patients in the country?

Answer

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

(a): No Sir.

(b): In view of reply to part (a) above, does not arise.

(c): After the formation of the present Government, the GoM was reconstituted by Cabinet Secretariat on 1st September, 2009.

(d): The GoM has not made any recommendation yet.

(e): Department of Pharmaceuticals had 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 National Pharmaceutical Pricing Policy, 2011 (NPPP-2011) has been circulated among the concerned Ministries/ Stakeholders. The draft Policy was also available for comments of any other interested person on the Department's website www.pharmaceuticals.gov.in till 30.11.2011. The views/ inputs received on the draft NPPP-2011 are being examined and will be placed before the GoM.

(f)&(g): National Pharmaceutical Pricing Authority (NPPA)/ Government fixes or revises prices of scheduled drugs/formulations as per the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95). Under the provisions, prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. No person can sell any scheduled drug/ formulation (medicine) of price controlled category to a consumer at a price exceeding the price notified/approved by the NPPA/Government.

In respect of drugs – not covered under the Drugs(Price Control) Order, 1995 i.e. non- scheduled drugs, manufactures fix the prices by themselves without seeking the approval of NPPA/Government. Such prices are normally fixed 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.

As a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly report of ORG IMS(now renamed as IMS Health) 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 is noticed, subject to prescribed conditions, the manufacturer is asked to bring down the price voluntarily failing which 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.

