

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

UNSTARRED QUESTION NO:2608

ANSWERED ON:29.03.2012

DIFFERENCE IN PRICES OF SIMILAR DRUGS

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

- (a) whether the Government is aware of the huge difference in the prices of various brands of the similar drugs in the country;
- (b) if so, the details thereof and the reasons therefore;
- (c) whether the prices of the above drugs is fixed by the Government;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to regulate the prices and ensure uniformity in retail prices for the same formula drugs and medicines?

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) to (e) : Under the provisions of the Drugs (Prices Control) Order, 1995 (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,95. 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/ Government. In case, a company is found selling at prices higher than the price notified/ approved by the NPPA/ Government, action is taken against them as per the provisions of the DPCO.

In respect of drugs - not covered under the DPCO.95 i.e. non-scheduled drugs, manufacturers fix the prices themselves without seeking the approval of Government / NPPA. 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 IMS Health 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.

There are wide variations in the prices of non scheduled drugs of different brands based on same chemical combinations as there is no control on the launch price of these medicines. The prices of decontrolled drugs are monitored and suitable action is taken by NPPA, as per the guidelines, in cases where price increase is more than 10% in a period of one year on moving basis.