

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

UNSTARRED QUESTION NO:1697  
ANSWERED ON:16.07.2009  
INCREASE IN PRICES OF MEDICINES  
Pal Shri Jagdambika

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

- (a) the percentage increase of the prices of medicines during the last three years;
- (b) whether any permission has been sought by the Pharmaceutical companies from the Government to hike the price of any medicine;
- (c) if so, the details thereof and the names of the medicines for which the permission has been granted; and
- (d) the details of the medicines which prices have been reduced during the above period?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d) The 74 bulk drugs specified in the First Scheduled of the Drugs (Prices Control) Order 1995 (DPCO, 1995) and the formulations based thereon are under price control and their prices are fixed / revised by National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO 95.

Prices of Non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/ selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The NPPA monitors the prices of all non-Scheduled formulations based on the reports of ORG IMS and the information -furnished by the individual manufacturers. Whenever a price increase beyond 10% per annum (20% before 1.4.2007) 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 formulation in public interest. This is an ongoing process. Based on monitoring of prices of non-scheduled formulations, NPPA has fixed prices in case of 27 non-scheduled formulation packs under paragraph 10(b) and companies have reduced prices voluntarily in case of 60 formulation packs. Thus, in all, prices of 87 packs of non-scheduled drugs have got reduced as the result of intervention by NPPA.

Based on the ORG-IMS data a comparative statement of price movements of Scheduled & non-Scheduled medicines for the year ended in February, 2009, 2008, and 2007 medicines is given below:

February, 2009    February, 2008    February, 2007

Price changes during the month	No. of (packs)	% of total (57,249) (packs)	No. of (54,374) (packs)	% of total (51,390) (packs)
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A. Price Declines	19	0.03%	19	0.03%	117	0.23%
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B. Price Increases	11	0.02%	21	0.03%	305	0.68%
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(a) Upto5% 4 0.01% 19 0.03% 167 0.32%

(b) Above 5% 5 0.01% 2 0.00% 67 0.13%  
and upto 10%

(c) Above 10% 2 0.00% - - 48 0.09%  
and upto 20%

(d) Above 20% - - - - 23 0.04%

C.No change 57219 99.95% 54334 99.93% 50968 99.18%  
in Price