

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

UNSTARRED QUESTION NO:2843
ANSWERED ON:23.07.2009
INCREASE IN PRICES OF MEDICINES
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the prices of medicines have increased tremendously due to decrease in export of raw material from the china;
- (b) if so, the details thereof;
- (c) whether the prices of medicines like Paracetamol, Vitamin-C, Dexamixezon have increased 30 to 500 percent;
- (d) if so, the details thereof alongwith the reasons therefor; and
- (e) the steps taken by the Government to check the arbitrary attitude of such pharmaceutical companies?

Answer

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

(a) & (b) Under the provisions of the Drugs (Price control) Order, 1995 (DPCO, 1995) the prices of 74 bulk drugs, specified in First Schedule, and the formulations containing any of these Scheduled drugs are controlled. NPPA/ Government 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 / Government. According to ORG-IMS data covering 57249 packs, the prices of 96.95% to 99.95% packs remained unchanged between October, 08 to February, 09. In the same period, prices of 1.73% to 0.02% packs had increased and that of 1.32% to 0.03% packs had decreased.

(c) to (e) The ceiling prices of Scheduled Vitafnin-C formulations were revised in November 2008 and January 2009 on account of upward revision in notified price of bulk drug Vitamin C (Ascorbic acid). The details are given below:

S.O.No./ Name of the Pack sizs Prev. Rev. % age
date formulation price price increas e

302(E)/ Vitamin C 10`s Strip/ 5.92 7.18 21.28
23-01-09 tablet 500mg Blister

302(E)/ Ascorbic acid 15`s Strip/ 10.47 13.92 32.95
23-01-09 100mg + Sodium Blister
Ascorbate 450mg
eq. to Ascorbic
acid 400mg
tablets

2764(E)/ Vitamin C 10`s 0.04mm 7.72 9.83 27.33
27-11-08 Tablet Ascorbic Strip/Blister
acid 200mg,
Sodium
Ascorbate
338 mg eq. to
Ascorbic acid
300mg tablet

Paracetamol and dexamixezon are non-Scheduled formulations. In case of non-Scheduled drugs, manufacturers are at liberty to fix the prices themselves without seeking the approval of Government / NPPA. 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 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.