

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

UNSTARRED QUESTION NO:6727

ANSWERED ON:17.05.2012

REVISION OF PRICES OF DECONTROLLED DRUGS

Annayagari Shri Sai Prathap

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

(a) whether the National Pharmaceutical Pricing Authority proposes to revise the guidelines regarding fixing, controlling and revising the prices of decontrolled drugs; and

(b) if so, the details thereof including the increase in prices if proposed to allow the pharma companies annually and the basis of such increase in prices?

Answer

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

(a) & (b): Internal guidelines for the purpose of monitoring of non-scheduled formulations was formulated by National Pharmaceutical Pricing Authority (NPPA) based on the Department of Pharmaceuticals (the then Department of Chemicals & Petrochemicals) letter No.5/64/2006-PH dated 15.01.2007. As per the in the internal guidelines the basis for monitoring of non-scheduled formulations for initiating/taking action under the provisions of the Drugs (Prices Control) Order, 1995 is as under:

1. The monitoring of prices of non-scheduled formulations is currently on the basis of data from IMS Health.

2. Companies are short listed where there is an increase in price of a non-scheduled formulation by more than 10% in one year and the annual turnover of the formulation pack exceeds Rs.1 crore. Further, the share of the formulator in that segment of the formulation is required to be at least 20% of the market or the medicine is one of the first 3 top medicines of that group. The criteria, namely, high turnover and 10% price increase are designed to identify cases of mass consumption and to meet the requirement of public interest', referred to in para 10(b) of the DPCO, 1995.

There is no proposal to change the existing guidelines for the purpose of monitoring of non-scheduled formulations.