

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

UNSTARRED QUESTION NO:1038  
ANSWERED ON:16.08.2012  
PRICE CONTROL OF PATENTED MEDICINES  
Ray Shri Rudramadhab

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

- (a) whether the Government is planning to bring in mechanism to control prices of exorbitantly priced patented medicines to make them more affordable;
- (b) if so, the details thereof;
- (c) whether the Government also plans to fix the margins of wholesalers and retailers both for patented and generic drugs to bring down the drugs prices;
- (d) if not, the reasons therefor; and
- (e) the other measures proposed to check the rise in prices of drugs?

**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) & (b): A Committee which was looking into the issue of Price Negotiation mechanisms for patented drugs have since submitted its report which is being examined in the Department.

(c): As per provisions of Drugs (Prices Control) Order, 1995(DPCO'95) prices of scheduled medicines are fixed by National Pharmaceutical Pricing Authority (NPPA) taking into account a margin of 8% to the wholesaler and 16% to the retailer. 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, 1995.

In respect of drugs not covered under the DPCO'95 i.e. non-schedule drugs, manufacturers fix the prices by themselves without seeking the approval of Government /NPPA. NPPA as part of its price monitoring activity regularly examines the movement in their prices. 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 is noticed, the specific manufacturers; are 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.

(d) & (e); In view of reply to (c) above, does not arise.