

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

STARRED QUESTION NO:269  
ANSWERED ON:30.08.2012  
VARIATIONS/DISCREPANCIES IN DRUG PRICES  
Badal Harsimrat Kaur

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

- (a) whether large scale variations/discrepancies have been observed in the prices of essential medicines in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the existing policy/campaigns slated to have been launched by the Government have not yielded results so far; and
- (d) if so, the steps proposed to be taken further by the Government to make essential drugs available to the people at reasonable prices?

**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 (d); A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED Q.NO.269 (5th POSITION) FOR ANSWER ON 30.8.2012 REGARDING VARIATIONS/DISCREPANCIES IN DRUG PRICES.

(a) & (b): The essential medicines are not defined in the Drugs (Prices Control) Order, 1995 (DPCO, 1995). However, the drugs are classified as 'essential' under the Essential Commodities Act, 1955 under which DPCO, 1995 is issued. Under DPCO, 1995, 74 bulk drugs are listed in the First Schedule which are termed as the scheduled drugs. As per the provisions of the DPCO, 1995, NPPA fixes or revises prices of scheduled drugs and formulations containing these scheduled drugs. No one can sell any scheduled drug / formulation at a price higher than the price fixed by NPPA / Govt.

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. However, 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.

Based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 30 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 65 formulation packs. Thus in all, prices of 95 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.

(c) & (d) : The Department of Pharmaceuticals has also launched 'Jan Aushadhi Campaign' with the objective of making available medicines at affordable prices for all. Under this campaign less priced quality unbranded generic medicines are made available through Jan Aushadhi Stores. The Jan Aushadhi Campaign has now been formalized as Generic Drug Scheme with the approval of Planning Commission. 122 Jan Aushadhi Stores have been opened in different States/UTs in the country as on 30.7.2012.

Further, the Department of Pharmaceuticals had prepared a draft National Pharmaceutical Pricing Policy, 2011 (NPPP-2011) based on the criteria of essentiality and requirements as stipulated by the Ministry of Health & Family Welfare. The draft National Pharmaceutical Pricing Policy, 2011 (NPPP,2011) was circulated among the concerned Ministries/Stakeholders. The draft policy was also available for comments of any other interested person on the Department's website [www.pharmaceuticals.aov.in](http://www.pharmaceuticals.aov.in) till 30.11.2011. The view/inputs received on the draft NPPP, 2011 were examined and the matter was placed before the Group of Ministers (GoM) which met on 25.4.2012. Subsequent to this two meetings have been held by the GoM.