

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

UNSTARRED QUESTION NO:4149
ANSWERED ON:06.09.2012
VIOLATION OF DRUG PRICE CONTROL ORDER
Patil Shri A.T. Nana

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

- (a) whether any report of violation of Drug (Price Control) Order, 1995 has been received during the last three years and the current year;
- (b) if so, the details thereof, State-wise; and
- (c) the punitive action taken thereon by the Government?

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 KUMARJENA)

(a) to (c): Under the provisions of the Drugs (Prices Control) Order, 1995 the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. NPPA/Govt. fixes or revises prices of scheduled drugs /formulations as per the provisions of the DPCO.1995. The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the provisions of DPCO 95, no person can sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified/approved by the NPPA/Government.

In respect of drugs not covered under the Drugs (Prices Control) Order, 1995 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. In respect of non scheduled formulations there is no control on the launch price of the formulations.

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. Wherever 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.

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.

The state-wise details of overcharging violation of DPCO,1995 is not maintained in NPPA as a company may be located in a particular territory say Delhi or Mumbai but it may have manufacturing units located in different States. Therefore NPPA would not know the overcharged amount for a product which has been manufactured in a unit located in excise exempted zone. As such no separate State-wise records are maintained by NPPA in this regard.