

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

UNSTARRED QUESTION NO:4275
ANSWERED ON:06.09.2012
HIGH PROFIT ON SALE OF DRUGS
Premdas Shri

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

- (a) whether the cost of production of uncontrolled drugs is many times more than that of controlled drugs;
- (b) if so, the details thereof;
- (c) the steps taken by the Government in this regard;
- (d) whether the Government has formulated any policy for bringing down the prices of cancer and AIDS drugs and other life saving drugs;
- (e) if so, the details thereof;
- (f) whether some pharmaceutical companies have threatened to stop drug manufacturing in protest of this decision; and
- (g) if so, the reaction of the Government thereto?

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 (c): Cost of production of drugs vary from drug to drug based on the input costs. No comparison of cost of production of scheduled and non-scheduled drugs can therefore be made.

(d) & (e) Anti cancer and AIDS drugs are non scheduled drugs. In respect of drugs are covered under the Drugs (Prices Control) Order, 1995 (DPCO,1995) i.e. non scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/National Pharmaceutical Pricing Authority (NPPA), Under the present framework of price fixation there are no controls on the launch price of non scheduled medicines.

The Department of Pharmaceuticals had prepared a draft National Pharmaceutical Pricing Policy (NPPP-2011) based on the criteria of essentiality and requirements as stipulated by the Ministry of Health and family Welfare. The draft NPPP-2011 has been circulated among the concerned Ministries/Stakeholders. The draft Policy was also available for comments for other interested person on the Department's website www.pharmaceuticals.gov.in till 30.11.2011. The views/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.

(f) & (g): No such threat has been noticed by the Government.