

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

UNSTARRED QUESTION NO:961

ANSWERED ON:16.08.2012

FIXATION OF PRICES OF PATENTED AND GENERIC DRUGS

Patasani Dr. (Prof.) Prasanna Kumar

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

(a) whether the Government has worked out a formula to fix the prices of both patented and generic drugs to make them more affordable, including norms for fixing margins for wholesalers and retailers;

(b) if so, the details thereof; and

(c) if not, the measures likely to be adopted to control the rising 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): 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.

(c): In view of reply to (a) & (b) above, does not arise.