

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

UNSTARRED QUESTION NO:2227
ANSWERED ON:06.12.2012
INCREASE IN PRICES OF LIFE SAVING DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of the impact of steps taken by the National Pharmaceutical Pricing Authority recently for controlling and regularizing the prices of essential drugs;

(b) whether the prices of life saving drugs have increased due to implementation of Value Added Tax; and

(a) if so, the steps being taken by the Government to make available essential drugs to the common people on subsidized rates?

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): 'Essential drugs' are presently not separately defined/listed under Drug (Prices Control) Order, 1995 (DPCO, 1995). Action is taken by National Pharmaceutical Pricing Authority (NPPA) to control prices of 74 bulk drugs listed in the Schedule I of DPCO, 1995 and the formulations containing any of these Scheduled bulk drugs. This has helped in checking the prices of Scheduled drugs.

The NPPA has recently reviewed the guidelines and methodology for fixing/revising the prices of scheduled drugs and formulations in order to bring about more clarity, better understanding and transparency for enhancing overall effectiveness.

in so far as non-Scheduled drugs are concerned, the manufacturers are free to fix the prices of the drugs. NPPA, however, monitors the prices of formulations selling in the retail market on a monthly basis based on ORG - IMS monthly reports. Wherever the price of any drug is reported to have increased beyond 10% per annum (20% before 01.04.2007), NPPA asks the manufacturer to reduce the price voluntarily, failing which, NPPA takes action under the provisions of para 10 (b) of DPCO, 1995 for fixing the price of the formulation in public interest. Monitoring of prices is an on-going process.

(b) : NPPA fixes/revises the prices of scheduled formulations without excise duty, taxes etc. under Para 8 and Para 9 of DPCO, 1995. While notifying the prices, Maximum Retail Price (MRP) are also indicated for each formulation pack inclusive of excise duty & 4% VAT, which is subject to the actual payment. VAT is a State subject and it varies from State to State. Therefore, impact of VAT would vary accordingly.

(c) : The Department of Pharmaceuticals has 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. 145 Jan Aushadhi Stores have been opened in different States/UTs in the country as on 31.10.2012.