

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

UNSTARRED QUESTION NO:4508
ANSWERED ON:20.12.2012
SOARING PRICES OF ESSENTIAL DRUGS
Singh Shri Ratan;Sinh Dr. Sanjay

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

- (a) whether the Drugs (Price Control) Order, 1995 is not controlling effectively the soaring prices of essential drugs and day light robbery of poor patients by some large scale and small scale manufacturers;
- (b) if so, the reaction of the Government thereto; and
- (c) the action taken by the Government against the companies for not complying with the provision under Drug (Prices Control), 1995 along with the outcome thereon after taking action?

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) : Essential medicines are not defined in the Drugs (Prices Control) Order, 1995 (DPCO, 1995). However, in the case of scheduled drugs, the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are fixed and controlled under the provisions of the DPCO, 1995. National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. No one is authorized to sell any scheduled drug / formulation at a price higher than the price fixed by NPPA.

However, in respect of drugs - not covered under the DPCO,95 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. Further, NPPA regularly monitors the movement in 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.

Apart from purchase of samples by the officers of NPPA from different parts of the country, complaints by individuals / NGOs and report from the State Drug Controllers are utilized to ensure compliances of the prices fixed / notified by the NPPA / Government. Price list submitted by the companies in Form V are scrutinized for the purpose. In case a company is found selling any formulation at a price higher than notified / approved by the NPPA, action is taken against such companies as per the provision of DPCO,1995 for recovery of the overcharged amount. Whenever any prima-facie overcharging case comes to the notice of NPPA, NPPA initiates action by issuing Preliminary Notices to the Pharma companies seeking requisite information / details from them to examine the matter further and in confirmed cases of overcharging, demand notices are issued to the defaulting Pharma companies for depositing the overcharged amount with the Government.

During the last three financial years 2009-10, 2010-11, 2011-12 and the current year 2012-13 (upto October,2012) there were 189 cases where fresh demand has been raised by NPPA in confirmed cases of overcharging as per year wise break up given below :

S.No. Year Number of cases where
fresh Demand raised in
confirmed cases of overcharging

1 2009-10 80

2 2010-11 44

3 2011-12 26

