

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

UNSTARRED QUESTION NO:4527
ANSWERED ON:20.12.2012
HIGHER PRICES OF IMPORTED DRUGS
Botcha Lakshmi Smt. Jhansi

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

- (a) whether the prices of some imported drugs which are used for the treatment of certain diseases like cancer etc., is very high;
- (b) if so, the steps taken/being taken by the Government to control the prices of imported drugs and to eliminate the shortage of essential drugs in the country;
- (c) whether the Government proposes to regulate the import of essential medicines and drugs and to set up a marketing mechanism to ensure the availability of imported drugs for common man at affordable prices; and
- (d) if so, the details thereof?

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): National Pharmaceutical Pricing Authority (NPPA) fixes/revises the prices of 74 bulk drugs, specified in the First Schedule of Drugs (Prices Control) Order, 1995 (DPCO, 1995) and the formulations containing any of these scheduled drugs. The prices of scheduled formulations are fixed /revised by the NPPA on the basis of formula contained in Para 7 of the DPCO, 1995 which includes material cost, conversion cost, packing material cost, packing charges and a maximum allowable post manufacturing expenses (MAPE) of upto 100 per cent.and the instant guidelines on the subject. For imported scheduled formulations the landed cost alongwith margin of upto 50% to cover selling an distribution expenses is considered.

The NPPA also regularly monitors the prices of all formulations including imported scheduled formulations under price control. Under the provisions of DPCO, 1995, no person is authorized to sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified/approved by the NPPA.

Cancer drugs, however, fall under non- scheduled category. For non scheduled formulations there is no control on launch price. However, as part of price-monitoring activity NPPA regularly examines 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.

(c) & (d): In the National Pharmaceutical Pricing Policy (NPPP-2012), the prices of National List of Essential Medicines-2011 are to be controlled and regulated.