

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

UNSTARRED QUESTION NO:922

ANSWERED ON:29.11.2012

PRODUCTION COST OF DECONTROLLED MEDICINES

Verma Shri Sajjan Singh

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

- (a) whether the production cost of the decontrolled medicines is manifold higher than the controlled medicines;
- (b) if so, the reasons therefor;
- (c) the steps taken by the Government in this regard;
- (d) whether the Government has formulated any policy to reduce the prices of drugs of cancer, AIDS and other life saving drugs; and
- (e) 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) to (c): Details of differential cost of production of the decontrolled drugs vis-a-vis controlled drugs are not being maintained centrally. Under the provisions of the Drugs (Price & Control) Order, 1995, (DPCO, 1995), prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. National Pharmaceuticals Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. No one is authorised to sell any scheduled drug / formulation at a price higher than the price fixed by NPPA. In respect of non-scheduled drugs, i.e. drugs not under price control, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. However, as a part of price monitoring activity, NPPA regularly examines the movement in their prices. 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. This is an ongoing process.

(d) & (e): The Drug Policy as amended from time to time also envisages making available quality medicines to the masses at a reasonable price.