

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

UNSTARRED QUESTION NO:986
ANSWERED ON:29.11.2012
PRICE OF IMPORTED DRUGS
Yadav Shri Ranjan Prasad

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

- (a) whether foreign drug companies are free to fix the retail price of imported drugs;
- (b) if so, whether such companies have declared very high cost to launch such drugs in the country;
- (c) if so, the details thereof during the last three years, company-wise;
- (d) whether there is any proposal to amend the Drugs (Price Control) Order, 1995 in order to fix maximum retail price of such drugs;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

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) : Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 1995), the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. Under the provisions of DPCO, 1995, no person is authorized to sell any scheduled formulation (medicine) to a consumer at prices exceeding the price notified/approved by the NPPA.

In respect of non-scheduled medicines the manufacturers are free to fix the prices by themselves without seeking approval of the Government / NPPA. Under the present arrangements there is no control on the launch prices of non scheduled drugs. However, NPPA monitors the prices of all formulations including imported scheduled formulations under price control. As a part of 'price-monitoring activity', NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of IMS Health 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 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.

(d) to (f) : Based on the recommendations of the Group of Ministers (GOM), National Pharmaceutical Pricing Policy, 2012 (NPPP-2012) was placed before the Cabinet. The Cabinet considered NPPP-2012 in its meeting held on 22.11.2012 and approved the same with certain modifications. Further, action to notify NPPP-2012 has been undertaken. After this, the new Drug Price Control Order shall be notified.