

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

UNSTARRED QUESTION NO:4921  
ANSWERED ON:25.04.2013  
ORDERS ON PRICE CONTROL OF DRUGS  
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**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) whether the orders of the Government regarding price control of drugs have not yet made any significant result and if so, the details thereof along with the reasons therefor;
- (b) whether the Government proposes to intervene in this issue effectively; and
- (c) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE (INDEPENDENT CHARGE) OF 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 scheduled bulk drugs and the formulations containing any of these drugs are controlled. National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. Since inception, NPPA has fixed / revised prices in 533 cases of Scheduled Bulk Drugs and 12170 cases of Scheduled formulations. 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/Government.

In respect of drugs not covered under the DPCO, 1995 i.e. non-scheduled drugs, manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA. Thus, there is no control on the launch price of non scheduled formulations. However, as a 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. Based on monitoring of prices of non-scheduled formulations, Government have fixed prices in case of 30 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 65 formulation packs. Thus in all, prices of 95 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.

Para 13 of the DPCO, 1995 empowers the Government/NPPA to recover the overcharged amount from the manufacturers, importers or distributors, as the case may be, accrued due to charging of prices higher than those fixed or notified by the Government. Since inception NPPA has realized an amount of Rs. 234.37 crores as overcharged amount.