

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

UNSTARRED QUESTION NO:1249

ANSWERED ON:13.08.2013

DIFFERENCE IN DRUG PRICES

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

- (a) whether there is a manifold difference in the manufacturing cost and sale price of several drugs/medicines in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps being taken by the Government to control the prices of drugs and to rectify the said situation;
- (d) whether the Government is aware that a single type of medicine is being sold at varying prices by the different pharmaceutical companies; and
- (e) if so, the reaction of the Government thereto and the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIKANT KUMAR JENA)

(a) to (e): Before the notification of Drugs (Prices Control) Order, 2013 on 15.5.013, the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs were being controlled under DPCO, 1995. In all such cases, NPPA / Government fixed or revised prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. Under the provisions of DPCO, 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 Prices Control i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA.

Under DPCO 2013, the prices of 348 drugs covering 652 formulations have been brought under price control. The prices of formulations have to be fixed as per formula given in para 4, 5 & 6 of DPCO 2013. As per the provisions of DPCO, 2013 ceiling prices are now being fixed based on the average price to the Retailer (PTR) of the medicine having market share of more than or equal to one percent of the total market turnover plus 16% margin to retailers.