

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

UNSTARRED QUESTION NO:2882
ANSWERED ON:27.08.2013
PRODUCTION COST OF DECONTROLLED DRUGS
Premdas Shri

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

- (a) whether the production cost of decontrolled drugs are more than the production cost of controlled drugs;
- (b) if so, the details thereof and the reasons therefor and the steps taken by the Government in this regard;
- (c) whether the Government has decided to reduce the prices of life saving drugs including those of cancer and AIDS etc. for the common man;
- (d) if so, the details thereof;
- (e) whether some drug manufacturing companies have threatened to stop the production in protest against the Government's decision; and
- (f) if so, the reaction of the Government thereto and the corrective steps being taken 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)&(b): Details of differential cost of production of the decontrolled drugs vis-a-vis controlled drugs are not being maintained centrally.

(c)&(d): Government has notified the Drugs (Price Control) Order, 2013 (DPCO, 2013) on 15th May 2013 in supersession of DPCO, 1995. All the medicines specified in the National List of Essential Medicines 2011 (NLEM) have been included in the first schedule of DPCO, 2013 and brought under price control. NLEM also includes certain medicines used for treatment of cancer and AIDS etc. Out of total NLEM drugs, NPPA has already notified the ceiling prices in respect of 300 medicines under provisions of the said order.

All the existing manufactures of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at a price higher than the ceiling price (plus local taxes as applicable) so fixed and notified by the Government, shall revise the prices of all such formulations downward not exceeding the ceiling price (plus local taxes as applicable). All the existing manufactures of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at a price lower than the ceiling price (plus local taxes as applicable) so fixed and notified by the Government shall maintain their existing maximum retail price. NPPA has so far notified the ceiling prices for 300 formulations as per the provision of DPCO, 2013.

(e) & (f): There is no specific information regarding threatening of stopping production of life saving drugs by the manufacturing companies.