

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

UNSTARRED QUESTION NO:854

ANSWERED ON:10.12.2013

RISE IN PRICES OF ESSENTIAL DRUGS

Patle Kamla Devi ;Shetkar Shri Suresh Kumar;Vishwanath Shri Adagur H

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

- (a) whether there is disparity/manifold difference between the manufacturing cost and the retail prices of medicines;
- (b) if so, the details thereof and the mechanism in place to review and control/reduce the prices of drugs/medicines in the country;
- (c) whether the prices of essential/lifesaving drugs have increased;
- (d) if so, the details of the drugs whose prices had increased and the action/step taken/proposed to be taken by the Government to regulate/check/reduce the prices of drugs/medicines along with the success achieved there in during each of the last three years and the current year;
- (e) whether the Government has set up a Task Force to review the increasing prices of drugs and formulated any plan to put the essential drugs under the Drugs (Price Control) Order, 2013 to regulate its prices; and
- (f) if so, the details thereof and the steps being taken in this regard?

Answer

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

(a) & (b) Under the Drugs (Prices Control) Order, 2013 (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 and 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 more than or equal to one percent of the total market turnover.

As per para 20 of DPCO, 2013, the Government shall monitor the maximum retail prices (MRP) of all the drugs, including the non-scheduled formulations and ensure that no manufacturer increases the maximum retail price of a drug

by more than ten percent during preceding twelve months and where the increase is beyond ten percent of maximum retail price, it shall reduce the same to the level of ten percent of maximum retail price. The manufacturer shall be liable to deposit the overcharged amount along with interest thereon from the date of increase in price, in addition to the penalty. Since the Drugs DPCO, 2013 envisages market based pricing, cost data of the companies are not maintained by NPPA.

(c) & (d) No, Sir. There is no increase in the prices of the scheduled formulations under DPCO, 2013. However, the details of reduction in the prices of scheduled formulations effected under DPCO, 2013 as compared to the highest price prevailed prior to the announcement of DPCO, 2013 are as follows:

% reduction with respect to Maximum Price
No. of drugs

0 <= 5% 20

5 <= 10% 31

10<=15% 43

15<=20% 36

20<=25% 56

25<=30% 38

30<=35% 26

35<=40% 31

Above 40% 106

387

(e) No, Sir.

(f) Does not arise.