

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

UNSTARRED QUESTION NO:1537
ANSWERED ON:02.12.2014
PRICES OF MEDICINES UNDER NPPP
Birla Shri Om;Kumar Shri Kunwar Sarvesh

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

- (a) whether prices of medicines have been fixed/ charged arbitrarily by various drug companies including foreign and multinational companies in the country;
- (b) if so, the details thereof and the number of complaints received/cases reported alongwith the action taken against such companies involved in the said activities during each of the last three years and the current year, company-wise;
- (c) whether the Government proposes to implement uniform system regarding price control of drugs and if so, the details thereof;
- (d) whether generic medicines are cheaper in comparison to branded medicines;
- (e) if so, the details thereof and the details of steps/ action taken to promote use of generic medicines and to provide medicines to common man at affordable/ cheaper prices; and
- (f) whether the Government has approved the new National Pharmaceutical Pricing Policy 2012 in recent past and if so, the details and the salient features including objective thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI HANS RAJ GANGARAM AHIR)

(a) to (c) Prices of drugs contained in National List of Essential Medicines and included in the First Schedule of the Drug (Price Control) Order (DPCO), 2013 are fixed as per the provisions contained in the DPCO, 2013. These prices are uniformly applicable to all brands and generic versions of medicines. All manufacturers of a scheduled drug/formulation have to comply with the price fixed by the Government/NPPA from the date of its notification. If any company is found selling a scheduled drug/formulation at a price higher than the notified price, notice for recovery of the overcharged amount is issued to it. So far, demand notices for recovery of overcharged amount have been issued to 11 (eleven) companies under DPCO, 2013 and an amount of Rs. 54.58 crores has been recovered as on 28.11.2014.

(d) & (e) The ceiling price notified under DPCO, 2013 are uniformly applicable to both the generic name and brand name. Inter-brand price difference exists in respect of generic and branded medicines of the same molecule / drugs available in the domestic market. However, as provided under DPCO, 2013 all the existing manufacturers of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at a price lower than the ceiling price so fixed and notified by the NPPA are required to maintain their existing maximum retail price. No person is authorized to sell the medicines at the price higher than the price notified by the NPPA.

In order to provide a relief to the common man in the Area of Health care a countrywide campaign for ensuring availability of generic medicines at affordable prices to all, in the name of `Jan Aushadhi Campaign` was launched by Department of Pharmaceuticals, in November, 2008. A Bureau of Pharma PSUs of India (BPPi) was established in December, 2008 under the Department of Pharmaceuticals, Government of India, comprising of all the CPSUs for monitoring the scheme. Government of India propose to open atleast one Jan Aushadhi Store in each of the 630 districts of India but so far 170 Jan Aushadhi Stores have been opened in 15 States out of which 99 are functional. The cost of the medicine sold at Jan Aushadhi Store is much less than the branded medicine sold in the market.

(f) The salient feature of the new National Pharmaceutical Pricing Policy (NPPP) 2012 notified by the Government on 07.12.2012 are as under:

- (1) Essentiality of Drugs
- (2) Control of Formulations prices only
- (3) Market Based Pricing

The objective of the new NPPP-2012 is to put in place a regulatory framework for pricing of drugs so as to ensure availability of required medicines- `essential medicines`- at reasonable prices even while providing sufficient opportunity for innovation and competition to support the growth of industry, thereby meeting the goals of employment and shared economic well being for all.

