

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

UNSTARRED QUESTION NO:158

ANSWERED ON:24.02.2015

RISE IN PRICES OF PHARMACEUTICAL PRODUCTS .

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

- (a) whether the prices of several pharmaceutical products including essential medicines have increased manifold during each of the last three years and the current year;
- (b) if so, the details thereof and the percentage of increase in the prices of life saving drugs and other Pharmaceutical products along with the action taken to control/reduce the prices of drugs and pharmaceutical products and the success achieved therefrom during the said period product/medicine-wise` ,
- (c) the manner in which and the factors taken into account for determining the manufacturing cost and the retail prices of drugs including life saving drugs;
- (d) whether the Government has granted permission to any company to increase the prices of essential drugs including other pharmaceutical products: and
- (e) if so, the name of such companies and details of drugs for which permission has been granted during the said period and the steps taken to provide pharmaceutical product to the consumers at affordable prices?

**Answer**

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

(a) & (b) All medicines contained in National List of Essential Medicines(NLEM) and included in the First Schedule of Drugs (Prices Control) Order, 2013 notified on 15.5.2013 come under the purview of Price Control. Life saving drugs are not separately defined in DPCO, 2013,

As per the monitoring and enforcement activity carried out by the NPPA by way of sample purchase of medicines, manifold increase in prices of essential medicines has not come to the notice during the last three years and the current year. It may be mentioned that prior to notification of DPCO, 2013, the pricing of scheduled medicines was cost based.

Under DPCO, 2013, there are 680 essential medicines (net 628) specified in the NLEM-2011, categorized as scheduled formulations under DPCO, 2013 and are under price control. NPPA has already fixed the ceiling prices in respect of 509 medicines till date under provisions of the said order. The details of reduction in prices of scheduled formulations effected under DPCO, 2013 as compared to the highest price prevailed prior to the announcement of DPCO, 2013 are given as under:

% reduction with respect to Highest No. of drugs prevailing price to retailer	
0<= 5%	51
5<=10%	46
10<=15%	55
15<=20%	44
20<=25%	65
25<=30%	57
30<=35%	30
35<=40%	34
Above 40%	127
	509

No person is authorized to sell formulations at a price higher than the prices fixed by NPPA under various provisions of DPCO, 2013. In respect of non-scheduled formulations, not covered under price control, manufacturers are not allowed to increase the price beyond the permissible limit of ten percent on year to year basis.

(c): DPCO, 2013 provides fixation of price of essential medicines contained in the Schedule-I of the said order based on `market price data` , not on the basis of manufacturing cost determination of the medicines.

(d)&(e): Under the provisions of DPCO, 2013, the manufacturers are allowed to revise the MRP of their scheduled formulations to the

extent of WPI of the preceding year. In respect of non-scheduled formulations, they can increase the MRP not more than 10% in a year. NPPA has not granted any permission to any company to increase the price beyond the ceiling price / retail price of drugs.