

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

UNSTARRED QUESTION NO:2933
ANSWERED ON:15.03.2016
Lower Price of Branded Medicines
Ninama Shri Manshankar

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

- (a) whether efforts are being made to bring down the prices of branded medicines and to promote the sale of generic medicines;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

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

(a) to (c): All the medicines specified in the National List of Essential Medicines 2015 (NLEM) have been included in the First Schedule of Drugs (Price Control) Order, 2013 (DPCO, 2013) and brought under the purview of price control.

Both generic and branded medicines are treated alike for fixation of price under DPCO, 2013. The market based pricing methodology for fixation of ceiling prices of medicines, as prescribed under DPCO, 2013, lays down that the average Price to Retailer (PTR) is calculated by taking into account PTRs of all generic and branded versions of medicines having market share more than or equal to one percent of the total market turnover on the basis of moving annual turnover of that medicines; and 16% retailer margin is added to the average thus arrived at.

DPCO, 2013 provides that all the existing manufacturers of scheduled formulations (including branded or generic medicines) are required to revise the prices of such formulations downward not exceeding the ceiling price (plus local taxes as applicable) fixed by the Government. All other existing manufacturers selling such scheduled formulations at a price lower than the ceiling price (plus local taxes as applicable) so fixed by the Government shall maintain their existing maximum retail price. The reduction in prices of 530 scheduled formulations effected under DPCO, 2013 after price fixation of scheduled formulations by NPPA as compared to the highest price prevailing prior to the announcement of DPCO, 2013 is annexed as Annexure.

Annexure

<> Statement showing reduction in price of Scheduled Medicines with respect maximum price

% reduction with respect to Maximum Price No. of drugs

0<= 5% 80

5<=10% 50

10<=15% 57

15<=20% 43

20<=25% 65

25<=30% 49

30<=35% 26

35<=40% 34

Above 40% 126

Total 530

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