

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

UNSTARRED QUESTION NO:3765

ANSWERED ON:05.08.2014

IMPACT OF NPPP

Subbareddy Shri Yerram Venkata

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

- (a) whether the implementation of National Pharmaceutical Pricing Policy (NPPP) has adversely affected the pharmaceuticals company;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the National Pharmaceutical Pricing Authority is denying the loss making companies to discontinue their production and exit from the marketing in spite of their negligible market share;
- (d) if so, the details thereof; and
- (e) the remedial measures being taken by the Government to protect such Pharma companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI NIHAL CHAND)

(a) & (b): National Pharmaceuticals Pricing Policy duly approved by the Cabinet was notified 07.12.2012. Consequently, Drugs (Prices Control) Order, 2013 has replaced the Drugs (Prices Control) Order, 1995. The key principles of regulation of prices of medicines are (i) Essentiality of Drugs, (ii) Control of formulations prices only and (iii) market based pricing. With the implementation of DPCO, 2013 significant reduction in prices have been effected on the medicines notified under DPCO, 2013 as compared to the highest price prevalent prior to that which differs from formulation to formulation. The overall profile of price reduction is as under:-

% reduction with respect to Highest Price to Retailer	No. of drugs
0<= 5%	35
5<=10%	41
10<=15%	49
15<=20%	40
20<=25%	58
25<=30%	43
30<=35%	27
35<=40%	34
Above 40%	113
Total	440

(c) to (e): Para 21 of DPCO, 2013 provides that any manufacturer of scheduled formulation, intending to discontinue any scheduled formulation from the market shall issue a public notice and also intimate the Government in Form-IV of schedule- II of DPCO, 2013 in this regard at least six months prior to the intended date of discontinuation and the Government may, in public interest, direct the manufacturer of the scheduled formulation to continue with required level of production or import for a period not exceeding one year, from the intended date of such discontinuation within a period of sixty days of receipt of such intimation. Accordingly, Form-IV application received from different manufacturer are processed and permission for discontinuation of medicines is granted or refused by the NPPA under para 21 of DPCO, 2013 depending upon the availability of the drug in question. NPPA has granted permission for discontinuation in respect of 9 drugs where market share of the company was less than 1% and no FIPB approval was involved.