

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
RAJYA SABHA
QUESTION NO 27.11.2009
ANSWERED ON
PRICE VARIATION OF DRUGS

946

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

- (a) whether in view of unreasonable price-variation of drugs, Government has decided to review its Drug Pricing Policy;
- (b) if so, the details thereof;
- (c) whether Government has received spate of representations on variation in the prices of drugs and also on Government order of 2004-05 to reduce prices; and
- (d) if so, the action contemplated by Government on such representations and the manner in which Government proposes to remove variations in prices of drugs ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI SRIKANT KUMAR JENA)

(a) and (b): The draft National Pharmaceuticals Policy 2006 was prepared by this Department after extensive discussions with various stakeholders and in line with the declared objective of the Government in the National Common Minimum Programme (NCMP) was submitted before the Cabinet for its approval. The Cabinet considered the Policy in its meeting held on 11.1.2007 and decided that the matter may, in the first instance, be considered by a Group of Ministers (GOM). The GOM has held four meetings. However, after the formation of the new Government, the GOM has been re-constituted on 1.9.2009. The final decision on the issue of Pharmaceutical Policy will be possible after GOM makes its recommendation to the Cabinet. At present, the prices of medicines are being controlled as per DPCO, 1995 which was formulated as per Pharmaceutical Policy, 1994.

(c) and (d): References/representations received from individuals, Non-Government Organizations, State Drugs Controllers and Consumer fora are attended to promptly for appropriate and necessary action. Under the provisions of the Drugs (Price Control) Order, 1995 (DPCO 1995), the prices of 74 bulk drugs, specified in the first schedule, and the formulations containing any of these scheduled drugs are controlled. National Pharmaceutical Pricing Authority (NPPA)/Government fix or revise prices of scheduled drugs/formulations as per the provisions of the DPCO, 1995. No one can sell any scheduled drugs/formulations at a price higher than that fixed by NPPA. NPPA as part of its price monitoring activity regularly examines the movement in their prices. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring price of non-scheduled formulations. Whenever a price increase beyond 10% per annum is noticed, the specific manufacturers are asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest. This is an ongoing process. Further, based on monitoring of prices of non-scheduled formulations, NPPA has fixed prices in case of 27 formulation packs under para 10(b) of DPCO, 1995 and companies have reduced price voluntarily in case of 64 formulation packs. Thus, in all, prices of 91 packs of non-scheduled drugs were reduced as a result of the intervention of NPPA since its inception. Monitoring and Enforcement of prices of medicines is an ongoing process and appropriate action is taken by NPPA, as and when considered necessary.