

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION No. 2509
TO BE ANSWERED ON THE 2nd January, 2018

Production Cost of Medicines

†2509. SHRI SHARAD TRIPATHI:

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

- (a) whether the production cost of uncontrolled medicines is several times more than the controlled medicines;
- (b) if so, the reasons therefor;
- (c) the steps taken by the Government in this regard; and
- (d) whether the Government has any policy to reduce the prices of the cancer, AIDS and life-saving drugs and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a), (b) & (c): The Drugs (Prices Control) Order, 2013 (DPCO, 2013) follows the market based policy for fixing the prices wherein the production cost is not taken into consideration. The Government does not maintain data about the production cost of controlled/uncontrolled medicines.

(d): The Government fixes the ceiling price of formulations specified in the Schedule I of the DPCO, 2013 including various medicines under Anti-Cancer (72 formulations), Cardio Vascular (65 formulations), Anti-TB (Lung)(28 formulations) and Anti-Viral (HIV) (41 formulations) in Schedule-1 for price control. Further, the DPCO, 2013 has provisions under which the Government can fix the ceiling price of any drug in public interest. Recently, the government has used this power for fixing the ceiling price of Coronary Stents, Knee Implants and Cardio and Anti Diabetic drugs. Further, the Government had issued a compulsory license for a drug "NEXAVAR" used for the treatment of cancer. The patent is held by M/s Bayer Corporation. After the issue of the compulsory license, the Indian company M/s Natco Pharma Ltd. has been able to sell the medicine at a much lower price.

Till December 2017, the government has fixed the ceiling prices of 851 medicines under revised Schedule-1 based on National List of Essential Medicines, 2015 (NLEM, 2015) which also includes drugs used for cancer, AIDS and other life-saving drugs. The Government by implementing the provisions of DPCO, 2013 has helped the consumers make the following savings:-

Particulars	Saving to Consumers in Rs. Crores
NLEM 2011	2,422.24
NLEM 2015	2,643.37
NLEM 2015 – Coronary Stents	4,450.00
Para 19 – Knee Implants	1,500.00
Para 19 – Cardio and Anti Diabetic drugs	350.00
Grand Total	11,365.61