

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

LOK SABHA

UNSTARRED QUESTION NO. 1608

TO BE ANSWERED ON 8th DECEMBER, 2015

Prices of Drugs

1608. SHRI BALABHADRA MAJHI:
SHRI B.S. YEDIYURAPPA:
SHRI RAJESH RANJAN:
SHRI CHAND NATH:
SHRI KANWAR SINGH TANWAR:
SHRI AJAY NISHAD:
DR. MAHENDRA NATH PANDEY:
SHRIMATI NEELAM SONKER:
SHRI SHARAD TRIPATHI:
SHRI ANOOP MISHRA:
DR. K. GOPAL:
SHRIMATI KAMLA DEVI PAATLE:
DR. A. SAMPATH:

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

- (a) whether prices of drugs for combating various diseases have increased manifold in last three years;
- (b) the role of Government and pharmaceutical companies including multinational drug companies in fixation of prices of drugs in the country;
- (c) whether several State Governments have also forwarded their suggestion in fixing prices of drugs including charging of local taxes etc. to the Union Government;
- (d) if so, the final decision of Union Government thereto;
- (e) whether the Government has taken steps to ensure that the consumers gets drugs at affordable rates in various parts of the country; and
- (f) if so, the details thereof and success achieved so far by the Government in ensuring the prices are kept within the reach of common man in the country?

ANSWER

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

(a): No, Madam. Under Drugs (Prices Control) Order, 2013 (DPCO, 2013) notified on 15th May, 2013, all the medicines specified in the National List of Essential Medicines 2011 (NLEM) have been included in the First Schedule of DPCO, 2013 and brought under price control. Out of total 680 NLEM medicines (628 net medicines) under scheduled category of DPCO, 2013, NPPA has fixed the ceiling prices in respect of 530 medicines (including 47 medicines for cancer and 22 for HIV / AIDS) based on market price data under provisions of the said order. In addition, maximum retail price (MRP) has been capped under Para 19 of DPCO, 2013, in respect of 106 non scheduled medicines, out of which 84 are used for treatment of cardiovascular diseases and 22 for diabetes. NPPA has also fixed the retail price of 247 'new drugs' (which fall within the purview of Para 2(u) of DPCO.2013) under para 5 of DPCO, 2013. Upward revision in the prices of scheduled formulations is permissible to the extent of increase in the Wholesale Price Index (WPI) for the particular year. In respect of non-scheduled formulations, price increase is permissible upto maximum limit of 10% of the price of the preceding 12 months. Further, under Para 13(2) of DPCO, 2013, all the existing manufacturers of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at a price lower than the ceiling price (plus local taxes as applicable) so fixed and notified by the Government shall maintain their existing maximum retail price.

(b), (c) & (d) : DPCO, 2013 provides for fixation of ceiling prices of medicines, as contained in Schedule-I of the said order on the basis of 'market price data'. National Pharmaceutical Pricing Policy (NPPP, 2012) which formed the basis of DPCO, 2013 was issued after considering the representations from State Governments, Civil Society and other stakeholders.

(e) & (f): NPPA regularly monitors the prices of scheduled and non scheduled formulations under provisions of DPCO, 2013 for ensuring that consumers get drugs at affordable rates in various parts of the country. Where any manufacturer sells a scheduled / non-scheduled formulation at a price higher than the price permissible under the said order, such manufacturer is liable to deposit the overcharged amount along with interest thereon from the date of such overcharging. The year-wise list of overcharging cases (updated upto 30.11.2015) has been uploaded on the website of NPPA i.e. www.nppaindia.nic.in. Besides, the Government has opened Jan Aushadhi Stores countrywide to provide quality medicines at affordable prices to the common masses.
