

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) This Ministry is not aware of such recent study conducted by Dr. Rakesh Lodha of the Department of Pediatrics, AIIMS and Dr. Anurag Bhargav of Jan Swasthya Sahyog.

Under the provisions of the Drugs (Price and Control) Order, 1995 the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. NPPA/Government fixes or revises prices of scheduled drugs/formulations as per the provisions of the DPCO, 1995. The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the DPCO, no person can sell any formulation (medicine) of price controlled category to a consumer at a price exceeding the price notified/approved by the NPPA/Government. In case, a company is found selling at prices higher than the price notified/approved by the NPPA/Government, action is taken against them as per the provisions of the DPCO. The Vaccines are not covered in the 74 Scheduled bulk drugs and hence are considered as non scheduled drugs/medicines.

In respect of drugs — not covered under the Drugs (Prices Control) Order, 1995 *i.e.* non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities/packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc.

As a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is 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.

Price control mechanism for drugs

3092. SHRI RAGHUNANDAN SHARMA :
SHRI RAMDAS AGARWAL :

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

(a) whether the prices of life saving drugs/medicines have increased during the recent months;

(b) if so, the reasons therefor;

(c) whether Government has set up/proposes to set up any high powered committee for the review of price control mechanism of drugs; and

(d) if so, the details thereof alongwith the steps taken by Government till date to keep the prices of life saving drugs/medicines under control?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) Under the provisions of the Drugs (Price and Control) Order, 1995 the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. NPPA/Government, fixes or revises prices of scheduled drugs/formulations as per the provisions of the DPCO, 1995.

The NPPA monitors the prices of all formulations including imported scheduled formulations under price control. Under the DPCO, no person can sell any formulation (medicine) of price controlled category to a consumer at a price exceeding the price notified/approved by the NPPA/Government. In case, a company is found selling at prices higher than the price notified/approved by the NPPA/Government action is taken against them as per the provisions of the DPCO.

The NPPA has fixed/revised the prices of scheduled bulk drugs in 480 cases and 10338 formulations since its inception. Of these, the prices of 28 scheduled bulk drugs and derivatives and 1822 formulation were fixed/revised during the period from 1st April, 2009 to March, 2010. Out of the total 1822 formulation packs considered by NPPA for fixing/revising the prices during the period 2009-10 the prices of around 90 per cent of the packs either decreased or kept unchanged as may be seen from the summary of prices fixed/revised of the drugs and formulations during the last two years:—

Particulars	2008-09		2009-10 (Upto March, 2010)	
	Nos.	%age	Nos.	%age
No. of Packs for which prices fixed/revised	1577	100	1822	100
Price Increased	190	12.06%	184	10.10%
Price Decreased	89	5.64%	450	24.70%
Price fixed for the first time	1256	79.64%	1154	63.34%
No change in the prices	42	2.66%	34	1.87%

In respect of drugs — not covered under the Drugs (Prices Control) Order, 1995 *i.e.* non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities/packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc.

As a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is 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.

Based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 27 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 64 formulation packs. Thus in all, prices of 91 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.

As per the Secondary Stock Audit Report of ORG-IMS for the month of October, 2009, a comparative position of change in price of number of packs (medicines) is given as under:

*Comparative statement of price movements for the month of
October of 2009, 2008 and 2007*

Price changes during the month	October, 2009		October, 2008		October, 2007	
	No. of medicines	% of total	No. of medicines	% of total	No. of medicines	% of total
	(packs)	(58,704)	(packs)	(56,293)	(packs)	(54,054)
A. Price Declines	10	0.02%	744	1.32%	64	0.12%
B. Price Increases	83	0.14%	974	1.73%	6	0.01%
(a) Upto 5%	29	0.05%	202	0.36%	2	0.00%
(b) Above 5% and upto 10%	40	0.07%	209	0.37%	3	0.01%
(c) Above 10% and upto 20%	9	0.02%	382	0.68%	0	0.00%
(d) Above 20%	5	0.01%	181	0.32%	1	0.00%
C. No change in Price	58611	99.84%	54575	96.95%	53984	99.87%

There is no proposal to set up a high powered committee in this regard. Already NPPA is empowered to enforce and implement the provisions of Drugs (Prices Control) Order, 1995. However, provision for review of the mechanism for price control of medicines is one among the proposals made in the draft National Pharmaceutical Policy, 2006 which was referred to Group of Ministers (GOM) for consideration.