

**Price negotiation of patented drugs**

\*105. SHRIMATI RENUKA CHOWDHURY : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that patented drugs are not covered under the Price Negotiation System;
- (b) if so, the details thereof;
- (c) whether it is also a fact that the Committee constituted on price negotiation of patented drugs is not functioning in the desired manner; and
- (d) the corrective steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) At present there is no system of price negotiation for patented drugs. The prices of all the drugs are controlled through the provisions of Drugs (Prices Control) Order, 1995 (DPCO'95). There are broadly two categories of drugs under DPCO'95 for the purpose of price fixation/revision and monitoring. These are scheduled drugs (drugs under price control) and non-scheduled drugs. NPPA fixes/revises prices of 74 scheduled bulk drugs and related formulations based on Form III/IV applications. Under the provisions of the DPCO, 95 the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. No one can sell any scheduled drug/formulation at a price higher than the price fixed by NPPA/Government As and when there is downward revision in the notified price of bulk drug/statutory duties, NPPA immediately revises the prices of related scheduled formulations, on *suo-moto* basis.

The prices of non scheduled formulations are not fixed by NPPA. There is no control on the launch price of the non scheduled formulations. As a part of the exercise for monitoring of prices for non-scheduled formulations, manufacturers are not allowed to increase the prices of non-scheduled formulations exceeding 10% per annum. In case a company increases the prices of non-scheduled formulations beyond 10%, the specific cases are taken up by NPPA with the respective companies for rolling back the increase within the limit of 10%. In case, a company does not comply with the instructions as above, NPPA initiates the process for capping the increase in the prices upto a ceiling of 10% by fixing the price of respective formulation pack/medicine.

(c) A Committee which was looking into the issue of Price Negotiation mechanisms for patented drugs have since submitted its report which is being examined in the Department.

(d) In view of reply (c) above, does not arise.

**Adverse effect of deficient monsoon on Kharif crops**

\*106. SHRI PRAKASH JAVADEKAR: Will the Minister of AGRICULTURE be pleased to state: