

Aushadhi Stores. However, all out efforts are made to open at least 200 more Jan Aushadhi Stores during this financial year. To meet this objective, Expression of Interest (EOI) for opening of JASs was invited on 12.06.2015 through open advertisement. In addition to above, steps are also being taken to open Jan Aushadhi Stores in all AIIMS, Prominent Hospitals, Medical Colleges under the Ministry of Health and Family Welfare.

Profit margin on sale of medicines and medical equipments

544. SHRIMATI SASIKALA PUSHPA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether some pharma companies are making huge profits on medicines and medical equipments;
- (b) if so, the details of the actual production cost and the MRP that is printed;
- (c) whether Government intends to stop such malpractices;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken by Government to provide medicines at affordable rates to the people?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR): (a) to (d) As per the provisions of Drugs Price Control Order (DPCO, 2013) the Government/NPPA fixes the ceiling prices of essential medicines contained in Schedule-I. While fixing the ceiling price 16% margin is allowed to the retailers. For non-scheduled formulations there is no control over the launch price. In respect of medicines not under price control, manufacturers are allowed to increase maximum retail price (MHP) by 10% annually. Under DPCO, 2013, price fixation of drugs is on the principle of 'Market Based Pricing'. The actual production cost of medicines and medical equipment is not examined under DPCO, 2013.

(e) Pursuant to National Pharmaceutical Pricing Policy, 2012, Government notified the DPCG, 2013 on 15th May 2013. All the medicines specified in the National List of Essential Medicines 2011 have been included in the first schedule of DPCG, 2013 and brought under price control. Out of the 680 (628 net medicines), ceiling prices of 530 essential medicines have been notified by the Government/NPPA. The details of reduction in prices of scheduled formulations effected under DPCG, 2013 as compared to the highest price prevailing prior to the announcement of DPCG, 2013 are as follows:

Details showing reduction in price with respect maximum price

% reduction with respect to Maximum Price	No. of drugs
0<= 5%	80
5<=10%	50
10<=15%	57
15<=20%	43
20<=25%	65
25<=30%	49
30<=35%	26
35<=40%	34
Above 40%	126
	530

In addition to the above, NPPA has fixed the retail price of 214 'new drugs' under para 5 of DPCG, 2013. Also, NPPA *vide* price notifications dated 10.07.2014 capped the Maximum Retail Price (MRP) of 106 non-scheduled single ingredient drug formulations related to treatment of diabetes and cardiovascular diseases, under para 19 of the DPCG, 2013.

The prices of scheduled and non-scheduled medicines are monitored under provisions of DPCG, 2013. 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 Government has also opened Jan Aushadhi Stores countrywide to provide quality medicines at affordable prices to the masses.

Mechanism to keep prices of medicines affordable

545. DR. CHANDAN MITRA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is no mechanism to keep a tab on the difference between the actual cost of production and the retail prices of medicines at present, if so, the reasons therefor;

(b) whether Government is considering to cap prices of all medicines at the time of launch of products/medicines, if so, the details thereof; and