

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1875
ANSWERED ON:20.07.2004
PRICE OF MEDICINE
Singh Shri Prabhunath

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

- (a) the names of pharmaceutical companies which have not reduced the prices of their medicines inspite of availing concession from the Government alongwith reasons therefor;
- (b) whether the chemists are also getting a margin of 1000 to 1500 per cent on generic formulations;
- (c) the action taken or proposed to be taken by the Government against those companies;
- (d) whether N.P.P.A (National Pharmaceutical Pricing Authority) has conducted any study into the pricing of generic formulations; and
- (e) if so, the outcome of the study?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (K. RAHMAN KHAN)

(a) : Whenever custom/excise duty exemption is given by the Government, the prices of the medicines listed in the First Schedule of the Drugs (Prices Control) Order, 1995 are revised accordingly. Prices of non-Scheduled formulations are fixed by the manufacturers themselves.

(b) to (e) : NPPA has collected data on trade margin being offered by the manufacturers to the retailers for a limited sample. It was noted that some manufacturers had offered high margin to the retailers, however, the market share of such medicines was small.