

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

UNSTARRED QUESTION NO:2677
ANSWERED ON:11.12.2006
MONITORING OF PRICES OF DRUGS
Chowdhury Shri Adhir Ranjan

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

- (a) the policy decision for altering the norms of value ceiling for monitoring the prices of drugs in the country;
- (b) the details of drugs that have a total sale of Rs.1 crore per year in controlled and decontrolled category;
- (c) whether Organisational Research Group (ORG) does not monitor sales of generic drugs;
- (d) if so, the details thereof; and
- (e) the criteria laid down in monitoring of ex-factory clearance price, wholesale price and maximum retail price of drugs?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF THE STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (e): As part of its price monitoring activity, National Pharmaceutical Pricing Authority (NPPA) regularly examines the movement in prices of all formulations. The procedures, systems and guidelines for monitoring of prices of formulations are uniformly followed for monitoring the whole Pharma market as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd.

Wherever unreasonable price increase is noticed, letters are sent to the manufacturers of such formulations to clarify the reasons for such price increase. Those companies are short listed where there is an increase in price of a non-Scheduled medicine by more than 20% in a year and the annual turnover (MAT) of the medicine is more than Rs, 1 crore. Further, the share of the medicine (Pack) in that segment of the formulation is required to be at least 20% of the group or the formulation/ medicine is among the first 3 top medicines of that group.

The monthly Retail Store Audit Reports of ORG-IMS Research Pvt Ltd. covers about 48,900 formulations packs, which include both generic as well as branded drugs manufactured by the major companies in the country. Generic products marketed by small manufacturers, especially in the unorganized sector and sales through the hospitals, institutions and doctors are not covered in the monthly Retail Store Audit Report of ORG-IMS Research Private Ltd.

According to ORG-IMS data of September, 2006, about 43,324 packs have less than Rs. 1 crore MAT values per year and MAT value of these 43,324 packs is approximately Rs. 5300 crore.