



**MEMBER SECRETARY**  
**NATIONAL PHARMACEUTICAL PRICING AUTHORITY**  
DEPARTMENT OF PHARMACEUTICALS  
MINISTRY OF CHEMICALS & FERTILIZERS  
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### FROM THE MEMBER SECRETARY'S DESK

I welcome all visitors to the NPPA's website.

National Pharmaceutical Pricing Authority / Government is committed to ensuring availability of medicines at affordable / fair prices.

Under the provisions of the DPCO, 1995 the prices of 74 bulk drugs included in its schedule and their formulations are controlled. These prices are fixed by NPPA and no company can sell these at a price higher than these prices. While for the non-scheduled drugs and their formulations the companies are at liberty to sell these at prices determined by them, NPPA monitors the price movement and, subject to prescribed conditions, does not allow any increase exceeding 10% per annum (20% before 1.04.2007). Wherever a price increase beyond 10% per annum (20% before 01.04.2007) 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 to fix the price of the formulation in public interest. This is an ongoing process.

The authority regularly interacts with the State Health Departments and Drug Control Agencies in order to ensure that its pricing decisions are implemented. The action taken by NPPA on prices of various bulk drugs/ formulations is briefly mentioned below:-

a) The NPPA has fixed/revised the prices of scheduled bulk drugs in 462 cases and 8997 formulation since its inception. Of these, the prices of 41 scheduled bulk drugs and derivative and 2058 formulations were fixed/revised during the period from 1<sup>st</sup> April, 2008 to 30<sup>th</sup> June,2009.

b) Whenever NPPA comes across cases of overcharging due to the companies selling the medicines at prices higher than that notified by the NPPA, it investigates these cases and takes action to recover the overcharged amounts. Till 30<sup>th</sup> June,2009, NPPA had recovered Rs. 172.62 crore on this account. Of this, Rs. 51.41 crore had been recovered during 2008-09.

c) As part of its monitoring activity, NPPA monitors and analyses month-wise price movements of non-scheduled medicines based on ORG-IMS reports. The prices of these formulations are fixed/determined by manufacturers themselves depending on various factors like the cost of production, market competition, company's profitability status etc. NPPA with very limited staff available to it, monitors the prices of non-scheduled formulations through various methods like (a) scrutiny of price lists submitted by manufacturers (b) analysis of monthly "Retail store audit reports" published by ORG-IMS, and (c) complaints/references received from official and non-official sources.

d) NPPA has fixed price in case of 27 non-scheduled formulation packs under paragraph 10(b) and companies have reduced price voluntarily in case of 60 formulation packs. Thus, in all, prices of 87 packs of non-scheduled drugs have got reduced as the result of the intervention by NPPA.

I invite all users of the NPPA's website to provide their useful suggestions for improving the information provided on this website. I also invite them to seek clarifications as well as further information relating to the scope of work dealt with by the NPPA.



(OM PRAKASH)

New Delhi, the 7<sup>th</sup> July, 2009