

Bill No. 100 of 2022

THE DRUGS (PRICE CONTROL) BILL, 2022

By

DR. ALOK KUMAR SUMAN, M.P.

A

BILL

*to provide for constitution of a Committee for fixing the prices of drugs and
for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Seventy-third Year of the Republic of India
as follows:—

1. (1) This Act may be called the Drugs (Price Control) Act, 2022.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by
notification in the Official Gazette, appoint.

Definitions.	<p>2. In this Act, unless the context otherwise requires,—</p> <p>(a) “dealer” means a person engaged in the business of purchase or sale of drugs, whether as a wholesaler or retailer and whether or not in conjunction with any other business and includes his agent;</p> <p>(b) “distributor” means a distributor of drugs or his agent and includes a stockist appointed by a manufacturer or an importer for stocking his drugs for sale to a dealer; and</p> <p>(c) “drug” includes—</p> <p>(i) all medicines for internal or external use of human beings and all substances intended to be used for, or in the diagnosis, treatment, mitigation, or prevention of any disease or disorder in human beings including preparations applied on human body for the purpose of repelling insects like mosquitoes;</p> <p>(ii) such substances, intended to affect the structure or any function of the human body or intended to be used for the destruction of vermin or insects which cause diseases in human beings; and</p> <p>(iii) drugs of all systems of medicine like allopathy, homoeopathy, ayurveda, unani, siddha.</p>	5 10 15
Constitution of Drugs (Price Control) Committee.	<p>3. (1) There shall be constituted a Committee to be known as the Drugs (Price Control) Committee (hereinafter referred to as the Committee) to fix the prices of drugs.</p> <p>(2) The Committee shall consist of—</p> <p>(i) the Minister of Health and Family Welfare, Government of India — Chairman, <i>ex officio</i>;</p> <p>(ii) three representatives of major hospitals including Government run hospitals — Members;</p> <p>(iii) two representatives of drugs industry — Members;</p> <p>(iv) two representatives of Indian system of medicine — Members;</p> <p>(v) Secretary to the Government of India, Ministry of Health and Family Welfare — Member Secretary, <i>ex officio</i>.</p>	20 25 30
Functions of the Committee.	<p>4. The Committee shall—</p> <p>(i) fix the prices of drugs after taking into consideration the costs of manufacturing, storage, packaging, import of formulation and distribution as well as profit of manufacturer and such other factors as it may deem necessary;</p> <p>(ii) promote the use of generic drugs; and</p> <p>(iii) determine the standard of drugs.</p>	35
Prohibition on selling of drug at a price exceeding the price determined by the Committee.	<p>5. No person or a manufacturer or a distributor or a dealer shall sell any drug to any consumer at a price exceeding the price fixed by the Committee.</p>	
Penalty.	<p>6. (1) Whoever contravenes the provisions of this Act shall be punished with imprisonment for a term which may extend to six months and with fine which may extend to one lakh rupees.</p>	40

(2) Where an offence under this Act has been committed by a company, the license of such company shall be cancelled forthwith.

Explanation.— For the purpose of this sub-section (2), “company”, means any body corporate, and includes a firm or other association of individuals.

5 7. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. Power to make rules.

10 (2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

15

STATEMENT OF OBJECTS AND REASONS

Prices of drugs and medicines are on the increase. The prices are increased arbitrarily by manufacturers and traders. People, especially poor people are affected by the exorbitant cost of drugs. They are not able to afford the medicines. At present there is no check on the prices of drugs. Medical practitioners with the lure of money and costly gifts from manufacturers generally prescribe costly medicines which common man cannot afford. They should instead prescribe generic drugs.

The Bill seeks to constitute a Committee to—

- (i) fix the prices of drugs;
- (ii) promote the use of generic drugs; and
- (iii) determine the standard of drugs.

The Bill seeks to achieve the above objectives.

NEW DELHI;
18 *November*, 2021.

ALOK KUMAR SUMAN

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for constitution of a Committee to be known as the Drugs (Price Control) Committee to fix the prices of drugs. The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is likely to involve a recurring expenditure of about rupees two hundred crore per annum.

A non-recurring expenditure of about rupees eighty crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative powers is of a normal character.

LOK SABHA

A

BILL

to provide for constitution of a Committee for fixing the prices of drugs and
for matters connected therewith or incidental thereto.

(Dr. Alok Kumar Suman, M.P.)