GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

RAJYA SABHA
UNSTARRED QUESTION NO. **2577**
TO BE ANSWERED ON **11th AUGUST, 2026**

Regulation and rationalisation of maximum retail prices of medicines

2577 Dr. Medha Vishram Kulkarni:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

(a) whether Government has taken note of the wide variation in maximum retail prices (MRPs) of medicines containing the same active pharmaceutical ingredient (salt), strength and dosage form but sold under different brand names, if so, the details thereof and the reasons for such variations;
(b) whether any study has been conducted on the extent of such price differences and their impact on patients' out-of-pocket expenditure, if so, the findings thereof;
(c) whether Government proposes to regulate and rationalise such MRPs through appropriate guidelines, if so, the details thereof; and
(d) the steps taken to strengthen monitoring and ensure affordable access to medicines?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SMT. ANUPRIYA PATEL)

(a) to (c): Prices of drugs are regulated as per the provisions of the Drugs (Prices Control) Order 2013 (DPCO, 2013) which has been promulgated based on the principles of the National Pharmaceutical Pricing Policy, 2012 ("NPPP, 2012"). National Pharmaceutical Pricing Authority (NPPA) under Department of Pharmaceuticals fixes ceiling prices of formulations specified in Schedule-I to DPCO and the retail price of a new drug as defined under 2(1)(u) of DPCO 2013, based on market data and as per the provisions of DPCO, 2013. The ceiling prices of scheduled drugs are applicable to all manufacturers and retail prices fixed for new drugs are applicable to applicant manufacturer and marketer and they have to sell them within the notified ceiling price or retail price (plus applicable GST) by the NPPA. However, manufacturers are free to sell at a price lower than the ceiling price for the schedule drug and, retail price fixed for new drug, as per the market dynamics. There is no restriction on manufacturer fixing different prices for same schedule formulation under different brand names as long as it is below the ceiling prices fixed by NPPA for that drug. In case of non-scheduled formulations, a manufacturer is allowed to fix the price of the drug but are required to not increase MRP of a non-scheduled drug by more than 10% of MRP during the preceding 12 months. Such price regulation in conjuction with various other initiative taken by government to improve the access to healthcare facilities has resulted in a decline in the share of out-of-pocket expenditure in Total Health Expenditure from 62.6% in 2014-15 to 43.4% in 2022-23.

(d): NPPA monitors the compliance with the provisions of the DPCO, 2013 and takes appropriate action in cases of overcharging and other violations, in accordance with the provisions of DPCO, 2013, based on references received from various sources, including Price Monitoring and Resource Units set up in States, State Drugs Controllers, samples purchased from open market, reports from market database and complaints lodged through various grievance redress channels. Further, to prevent overpricing, DPCO 2013 requires every manufacturer of a formulation to print the maximum retail price on the label of the container of such formulation. No person is permitted to sell any formulation to any consumer at a price exceeding the price specified on the current price list or price indicated on the label of the container or the pack thereof, whichever is less.

In addition to regulating the prices of drugs under DPCO, 2013, various other measures have been taken by the Government to improve the access of medicines at affordable rates to the common man which, *inter alia*, include the following:

(i) Under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana scheme quality generic medicines is provided through more than 20,000 Janaushadhi Kendras at rates that are typically 50% to 80% cheaper than branded medicines.

(ii) Under Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) of the Department of Health and Family Welfare, health assurance/insurance cover of ₹5 lakh per family per year is provided for secondary or tertiary care hospitalisation, including for medicines.

(iii) Under the Free Drugs Service Initiative of the National Health Mission, essential medicines list recommended under the Indian Public Health Standards (IPHS) are made available free of any charge at public health facilities ranging from Primary Health Centres (PHCs) to district hospitals across the country.

(iv) Under the Amrit (Affordable Medicines and Reliable Implants for Treatment) initiative of the Department of Health and Family Welfare, affordable medicines are provided for the treatment of cancer, cardiovascular and other diseases, implants, surgical disposables and other consumables etc., at an average discount of up to 50% on market rates through AMRIT Pharmacy stores set up in number of hospitals and healthcare institutions.

(v) Financial assistance is provided to poor patients belonging to families living below the poverty line, who suffer from major life-threatening diseases including cancer, under the umbrella scheme of Rashtriya Arogya Nidhi and the Health Minister's Discretionary Grant.

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