

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION NO. 2497
TO BE ANSWERED ON 9th July, 2019

Guidelines by NPPA

**2497. SHRI KHAGEN MURMU:
SHRI RAJA AMARESHWARA NAIK:
DR. SUKANTA MAJUMDAR:**

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

- (a) the guidelines laid down by the National Pharmaceutical Pricing Authority (NPPA) in determining and fixing the prices of essential/life saving medicines;
- (b) whether cases of deviation from the guidelines in fixing the prices of essential/life saving medicines by the drug companies have been reported to the Government;
- (c) if so, the details thereof and the steps taken thereon;
- (d) whether all the drug manufacturing companies have updated their price list of medicines on their respective websites;
- (e) if so, the details thereof and if not, the steps being taken in this regard; and
- (f) the other steps taken by the Government to bring transparency in fixing the prices of essential/life saving medicines?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI D. V. SADANANDA GOWDA)**

(a): The National Pharmaceutical Pricing Authority (NPPA) fixes the ceiling prices of Scheduled medicines and retail prices of new drugs as per the provisions of the Drugs (Prices Control) Order, 2013 (DPCO).

(b) & (c) The NPPA also monitors the prices of medicines and initiates action against such manufacturers which have overcharged patients. The details of demand notices issued by NPPA are as follows:

| Year | Number of cases | Demanded Amount (Rs Crores) |
|-----------------------------|-----------------|--------------------------------|
| upto March, 2013 | 926 | 3021.6 |
| 2013-2014 | 90 | 405.38 |
| 2014-2015 | 128 | 600.31 |
| 2015-2016 | 263 | 931.63 |
| 2016-2017 | 137 | 333.97 |
| 2017-2018 | 221 | 704.12 |
| 2018-2019 | 226 | 288.00 |
| 2019-20 (upto 31 May, 2019) | 42 | 85.22 |
| Total | 2033 | 6370.23 |

The detailed list of overcharging cases where demand notices have been issued is available on NPPA's website www.nppaindia.nic.in.

(d) & (e) Drug manufacturers are required to upload the price data of their medicines in Form V of DPCO, 2013 through Integrated Pharmaceutical Database Management System (IPDMS) to NPPA. Further, the Maximum Retail Price of medicines is also reflected in Pharma Sahi Dam App / Web version on the basis of market based database referred by NPPA.

Under DPCO, 2013, there is no provision to direct the drug manufacturing companies to update their price list in their respective websites. Accordingly, NPPA has not given any such directions.

(f) In order to have transparency, a draft version of the Price Calculation Sheets for the proposed revised price notifications, including wherever applicable, the Price to Retailer (PTR) and Moving Annual Turnover (MAT) values adopted for calculations, is uploaded on the website of NPPA for 10 clear working days to invite comments from the pharmaceutical firms. Only after taking into account the comments or any additional data thus received within the given time period, the NPPA finalizes the ceiling and the retail Prices. Thus the entire procedure of price fixation is available in the public domain which ensures transparency and accountability of the whole process.
