

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

LOK SABHA  
UNSTARRED QUESTION NO. 2434  
TO BE ANSWERED ON 9<sup>th</sup> March, 2021

**Increasing Drug Prices**

**2434. SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:**

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

- (a) whether it is true that the NPPA is not actively working as there is strict norms on DPCO, still pharma companies are increasing the rates of essential medicines day by day and if so, the details thereof;
- (b) whether the pharma companies are overcharging on maximum medicines against the prices fixed under DPCO;
- (c) whether the prices of most of the essential drugs under DPCO including eye drops like Timolet-od, Bimat, Lumigan and Betagan have increased exorbitantly since the last two years;
- (d) if so, the details thereof;
- (e) whether the Government is considering to ask the NPPA to act on these issues of public interest and check/ control the price of essential medicines under the DPCO ; and
- (f) if so, the details thereof?

**ANSWER**

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

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(a): National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals (DoP) is working actively as per provisions of the Drugs (Price Control) Order (DPCO) and fixes the Ceiling prices of scheduled drugs listed in the National List of Essential Medicines (NLEM) and included as Schedule - I of the DPCO, 2013. The scheduled formulations comprise approx 17.5 % of the market. Till date, under DPCO, 2013 NPPA has fixed the prices as under:

- (i) Ceiling price of 881 scheduled formulation under revised schedule-I of DPCO, 2013.
- (ii) Retail price of 1,495 new drugs under the DPCO, 2013.
- (iii) Prices of 106 Anti-diabetic and Cardiovascular drugs under Para 19 of the DPCO, 2013 in public interest.
- (iv) Ceiling price of Cardiac Stents being scheduled formulation under the DPCO, 2013 affecting price reduction for Coronary Stents, which worked out up to 85% for Bare Metal Stents and 74% for Drug Eluting Stents.
- (v) Ceiling price of Orthopaedic Knee Implants under Para 19 of the DPCO, 2013 in Public interest affecting price reduction up to 69%.
- (vi) Capped the Trade Margin of non-scheduled formulations of 42 Anti-cancer medicines under "Trade Margin Rationalization" approach as a Pilot for proof of concept, wherein price of more than 500 brands of medicines were reduced up to 90%.

The fixation of the prices has resulted in a notional savings of Rs. 12,447 crores per annum to the public after implementation of DPCO, 2013.

(b): NPPA, an independent body of experts, monitors the prices of scheduled and Non-scheduled drugs in the country as per provisions of the DPCO, 2013. If a company violates the provisions of DPCO, 2013, action for overcharging is taken against it. NPPA has initiated 2116 number of overcharging cases and an amount of Rs. 978.82 Crore has been recovered till 31<sup>st</sup> December, 2020 from pharmaceutical companies.

(c) & (d): The ceiling price of scheduled medicines (Branded or generic) is specified in the first schedule of DPCO, 2013. All the manufacturers of Scheduled medicine have to sell their products within the ceiling price (plus applicable local taxes) fixed by NPPA. The ceiling price of scheduled medicines is revised on 1<sup>st</sup> April every year based on the annual Wholesale Price Index (WPI) for preceding calendar year. Further, in case of non-scheduled formulations manufacturer can increase the prices up to 10%.

Of the four medicines, Timolet-OD is a scheduled formulation. NPPA has fixed ceiling price of Timolet-OD (containing Timolol 0.5% Drops) at Rs. 11.89 per ml vide SO No. 1213(E) dated 25.03.2020 and the formulation is in compliance with the ceiling price fixed. Further, in case of the remaining three non-scheduled formulations, as per market based data referred by NPPA, Betagan and Lumigan are in compliance with the provisions of Para 20 of DPCO, 2013, while in case of Bimat overcharging has been indicated as per the provisions of DPCO, 2013. NPPA has initiated action against the manufacturer.

(e) & (f): NPPA with the help of Price monitoring & Resource Units (PMRUs), State Drug Controllers (SDCs) regularly monitors and enforces the price fixed as per the provisions of the DPCO, 2013. Samples are also purchased from the open market throughout the country on random basis through SDCs to ensure the price compliance. Further, NPPA takes prompt action on the basis of complaints received regarding overcharging through various channels. It also monitors the prices of non-scheduled formulations for increase in the prices beyond 10% during preceding twelve months.

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