

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

LOK SABHA
UNSTARRED QUESTION NO. †3398
TO BE ANSWERED ON 16th March, 2021

Price of Medicines

†3398. SHRI SUKHBIR SINGH JAUNAPURIA:

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

- (a) whether the Government has taken cognizance of any complaint regarding sale of medicines to consumers at high rates;
- (b) if so, the punitive steps taken by the Government thereon;
- (c) the methodology being considered by the Government to stop such malpractices; and
- (d) the details regarding the price fixation policy of medicines and control on its prices by the Government?

ANSWER

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

(a): Yes, Sir. The references of overpricing/overcharging in violation of the notified ceiling prices in case of scheduled formulations and more than 10% increase in the MRP of Non-Scheduled formulations received by the National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals are examined and proceedings to recover the amount overcharged with applicable interest are initiated against the companies concerned as per provisions of the Drugs (Prices Control) Order, 2013 (DPCO, 2013).

(b): NPPA has initiated 2116 number of overcharging cases. At present, 881 numbers of overcharging cases involving a total amount of Rs. 8,184.19 crore under DPCO, 1979, 1987, 1995 and 2013 are pending. Of this, an amount of Rs. 6,550.37 crore is under litigation in various Courts in respect of 324 cases. Action for recovery of the overcharged amount is a continuous on-going process, undertaken as per the provisions of DPCOs. An amount of Rs. 978.82 crore has been recovered till December, 2020. In cases where the concerned company does not deposit the amount of demand, the matter is referred to the respective Collector/District Magistrate for recovery of the overcharged amount as arrears of land revenue under the Essential Commodities Act, 1955. The cases referred to Collectors/ District Magistrates are also followed up on regular basis. In cases where the demands raised for overcharging have been challenged in courts, NPPA actively pursue them in respective courts.

(c): NPPA, with the help of Price Monitoring & Resource Units (PMRUs) and 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, if any, in the prices beyond 10% during preceding twelve months.

(d): The National Pharmaceutical Pricing Policy (NPPP), 2012 provides the policy framework for price regulation of medicine. NPPA fixes the ceiling price of scheduled formulations adopted from the National List of Essential Medicines (NLEM) and new drug as per the provisions of para 4, 5 and 6 of DPCO, 2013. The details of medicines under price control are as below:

- (i) NPPA has fixed the ceiling prices of 881 scheduled formulations of medicines under NLEM, 2015.
- (ii) NPPA has also fixed the retail price of 1495 new drugs under DPCO, 2013.
- (iii) NPPA fixed prices of 106 Anti-diabetic and Cardiovascular drugs under Para 19 of DPCO, 2013 in public interest.
- (iv) NPPA has fixed ceiling price of Cardiac Stents being scheduled formulation under DPCO, 2013 affecting price reduction for Coronary Stents worked out up to 85% for Bare Metal Stents and 74% for Drug Eluting Stents.
- (v) NPPA has fixed ceiling price of Orthopedic Knee Implants under Para 19 of DPCO, 2013 in public interest affecting price reduction for orthopedic Knee Implants up to 69%.
- (vi) NPPA capped the Trade Margin of non-scheduled formulations of 42 select Anti-cancer medicines under "Trade Margin Rationalization" approach as a Pilot for proof of concept, wherein price of above 500 brands of medicines were reduced upto 90%.

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