

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

LOK SABHA  
UNSTARRED QUESTION NO. 3377  
TO BE ANSWERED ON 17<sup>th</sup> DECEMBER, 2021

**Exorbitant Price of Patented Medicines**

**3377. SHRI SHANMUGA SUNDARAM K.:**

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

- (a) the details of steps taken by the Government to control the prices of abnormally high priced patented medicines of MNCs in the country;
- (b) whether the Government proposes to opt for Negotiated Pricing Model instead of adopting Reference Pricing System; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

**MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS  
(Dr. MANSUKH MANDAVIYA)**

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(a): National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals fixes the ceiling price of scheduled medicines specified in the National List of Essential Medicines (NLEM) as included in the Schedule- I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). Any medicine (patented or non-patented) included in Schedule-I of DPCO, 2013 comes under purview of price control. In case of non-scheduled medicines (including non-scheduled patented drugs), increase in Maximum Retail Price (MRP) is limited to 10% of the previous year's price.

However, a manufacturer producing a new drug patented under the Indian Patent Act, 1970 is exempted from provisions of DPCO, 2013 for a period of five years from the date of commencement of its commercial marketing by the manufacturer in the country.

(b) and (c): The prices of drugs are regulated as per provisions of DPCO, 2013, which is based upon the National Pharmaceutical Pricing Policy, 2012 (NPPP, 2012), which follows the principles of essentiality and market-based pricing. Changes, if any, in the method of price regulation of drugs will require a change in the extant pricing policy.

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