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

LOK SABHA
UNSTARRED QUESTION NO. 3742
TO BE ANSWERED ON 25th March, 2022

**Study on Drug Pricing Policy**

**3742. SHRI GNANATHIRAVIAM S.:**

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

(a) whether any study has been conducted by the Government to ascertain the effectiveness of the New Drug Policy and the Drug Price Control Order in increasing the drug production and ensuring the availability of life saving drugs at reasonable prices besides restraining the drug manufacturing companies in making reckless profiteering;
(b) if so, the details thereof along with the deficiency, if any, identified in the implementation of the New Drug Policy and the Price Control Order; and
(c) the steps contemplated to be taken by the Government in this regard?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS**
**(SHRI BHAGWANTH KHUBA)**

(a) to (c): The extant National Pharmaceutical Pricing Policy (NPPP), notified on 7th December, 2012, has been formulated with an objective to put in place a regulatory framework for pricing of drugs so as to ensure availability of essential medicines at reasonable prices while providing sufficient opportunity for innovation and competition to support the growth of pharma industry. In pursuance of NPPP, 2012, the Government has notified the Drugs (Prices Control) Order, 2013 (DPCO-2013). As per the provisions of DPCO, 2013, the ceiling price of all scheduled formulations appearing in the National List of Essential Medicines (NLEM) are fixed and all manufacturers of these drugs are required to sell their product equal to or lower than the ceiling price. As regard non-scheduled drugs, while manufacturers are free to fix their Maximum Retail Price (MRP), but they cannot increase the same more than 10% of what was prevalent during the preceding twelve months. No study has been conducted regarding effectiveness of the Drug Pricing Policy and/ or the Drug Prices Control Order.

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