

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

LOK SABHA  
UNSTARRED QUESTION NO. †3878  
TO BE ANSWERED ON 25<sup>th</sup> March, 2022

**Pricing Policy of Medicines**

†3878. **SHRI DEVENDRA SINGH BHOLE:**

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

- (a) whether the Government has announced a pricing policy of expensive medicines in the country in view of the huge gap between the cost of manufacturing of medicines and their market price; and  
(b) if so, the details thereof?

**ANSWER**

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

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(a) to (b): The extant National Pharmaceutical Pricing Policy (NPPP), notified on 7<sup>th</sup> 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. The policy made a shift from earlier 'cost based' pricing under the Drug Policy, 1994 to 'market based' pricing.

In pursuance of NPPP, 2012, the Government notified the Drugs (Prices Control) Order, 2013 (DPCO-2013). As per the provisions of DPCO, 2013, the National Pharmaceutical Pricing Authority (NPPA) fixes the ceiling price of all scheduled formulations appearing in National List of Essential Medicines (NLEM). All the manufacturers of these drugs are required to sell their product equal to or lower than the ceiling price. Further, NPPA monitors the prices of non-scheduled drugs so as to ensure that the increase in their Maximum Retail Price (MRP) is not more than 10% of what was prevalent during the preceding twelve months.

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