

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

LOK SABHA
UNSTARRED QUESTION NO. 501
TO BE ANSWERED ON THE 04TH FEBRUARY, 2022

Pricing Policy of Costly Medicines

†501. SHRI ASHOK KUMAR RAWAT:

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

- (a) whether the Government has announced/ proposes to announce the pricing policy of costly medicines in the country considering huge gap between the cost of manufacturing and market price of the medicines; and
(b) if so, the details thereof as on date?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(DR. MANSUKH MANDAVIYA)**

(a) & (b): 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. 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 ceiling price of all scheduled formulations appearing in National List of Essential Medicines (NLEM), are fixed by National Pharmaceutical Pricing Authority (NPPA) and are uniform throughout the country. 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 preceding twelve months.
