

**GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
DEPARTMENT OF HEALTH AND FAMILY WELFARE**

**LOK SABHA
UNSTARRED QUESTION NO. 1958
TO BE ANSWERED ON 02ND AUGUST, 2024**

EXORBITANT PRICES OF DRUGS AND MEDICINES

1958. SHRI ANIL YESHWANT DESAI:

Will the Minister of **HEALTH AND FAMILY WELFARE** be pleased to state:

- (a) whether prices of medicines and drugs are controlled by some regulatory authorities in this field, if so, the details thereof;
- (b) whether there is any system of compelling drug manufacturing units in fixing the charges for consumers' utilization in the country, if so, the details thereof;
- (c) whether the price structure is available in respect of drugs which are imported from foreign countries, if so, the details thereof;
- (d) whether the Government is aware that the sale price charged by medical stores from customers are very high than its manufacturing cost and commissions at various levels in the country, if so, the details thereof; and
- (e) whether the Government has taken any steps to stop this looting of customers by medical stores, if so, the details thereof and if not, the reasons therefor?

**ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(SMT. ANUPRIYA PATEL)**

(a) & (b): As per information received from Ministry of Chemicals and Fertilizers, National Pharmaceutical Pricing Authority (NPPA) under Department of Pharmaceuticals (DoP) regulates the prices of drugs as per the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013). NPPA fixes the ceiling price of schedule formulations listed in the Schedule-I of the DPCO, 2013. All manufacturers of scheduled medicines have to sell their products within the ceiling price (plus applicable Goods and Service Tax) fixed by the NPPA.

Further, formulations that are not included in Schedule-I are defined under Para 2(1)(v) of DPCO, 2013 as non-schedule formulations. As per the DPCO, 2013 no manufacturer of non-scheduled formulations can increase the maximum retail price of such formulations by more than 10% of maximum retail price (MRP) during the preceding 12 months. The maximum permissible increase in prices, as per the provisions of DPCO, 2013 for scheduled and non-scheduled drugs may or may not be availed by their respective manufacturers based on commercial considerations and market dynamics.

NPPA also fixes retail price of a new drug, as defined in DPCO, 2013, for existing manufacturers of scheduled formulation. The notified retail prices are applicable only to the applicant manufacturing/ marketing companies. Manufacturers have to sell the formulation within the retail prices fixed by NPPA. The details of prices fixed by NPPA are available on the website of NPPA i.e., www.nppaindia.nic.in

(c): The provisions of DPCO, 2013 are equally applicable to both domestically produced and imported formulations irrespective of being branded or generic.

(d): The ceiling price of scheduled formulation and retail price of new drugs are fixed as per market based data and by adding prescribed margin to average price to retailer as per the provisions of DPCO, 2013. Pricing based on manufacturing cost and commission are not in purview of DPCO, 2013.

(e): NPPA monitors the prices of scheduled as well as non-scheduled medicines under DPCO, 2013. As per the provision of DPCO, 2013, no person shall sell any formulation to any consumer at a price exceeding the price specified in the current price list or price indicated on the label of the container or pack thereof, whichever is less. Whenever companies are found selling formulations at prices higher than the permissible price, action is taken against such companies under the relevant provisions of DPCO, 2013 and the overcharged amount is recovered from the company as per extant provision of DPCO, 2013.
