

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:4504

ANSWERED ON:20.12.2012

FIXATION OF MRP OF DRUGS

Ganpatrao Shri Jadhav Prataprao; Rama Devi Smt.

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

- (a) whether the drugs manufacturers are fixing the Maximum Retail Price of the generic drugs more than their actual cost;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has any mechanism to find the actual cost of such generic drugs;
- (d) if so, the details thereof; and
- (e) the extent to which the Government has succeeded in ensuring the correct prices of generic drugs?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (e) : Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO.95) the prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO,95. Under the provisions of DPCO, 95, no person is authorized to sell any scheduled formulation (medicine) to a consumer at a price exceeding the price notified/approved by the NPPA.

In respect of drugs not covered under the DPCO.95 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. Also there is no control on the launch price of the non scheduled formulations. However, NPPA regularly monitors the movement in prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest.