

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

UNSTARRED QUESTION NO:1681

ANSWERED ON:07.03.2013

RETAIL PRICE AND MANUFACTURING COST OF MEDICINES

Agarwal Shri Rajendra

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

- (a) whether there is a huge difference between the retail price and manufacturing cost of medicines due to which these are out of reach of the common man;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps being taken by the Government in this regard?

**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) & (b) Under the provisions of the Drugs (Prices & Control) Order, 1995 (DPCO, 1995) the prices of 74 bulk drugs listed in its First Schedule 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, 1995. Consequently, no one is allowed to sell any scheduled drug / formulation at a price higher than the price fixed by NPPA.

However, in respect of drugs - not covered under the DPCO, 1995 i.e. non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government / NPPA. There are wide variations in the prices of non-scheduled drugs of different brands based on same chemical combinations as there is no control on the launch price of these medicines. However, the trend in prices of non-scheduled drugs is monitored and suitable action is taken by NPPA where price increase is more than 10% in a period of one year on moving basis.

(c) National Pharmaceutical Pricing Policy, 2012 (NPPP-2012) notified by the Government on 7th December, 2012 has the provision of bringing the medicines listed under National List of Essential Medicines-2011 (NLEM-2011) under price control.