

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

UNSTARRED QUESTION NO:1702
ANSWERED ON:22.07.2014
PRICE RISE BY PHARMA INDUSTRY
Patil Shri Shivaji Adhalrao;Yeddyurappa Shri B. S.

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

- (a) whether the pharma industry has been increasing prices of medicines upto 2% annually in contravention of the government policy;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government has delegated powers regarding revision of the prices of drugs to National Pharmaceutical Pricing Authority (NPPA); and
- (d) if so, the details thereof and the steps taken by the Government to control the prices of drugs?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI NIHAL CHAND)

(a) & (b): As per provisions of para 16(2) of Drugs (Prices Control) Order, 2013 (DPCO, 2013) the manufacturer may increase the maximum retail price (MRP) of scheduled formulations once in a year, in the month of April, on the basis of the wholesale Price Index (WPI) with respect to previous calendar year and no prior approval of the Government in this regard shall be required. As regards, non-scheduled formulations, no manufacturer is authorized to increase the maximum retail price of a drug more than ten percent of maximum retail price during preceding twelve months and where the increase is beyond ten percent of maximum retail price, it shall reduce the same to the level of ten percent of maximum retail price for next twelve months. NPPA regularly monitors the prices of both scheduled and non-scheduled formulations as per provisions laid down in the DPCO, 2013

(c) & (d): Yes, Sir. NPPA, an independent body of experts under this Department has been delegated the power under DPCO, 2013 to fix the ceiling price or retail price of any drug. As per delegated powers, NPPA has notified the ceiling prices in respect of 440 medicines upto 30th June, 2014 out of total 680 NLEM medicines under scheduled category of DPCO, 2013. Further, NPPA has also fixed the prices of anti-diabetic and cardiovascular in respect of 108 non-scheduled formulations.