

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

STARRED QUESTION NO:554
ANSWERED ON:05.05.2015
MRP OF MEDICINES
Ray Dr. Ravindra Kumar

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

- (a) whether a very high Maximum Retail Price (MRP) is reportedly printed on the drugs/medicines by the Pharmaceutical companies;
- (b) if so, the details thereof and the action taken/proposed to be taken by the Government against the pharmaceutical companies;
- (c) the institutional mechanism put in place by the Government to regulate the prices of drugs/ medicines being supplied to the consumers;
- (d) whether suggestions have been received to cap the price of each drug/ medicine in consultation with the advice of the experts in the field and put the same on the website; and
- (e) if so, the reaction of the Government thereon?

Answer

MINISTER OF CHEMICALS & FERTILIZERS (SHRI ANANTH KUMAR)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 554 for answer on 05/05/2015 regarding MRP of Medicines

(a) & (b): Pursuant to announcement of National Pharmaceuticals Pricing Policy (NPPP), 2012 the Government has notified Drugs (Prices Control) Order, 2013 (DPCO, 2013) on 15.05.2013. As per DPCO, 2013, 680 medicines (net 628) with specified dosage and strengths, (as included in the 'National list of Essential Medicines' drawn up by Ministry of Health) are brought under price control.

As provided in the DPCO, 2013, no person is authorized to print price of medicines and sell any such scheduled medicines / formulation to any consumer at a price exceeding the ceiling price fixed by the NPPA. As per provisions of Para 13(2) of DPCO, 2013, all the existing manufacturers of scheduled formulations, selling the branded or generic or both the versions of scheduled formulations at a price lower than the ceiling price (plus local taxes as applicable) so fixed and notified by the Government shall maintain their existing maximum retail price. As regards non-scheduled drugs, not covered under price control, manufacturers are not allowed to increase maximum retail price (MRP) beyond 10% annually.

(c): National Pharmaceutical Pricing Authority (NPPA) is entrusted with the task of price fixation of scheduled medicines and also to monitor the price movement of non-scheduled medicines. NPPA has already fixed the ceiling prices in respect of 521 medicines till date under provisions of the DPCO, 2013. The details of reduction in prices of scheduled formulations effected under DPCO, 2013 as compared to the highest price prevailed prior to the announcement of DPCO, 2013 are given as under:

% reduction with respect to Highest prevailing price to retailer No. of drugs	
0<=5%	71
5 <=10%	50
10<=15%	57
15<=20%	43
20<=25%	65
25<=30%	49
30<=35%	26
35 <=40%	34
Above 40%	126
521	

The prices fixed and notified by the NPPA in respect of above said 521 scheduled medicines under provisions of DPCO, 2013 are available on the NPPA's website nppaindia.nic.in.

In addition, NPPA vide price notifications dated 10.07.2014 capped the MRP of 106 non-scheduled single ingredient drug formulations related to treatment of diabetes and cardiovascular diseases. The price notifications have been challenged in the Delhi

High Court and Bombay High Court where the matter is sub-judice. A large number of manufacturers have implemented the price reduction and the price notifications of 10.07.2014 issued by the NPPA are still in operation. MRP as notified for these 106 medicines are also available on the NPPA's website nppaindia.nic.in.

(d) & (e): A Core Committee of experts constituted under the Chairmanship of the Secretary (DHR1 & Director General (ICMR) is working on revision of the National List of Essential Medicines (NLEM). The Committee is doing stakeholder consultations and has received many representations. After the NLEM list is revised, the span of price control will be decided as all medicines in the revised NLEM will get included in the first schedule of the DPCO, 2013 and will come under price control.