

**GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA  
UNSTARRED QUESTION NO. 5893  
TO BE ANSWERED ON 03<sup>rd</sup> April, 2018

**Price Fixation by NPPA**

5893. SHRI SANJAY DHOTRE:  
SHRI BHARTRUHARI MAHTAB:  
SHRI RAHUL SHEWALE:

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

- (a) the criteria/guidelines laid down by the National Pharmaceutical Pricing Authority (NPPA) in determining and fixing the prices of essential/life saving medicines;
- (b) whether cases of deviation from the said criteria/guidelines in fixing the prices of essential/life saving medicines by the drug manufacturing companies have come to the notice of the Government during each of the last three years and the current year;
- (c) if so, the details thereof, company-wise and the reasons therefor along with the action taken/being taken by the Government in such cases so far;
- (d) whether the Government has conducted any study to ascertain updating of price list of medicines by drug manufacturing companies on their respective website;
- (e) if so, the details and outcome thereof and if not, the reasons therefor; and
- (f) the other steps taken/being taken by the Government to bring transparency in fixing prices of essential/life saving medicines across the country?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS;  
MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS  
(SHRI MANSUKH L. MANDAVIYA)**

(a): National Pharmaceutical Pricing Authority (NPPA) fixes the prices of Scheduled medicines and new drugs as per the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013).

(b) & (c): NPPA also monitors the prices of medicines fixed by the manufacturers and issues notices for the violation of the prices. NPPA initiates action against manufacturing companies which have overcharged patients. The details of demand notices issued in the last three years are as follows:

Year	Number of cases	Demanded Amount (Figure in Crores)
2014-15	129	581.08
2015-16	264	931.18
2016-17	138	334.00
2017-18	217	704.48

The detailed list of overcharging cases where demand notices have been issued is available on NPPA's website [www.nppa.nic.in](http://www.nppa.nic.in).

(d) & (e): NPPA also verifies the prices of medicines randomly from the respective websites of the drug manufacturing companies and wherever any violation is found, action is taken as per the provisions of DPCO, 2013. This is an ongoing process.

(f): In order to have transparency, a draft version of the Price Calculation Sheets for the proposed revised price notifications, including wherever applicable, the Price to Retailer (PTR) and Moving Annual Turnover (MAT) values adopted for calculations, is uploaded on the website of NPPA for 10 clear working days to invite comments from the affected pharmaceutical firms. Only after taking into account the comments or any additional data thus received within the given time period, the NPPA finalizes the ceiling and the retail Prices. Thus the entire procedure of price fixation is available in the public domain which ensures transparency and accountability of the whole process.

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