

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

LOK SABHA
UNSTARRED QUESTION NO. 414
TO BE ANSWERED ON 5th February, 2019

Guidelines by NPPA

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

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 the 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 and the steps taken thereon, company-wise;
- (d) whether all the drug manufacturing companies have updated their price list of medicines on their respective websites;
- (e) if so, the details thereof and if not, the steps being taken in this regard; and
- (f) the other steps taken/being taken by the Government to bring transparency in fixing prices of essential/life saving medicines and to curb deviation from the standard criteria/guidelines in fixing the prices of such medicines?

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 ceiling prices of Scheduled medicines and retail prices of new drugs as per the provisions of Drugs (Prices Control) Order, 2013 (DPCO, 2013).

(b) & (c): NPPA also monitors the prices of medicines and issues notices for the violation of the prices. NPPA initiates action against manufacturers which have overcharged patients. In the last three years demand notices have been issued as follows:

Year	Number of cases	Demanded Amount (Figure in Rs Crores)
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 website www.nppa.nic.in.

(d) & (e): NPPA could not verify whether all drug manufacturers have updated their price list of medicines on their respective websites.

(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 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.
