

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

LOK SABHA
UNSTARRED QUESTION NO. 484
TO BE ANSWERED ON 25th June, 2019

WPI of Medicines

†484. SHRI KANAKMAL KATARA:

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

- (a) whether it is true that there is a well defined policy regarding Wholesale Price Index (WPI) of medicines and prices of medicines cannot be increased before five years except when company itself has applied for it or court has given any orders in this regard;
- (b) if so, the details thereof;
- (c) whether the Government has fixed norms regarding powers of the National Pharmaceutical Pricing Authority for fixing the maximum prices of any drug; and
- (d) if so, the details thereof?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI D. V. SADANANDA GOWDA)**

(a) & (b): Paragraphs 16 and 18 of the Drugs (Prices Control) Order, 2013 (DPCO) deal with revision of ceiling prices of scheduled medicines.

As provided in paragraph 16 of the DPCO, the Government revises the ceiling prices of scheduled formulations as per the annual Wholesale Price Index (WPI) for preceding calendar year on or before 1st April of every year and notify the same on the 1st day of April every year.

Further, as provided in paragraph 18 of the DPCO, the revision of ceiling prices on the basis of moving annual turnover value is carried out –

- (i) as and when the National List of Essential Medicines is revised by the Ministry of Health and Family Welfare or five years from the date of fixing the ceiling price under this Order, whichever is earlier,
- (ii) when the number of manufacturers of a scheduled formulation, having price of a scheduled formulation more than or equal to seventy five percent of the ceiling price fixed and notified by the Government, decreases by twenty five percent or more than the number of manufacturers as existing on the reference date;

(iii) when the number of manufacturers of a scheduled formulation, having prices of their scheduled formulation equal to or lower than twenty five percent of the ceiling price fixed by the Government, increases by twenty five percent or more than the number of manufacturers as existing on the reference date.

Explanation-For the purpose of items (ii) & (iii), the “reference date” shall be for first revision of ceiling price May, 2012 and for second or subsequent revision, the date of previous revision of the ceiling price.

(c) & (d): The Department of Pharmaceuticals vide Order SO 1394 (E) dated 30th May, 2013 provided that the National Pharmaceutical Pricing Authority (NPPA) shall exercise powers of the Central Government provided in the DPCO in respect of fixation of prices of drugs.
