GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

LOK SABHA
UNSTARRED QUESTION NO. †**1228**
TO BE ANSWERED ON **6th FEBRUARY, 2026**

Prices of Branded Medicines

†1228. Shri Rajkumar Roat:

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

(a) whether it is a fact that branded medicines are currently being sold in the market at prices ten, twenty and even thirty times higher than their manufacturing cost and that doctors are also prescribing these same medicines, if so, the details thereof;
(b) whether the Government proposes to implement a policy to address the issue, if so, the details thereof;
(c) whether the Government is likely to take action to ensure that the MRP (Maximum Retail Price) of medicines does not exceed a certain percentage of profit margin, if so, the details thereof;
(d) whether the Government proposes to introduce a regulatory law to ensure that both the Wholesale Unit Price and MRP are clearly marked on every medicine, if so, the time by which it is likely to be done and if not, the reasons therefor; and
(e) the names of medicines banned during the last ten years along with the action taken by the Government against the violators selling such medicines?

ANSWER

THE MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI JAGAT PRAKASH NADDA)

(a) to (c): Prices of drugs are regulated as per the provisions of the Drugs (Prices Control) Order 2013 (DPCO, 2013) based on the National Pharmaceuticals Pricing Policy, 2012, with the objective of ensuring the availability of essential medicines at reasonable prices while providing sufficient opportunity for innovation and competition to support the growth of industry. It follows the principles of essentiality and market-based pricing of formulations only. Therefore, the cost data of the companies are not maintained by the Department. As per extant provisions of DPCO, 2013, the National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals (DoP) controls prices of medicines by fixing ceiling prices of formulations specified in Schedule-I to DPCO, 2013 which is based on the National List of Essential Medicines (NLEM) and retail prices of new drugs as defined in paragraph 2(1)(u) of DPCO, 2013. Ceiling prices and retail prices of a drug is fixed by adding 16% margin to the average of Price to Retailer (PTR) of all brands of that drug having market share of 1% or more of that drug in the market database. In case of non-scheduled formulations, manufacturers are not allowed to increase the maximum retail price (MRP) of such formulations by more than 10% of MRP during preceding 12 months. Prices of both scheduled and non-scheduled formulations are monitored and action is taken against companies found overcharging consumers or violating the provisions of the DPCO, 2013. Further, as per the current policy framework the margin at various levels in the supply chain is not regulated and are part of business practices, and are guided by commercial considerations.

The Clause 1.5 of the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 prescribes that every physician should prescribe drugs with generic names legibly and preferably in capital letters and he/she shall ensure that there is rational prescription and use of drug. The erstwhile Medical Council of India (MCI) had issued Circulars vide which all Registered Medical Practitioners have been directed to comply with the aforesaid provisions. The Directorate General of Health Services has directed all Central Government hospitals to prescribe generic medicines only. Similar instructions to prescribe drugs with generic name legibly have also been issued to all Central Government Health Scheme (CGHS) Doctors and Wellness Centres. The National Medical Commission Act, 2019, empowers the appropriate State Medical Councils or the Ethics and Medical Registration Board (EMRB) of the National Medical Commission to take disciplinary action against a doctor for violation of the provision of the aforesaid Regulations. Further, States have been advised to ensure prescription of generic drugs and conduct regular prescription audits in public health facilities.

(d): As per the extant provisions of DPCO, 2013, every manufacturer of a formulation, whether scheduled or non-scheduled, is required to display in indelible print mark, the maximum retail price (inclusive of all taxes) of that formulation on the label of the container of that formulation and the minimum pack thereof offered for retail sale.

(e): As informed by MoHFW, till now, the Central Government has prohibited the manufacture for sale, sale and distribution of 603 drugs and Fixed Dose Combinations for human use and 40 drugs for animal use. List of banned drugs and veterinary drugs available on the website of the Central Drugs Standard Control Organization (CDSCO) i.e. www.cdsco.gov.in.

Manufacture, sale and distribution of Banned Drug in the country is a punishable offence as per the Drugs and Cosmetics Act, 1940 and State Licensing Authorities (SLAs) appointed by respective State Governments are empowered to take action against such offences. As and when any such complaints/issues are received in CDSCO on selling of banned drugs, the matter is taken up with State Drugs Controller for necessary action.

*****