

Months	2014-15	2015-16	2016-17	2017-18
January	19.90	22.62	27.83	25.23
February	20.25	24.00	27.27	24.21
March	20.11	24.13	22.61	23.75
TOTAL	211.08	265.95	322.33	298.37

Margin of profit in trading of drugs

644. SHRI SAMBHAJI CHHATRAPATI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the profit on sale of drugs of the wholesalers and retailers is as high as 30 per cent or more because some of the retailers offer 10 per cent to 20 per cent discount on the price quoted;

(b) if so, the details thereof;

(c) whether Government has any plan to bring down the profit margin to a reasonable extent to make the medicines affordable to the common people in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH MANDAVIYA): (a) and (b) National Pharmaceutical Pricing Authority (NPPA) follows the methodology defined in the para 4, 5 and 6 of Drugs (Prices Control) order, 2013 (DPCO, 2013) for fixation of the ceiling prices of essential drugs, whereby ceiling price for scheduled formulations and retail price for new drugs are fixed on the basis of the average 'price to retailer' plus sixteen per cent of retailer margin. Every manufacturer is required to follow the ceiling/retail prices notified by NPPA. As regards non-scheduled formulations, the manufacturers are not allowed to increase the price by more than 10 per cent per annum. The prices are either fixed in case of scheduled medicines or monitored in case of non-scheduled medicines by the National Pharmaceutical Pricing Authority (NPPA) and in case of violation, action for overcharging is taken. There is no provision in DPCO, 2013 regarding capping of margins to retailers and wholesalers.

(c) No, Sir.

(d) In view of reply to (c) above, the occasion does not arise.