PRS LEGISLATIVE RESEARCH

# Standing Committee Report Summary

## Price Rise of Medicines in the Pharmaceutical Sector

- The Standing Committee on Chemical and Fertilisers (Chair: Mr. Azad Kirti Jha) presented its report on 'Price Rise of Medicines in the Pharmaceutical Sector Impacting the Lives of Ordinary Citizens Adversely - A Review' on December 1, 2025. Key observations and recommendations of the Committee include:

- **High prices of drugs and medical devices:** The Committee observed that frequently prescribed medicines are being sold at high prices. It also observed an increase in the prices of cardiac stents, and anti-cancer drugs. In India, drug prices are regulated under the Drugs (Prices Control) Order (DPCO), 2013. The DPCO empowers the National Pharmaceutical Pricing Authority (NPPA) to fix price ceilings for scheduled drugs. These are drugs under the National List of Essential Medicines.

- **Price fixation for non-scheduled medicines:** Currently, the NPPA does not fix the prices of non-scheduled drugs. Manufacturers are restricted from increasing the maximum retail price of non-scheduled drugs by more than 10% annually. However, the initial price of these drugs is not fixed. This allows non-scheduled formulations to be priced arbitrarily. The Committee also noted that fixed dose combination drugs are also outside the price regulations set by the NPPA. These are products containing one or more active ingredients for a particular indication. The Committee recommended that the NPPA consider applying appropriate control over the prices of non-scheduled drug formulations.

- **Trade Margin Rationalisation:** The Committee observed that while price rise in drugs has remained proportional to inflation, there continue to be high trade margins for some medicines. Trade margin is the difference between the price to the supplier and the retail price of the medicine. It noted that trade margin rationalisation is a viable means of controlling drug prices. However, the DPCO, 2013 permits trade margin capping only for a limited time period. The Committee recommended that the DPCO, 2013 be amended to include legal provisions permitting trade margin rationalisation.

- The Committee also noted that the price to stockist (PTS) data remains undisclosed to the public. PTS refers to the price at which a company sells the product to distributors. It recommended that studies on the difference between the PTS and maximum retail price be taken up.

- **Online drug platforms:** The Committee noted that there is currently no mechanism to ensure price fairness or product authenticity on online drug platforms. It recommended that a regulatory framework for online drug sales be established. It also recommended strict monitoring of such platforms.

- **Regulation of prices of coronary stents:** The Committee noted that between 2017 and 2024, the price of bare metal stents and drug eluting stents have increased by 44% and 29%, respectively. The Committee recommended that measures be taken to reduce the prices of stents, and to ensure that patients are not overcharged for stents.



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