

What is price control

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THIRUVANANTHAPURAM: The Drugs (Price Control) Order, 2013, issued by the Centre under Sec. 3 of Essential Commodities Act, 1955 to regulate the prices of drugs, came into effect around May 2014.

It initially brought under price control 652 medicines or formulations based on 348 bulk drugs listed under the National List of Essential Medicines.

Under DPCO 2013, the ceiling price of essential medicines has been fixed based on the weighted average of the prices (MRP) of all brands of that drug that have a market share of at least 1%.

As per the DPCO, if any medicine is priced lower than the ceiling fixed by the regulator, then companies selling such drugs should maintain the existing or lower retail price.

In case of failure to comply with the price ceiling as fixed by National Pharmaceutical Pricing Authority (NPPA), the drug manufacturer concerned or the marketing company will be liable to refund the excess amount with interest as specified under the provisions of DPCO 2013.

For the purpose of implementing provisions of DPCO, powers of Government have been vested in the NPPA.

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