Trade margins on anti-cancer drugs capped at 30% – prices may fall by up to 70%

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News

The National Pharmaceutical Pricing Authority (NPPA), at its 151st meeting on 8 Oct 2026, approved in principle a cap on the trade margin of about 110 non-scheduled anti-cancer drugs (35 of them patented) at 30% of the maximum retail price (MRP). Prices are expected to fall by 20% to 70%, saving patients about ₹2,500 crore a year. NPPA will issue the formal notification after an expert committee under the Director General of Health Services (DGHS) finalises the list. The Centre also informed the Supreme Court of the decision on 12 Oct.

Key facts

Decision	NPPA 151st meeting, 8 Oct 2026 – in-principle approval; formal notification to follow
Drugs	About 110 non-scheduled anti-cancer drugs (35 patented); branded, generic, domestic and imported
Cap	Trade margin ≤ 30% of MRP
Benefit	Prices down 20–70%; about ₹2,500 crore saved a year
Reason	Average mark-up about 170%; up to 700% in places

Precedent	Feb 2019 – 42 cancer drugs (526 brands), about ₹984 crore saved a year

Background

- Structure: NPPA was set up in 1997 by a Government of India resolution; it is an attached office of the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers. It enforces the Drugs (Prices Control) Order (DPCO) 2013, issued under the Essential Commodities Act, 1955.
- Rules: 'scheduled' drugs are those in the National List of Essential Medicines (NLEM; the current one is NLEM 2022 – 384 drugs) and have ceiling prices. Makers of other 'non-scheduled' drugs may not raise MRP by more than 10% a year. Para 19 of the DPCO lets the government fix the price of any drug in public interest (the 2019 move used it). Trade margin = the gap between the price to the distributor/stockist and the MRP.
- Other steps: the Union Budget 2025–26 fully exempted 36 life-saving drugs (cancer, rare diseases) from basic customs duty; PM Bhartiya Janaushadhi Pariyojana runs low-cost generic medicine stores (Department of Pharmaceuticals). Science: cancer is uncontrolled multiplication of cells (loss of control over mitosis); treatments – surgery, radiotherapy, chemotherapy, immunotherapy.

Tamil Nadu link: the Cancer Institute (WIA), Adyar, Chennai, was started in 1954 by the Women's Indian Association through the efforts of Dr Muthulakshmi Reddy; Dr V. Shanta led it for decades (Ramon Magsaysay Award 2005, Padma Vibhushan 2016). Muthulakshmi Reddy was India's first woman legislator (Madras Legislative Council).

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