

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION NO. 2629
TO BE ANSWERED ON 4th August 2023

Hike in Prices of Drugs

2629. SHRI ADHIKARI DEEPAK (DEV):

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

- (a) whether there has been an exorbitant hike in the price of drugs in the country recently;
- (b) if so, the details thereof along with the reasons for such price hike;
- (c) whether the Government has taken/proposes to take any steps to control the price of daily use medicines and life saving drugs in the country;
- (d) if so, the details thereof; and
- (e) whether there is any mechanism set up by the Government to monitor/check at ground level the prices of medicines across the country?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI BHAGWANTH KHUBA)**

(a) to (b): Prices of drugs in India are regulated as per the provisions of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). National Pharmaceutical Pricing Authority (NPPA) under the aegis of Department of Pharmaceuticals (DoP) fixes the ceiling price of scheduled medicines specified in the first schedule of the Drugs (Prices Control) Order, 2013 (DPCO, 2013). All manufacturers of scheduled medicines have to sell their products within the ceiling price (plus applicable Goods and Service Tax) fixed by the NPPA. The annual increase allowed in the case of Scheduled formulations is upto the level of annual revision in Wholesale Price Index (WPI). In case of non-scheduled formulation, no manufacturers can increase MRP by more than 10% of MRP during preceding 12 months.

The annual WPI of all commodities increased by 12.1218% effective from 01.04.2023. However, DoP notified Revised Schedule-I of DPCO, 2013 on 11.11.2022 based on National List of Essential Medicines (NLEM), 2022 notified by MoH&FW on 13.09.2022. Accordingly, NPPA has fixed ceiling prices of 691 formulations under NLEM 2022. The average reduction in ceiling price for 600 formulations (excluding 91 newly added formulations out of 691 formulations) due to price refixation under NLEM, 2022 works out to 16.71% compared with ceiling prices fixed under NLEM, 2015. This refixation of ceiling under NLEM 2022 resulted in an estimated net reduction of 6.73% after allowing WPI of 12.1218% w.e.f. 01.04.2023. Further, although the annual permitted increase in the prices of Scheduled drugs is based on the increase in WPI (all commodities), the WPI increase is the maximum increase permissible and may or may not be availed by the manufacturers based on market dynamics.

(c) to (d): The details of drugs brought under price control/regulation by NPPA are given below:

- i. Ceiling prices of 915 scheduled formulations have been notified as on 17.07.2023. Out of these, ceiling prices of 691 formulations have been fixed under NLEM 2022 and for 224 formulations have been fixed under NLEM 2015.
- ii. Retail price of around 2450 new drugs have been fixed under DPCO, 2013 till 17.07.2023.
- iii. In 2014, NPPA capped the MRP of 106 non-scheduled drug formulations under Para 19 of DPCO 2013 which includes 22 diabetic and 84 cardiovascular drugs.
- iv. Ceiling price of cardiac stents and Orthopaedic Knee Implants fixed under Para 19 of DPCO, 2013 since 16th August 2017 in public interest.
- v. Trade Margin of non-scheduled formulations of 42 select Anti-cancer medicines capped under “Trade Margin Rationalization” approach as a pilot for proof of concept, wherein price of about 500 brands of 42 medicines were reduced up to 90%.
- vi. NPPA invoked Para 19 of the DPCO, 2013 to regulate the price of Oxygen Concentrators, Pulse Oximeter, Blood Pressure Monitoring Machine, Nebulizer, Digital Thermometer and Glucometer under “Trade Margin Rationalisation” approach in June / July 2021.

The details of prices fixed by NPPA are available on the website of NPPA i.e., nppaindia.nic.in

(e): NPPA monitors the price of scheduled as well as non-scheduled medicines to ensure that companies do not overcharge the consumers. This is done through references received from Price Monitoring Resource Units (PMRUs), the State Drugs Controllers, individuals, samples purchased from the open market, reports from market based data, and complaints reported through the grievance redressal websites, ‘Pharma Jan Samadhan’, Mobile App ‘Pharma Sahi Daam’, and ‘Centralized Public Grievance Redress and Monitoring System (CPGRAMS)’. In addition, NPPA has a Helpline 1800-111-255/email: monitoring-nppa@gov.in, on which too complaints on shortage, overcharging of drugs are received from consumers across the country.
