

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

LOK SABHA
UNSTARRED QUESTION NO.†3232
TO BE ANSWERED ON 17th DECEMBER, 2021

Price of Medicines

†3232. SHRI RAHUL KASWAN:

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

- (a) the percentage hike registered in the prices of medicines during the last five years, medicine-wise;
- (b) the details of medicines of which the prices have decreased during the said period; and
- (c) whether the manufacturers of medicines have sought permission from the Government for increasing the price of some medicine and if so, the details thereof, medicine-wise and the response of the Government thereto?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(Dr. MANSUKH MANDAVIYA)**

(a): National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals fixes the ceiling price of scheduled medicines specified in the first schedule of the Drugs (Prices Control) Order, 2013 (DPCO) in accordance with the provisions of DPCO. All manufacturers of scheduled medicines (branded or generic) have to sell their products within the ceiling price (plus applicable Goods and Service Tax) fixed by the NPPA. The ceiling price of a scheduled formulation is fixed based on average retail price of the said formulation having market share of one or more than one percent. As ceiling price is based on average of retail price of medicines already available, there is a reduction in prices while fixing retail price of scheduled medicine of an existing manufacturer. Further, the ceiling price of scheduled medicines are revised on the 1st day of April every year on the basis of Wholesale Price Index (WPI) for preceding calendar year on or before 1st April of every year. WPI for last six years is as under:

Year	WPI Increase/Decrease (%)
2021	0.53638 %
2020	1.884668 %
2019	4.2662 %
2018	3.43812 %
2017	1.97186 %
2016	(-) 2.7105 %

In case of a scheduled medicines, thus, the annual hike cannot be more than WPI. In case of non-scheduled formulations, NPPA ensures that their Maximum Retail Price (MRP) do not increase by more than 10% of their MRP during the preceding twelve months. The details of retail/ceiling prices fixed/revised by NPPA are available on NPPA's website, viz., www.nppaindia.nic.in.

(b) NPPA has fixed the ceiling prices of scheduled drugs, including the essential medicines used for treatment of cancer, diabetes and HIV as well as heart and kidney diseases. Further, NPPA has put a cap on Trade Margin of 42 select non-scheduled anti-cancer medicines under 'Trade Margin Rationalization (TMR)' Approach resulting in reduction up to 90% of Maximum Retail Price (MRP) of 526 brands of these medicines. NPPA has also brought 106 non-scheduled anti-diabetic and cardio vascular drugs under price control by invoking extra ordinary powers in public interest. The total annual savings on account of revision of ceiling prices of medicines under National List of Essential Medicines (NLEM), price control of anti-diabetic & cardiovascular, fixation of ceiling price of stents, knee implants and capping of TMR on anti-cancer are estimated to the tune of Rs. 12,500 crore.

While there has been no general decrease in prices during last 5 years on account of change in WPI, there was a decrease in the prices during the year 2016 as compared to prices in the year 2015, WPI during 2016 was negative.

(c): Representations are received by NPPA from time to time for upward revision of prices of the drugs on account of increase in raw material cost, transportation cost, other input cost, etc. These representations are examined & considered after scrutiny on a case-to-case basis.

NPPA has invoked extra ordinary powers in public interest under para 19 of DPCO 2013 for upward revision of the ceiling prices of the twenty-one scheduled formulations of 12 drugs by giving one-time increase of 50% from the present ceiling price in December 2019. Further, in July, 2021 NPPA permitted for upward revision of the ceiling prices of the nine scheduled formulations of 3 drugs by giving one-time increase of 50% from the present ceiling price in July 2021.
