GOVERNMENT OF INDIA MINISTRY OF CHEMICALS & FERTILIZERS DEPARTMENT OF PHARMACEUTICALS

LOK SABHA UNSTARRED QUESTION NO. 3437 TO BE ANSWERED ON 05th August, 2022

Price Hike in Scheduled Drugs

3437. SHRI SYED IMTIAZ JALEEL:

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

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) has allowed a price hike of 10.7 percent for the scheduled drugs which are under price control as on March 28th, 2022, if so, the details thereof;
- (b) whether the prices of scheduled drugs have been hiked by 10.7 percent with the approval of India's drug Pricing Authority, if so, the details thereof along with the names of the drugs whose price have been hiked;
- (c) whether the hike in prices of scheduled medicines are also applicable for the drugs available at the Jan Aushadhi Kendras established under Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), if so, the details thereof; and
- (d) the details of the measures taken by the Government to retain/stabilize the price of medicines selling in Jan Aushadhi Kendras under PMBJP after such price hike?

ANSWER

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

(a) and (b): As per the extant provisions of the Drugs (Prices Control) Order, 2013 (DPCO, 2013), the ceiling prices of scheduled formulations (branded or generic) as per Schedule-I of DPCO, 2013 are fixed by the National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals. As per provisions of DPCO 2013, annual revision of ceiling prices of scheduled medicines is permissible based on Wholesale Price Index (WPI) for all commodities for the preceding year.

The Compounded Annual Growth Rate (CAGR) of WPI for the last 5 years is 4.12%. The annual change in WPI of all commodities with base year 2011-12 works out as 10.76607% during the calendar year 2021 over the corresponding period in 2020. Accordingly, the ceiling price of 898 scheduled formulations (of which 889 scheduled formulations fixed under NLEM 2015) were revised based on WPI effective from 01.04.2022. The relevant notification, S.O. No. 1499(E) dated 30.03.2022 showing the list of medicines is available at the website of NPPA, viz., nppaindia.nic.in. The WPI increase is the maximum increase permissible and may or may not be availed by the manufacturers. It is further clarified that prices are increased or decreased by the manufacturers based on market dynamics, within the ceiling, wherever prescribed, by NPPA.

(c) & (d): With an objective of making quality generic medicines available at affordable prices to all citizens, especially the poor and the deprived ones, *Pradhan Mantri Bhartiya Janaushadhi Pariyojana* (PMBJP) was launched by the government. Under the Scheme, dedicated outlets known as *Pradhan Mantri Bhartiya Janaushadhi Kendras* (PMBJKs) have been opened to provide quality generic medicines at affordable prices. All manufacturers of scheduled medicines (including those sold through Jan Aushadhi Kendras) have to sell the same within the ceiling price or ceiling price (as revised based on WPI). PMBI fixes the prices of medicines sold through the Kendras at least 50% cheaper than that of branded medicines available in the open market.
