

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

LOK SABHA
UNSTARRED QUESTION NO. †793
TO BE ANSWERED ON 26th July, 2024

Price Hike of Medicines

†793 Shri Rajesh Ranjan:

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

- (a) whether the National Pharmaceutical Pricing Authority renders its advice to the Government regarding the price hike of medicines every year;
- (b) if so, the details thereof, year-wise;
- (c) whether the prices of medicines have increased substantially and the prices of some of them by 50 to 100 percent during the last three years;
- (d) if so, the details and the reasons therefor indicating the percentage rise in medicine prices during the said period, year-wise;
- (e) whether the Government has permitted the Pharmaceutical companies to control the prices of various medicines; and
- (f) if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(MS. ANUPRIYA PATEL)**

(a) & (b): The roles and responsibilities of the National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals are governed by the provisions of the Drugs (Prices Control) Order, 2013 (DPCO). NPPA fixes the ceiling price of scheduled medicines as specified in the Schedule-I of the DPCO, 2013. All the 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.

As per the provisions of DPCO 2013, the ceiling prices of scheduled medicines are revised annually on the basis of Wholesale Price Index (WPI) (all commodities) for preceding calendar year on or before 1st April of every year, which is notified by the Government on the 1st day of April every year. The WPI increase is based on the data published by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India. The WPI for last nine year are as follows:

Year	WPI Increase/Decrease (%)
2024	0.00551%
2023	12.1218%
2022	10.76607%
2021	0.53638 %

2020	1.88468 %
2019	4.2662 %
2018	3.43812 %
2017	1.97186 %
2016	(-) 2.7105 %

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 which may or may not be availed by the manufacturers. Prices are increased or decreased by the manufacturers based on market dynamics.

(c) to (f): NPPA also fixes the retail price of a new drug based on Para 5 of DPCO, 2013 for existing manufacturers of scheduled formulation. A manufacturer is at the liberty to fix the maximum retail price of a non-scheduled formulation (branded or generic) launched by it. However, as per the provisions of DPCO, 2013 the manufacturers of non-scheduled formulations are not allowed to increase the maximum retail price of such formulations by more than 10% per annum. Instances of overcharging are dealt with by NPPA under the relevant provisions of DPCO, 2013.
