

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

LOK SABHA
UNSTARRED QUESTION NO. 4154
TO BE ANSWERED ON 20th DECEMBER, 2024

Rise in Ceiling Prices of Scheduled Drugs

4154. Shri Gaurav Gogoi:

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

- (a) the primary factors contributing to the recent increase in ceiling prices of scheduled drugs in the country;
- (b) the steps taken by the Government to ensure that these price increases do not disproportionately affect vulnerable populations, such as low-income individuals and senior citizens;
- (c) the mechanism of the Government to monitor the impact of these price increases on patients' affordability and ensure adherence to treatment regimens;
- (d) whether the Government will implement stricter price control mechanisms or other regulatory interventions to mitigate the impact of rising drug prices; and
- (e) the manner in which the Government is promoting the production and availability of generic medicines to reduce the cost of treatment for patients?

ANSWER

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

(a) to (d): National Pharmaceutical Pricing Authority (NPPA) under Department of Pharmaceuticals, fixes the ceiling price of medicines included in Schedule-I of the Drugs (Prices Control) Order, 2013 (DPCO, 2013) in accordance with the provisions of DPCO, 2013. 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 the preceding calendar year on or before 1st April of every year. The ceiling prices of scheduled medicines for the year 2024-25 were increased by 0.00551% w.e.f. 01.04.2024 based on annual change in the WPI (all commodities). Further, NPPA received applications from various pharmaceutical manufacturing/marketing companies and industry associations requesting for upward revision of price for some of the formulation(s) on the grounds of increase in cost of production, increase in cost of active pharmaceutical ingredients (APIs), changes in exchange rate, request for discontinuation of some of the formulations etc. that made supply of such drugs at existing rates unviable. After detailed scrutiny, NPPA approved increase in the price of 11 formulations of 8 drugs to ensure their continued availability so that the public including vulnerable population is not forced to switch to expensive alternatives due to non-availability of these drugs in the market.

All manufactures 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 prices of both scheduled and non-scheduled drugs are monitored by NPPA. Monitoring activities are based on references from Price Monitoring Resource Units (PMRUs), State Drugs

Controllers (SDCs), market samples, market-based databases, and complaints received through the Pharma Jan Samadhan (PJS) portal, CPGRAMS, and other reliable sources. Instances of overcharging are dealt by NPPA under the relevant provisions of DPCO, 2013.

(e): The Government has taken various measures to promote the production and availability of generic medicine which *inter alia* include the Production Linked Incentive (PLI) scheme for Pharmaceuticals, PLI Scheme for critical Key Starting Materials, Drug Intermediates & Active Pharmaceutical Ingredients, the Bulk Drug Park Scheme, Scheme for Promotion of Research and Innovation in the Pharma-Meditech Sector, provision of quality generic medicines at 50%-90% cheaper rates than branded medicines under Pradhan Mantri Bhartiya Janaushadhi Pariyojana through Jan Aushadhi Kendras opened across the country etc. In addition, Ministry of Health & Family Welfare, Government of India is implementing **Free Drugs Service Initiative (FDSI)** under NHM to provide technical and financial support to States and Union Territories to improve access to free medicines and ensure the availability of essential medicines for patients at all level of facilities.
