

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

LOK SABHA  
UNSTARRED QUESTION NO. 825  
TO BE ANSWERED ON THE 29<sup>TH</sup> NOVEMBER 2024

**Increase in Prices of Essential Medicines**

**825. Shri Vijayakumar Alias Vijay Vasanth:**

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

- (a) the rationale behind the National Pharmaceutical Pricing Authority's decision to increase the ceiling prices of eight essential medicines by 50%;
- (b) the mechanism of the Government to ensure that this price hike does not disproportionately affect vulnerable populations, particularly those living below the poverty line;
- (c) the measures taken/proposed to be taken by the Government to prevent pharmaceutical companies from exploiting this price hike and charging excessive prices for these essential medicines;
- (d) the details of the data on the impact of this price hike on the accessibility of healthcare for citizens, particularly in rural areas;
- (e) whether the Government has any plan to offset the increased financial burden on citizens resulting from this price hike;
- (f) whether the Government is considering to revise or roll back this price hike in light of concerns about its impact on public health;
- (g) whether the Government has any plan to increase transparency and accountability in the pricing of essential medicines; and
- (h) if so, the details thereof?

**ANSWER**

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

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(a) to (c): National Pharmaceutical Pricing Authority (NPPA) under the Department of Pharmaceuticals (DoP), received applications in respect of 77 formulations from various pharmaceutical manufacturing/marketing companies and industry associations requesting for upward revision of price for their formulation(s). This request was made on the grounds that ensuring continued availability of these drugs at existing rates was not viable due to reasons like increase in cost of production, increase in cost of active pharmaceutical ingredients, changes in exchange rate, request for discontinuation of some of the formulations etc. 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. Further, no manufacturers of scheduled formulations can sell their products at prices higher than the ceiling price (plus applicable Goods and Services Tax) fixed by NPPA. Also, NPPA monitors the prices of drugs and takes action against overcharging under the relevant provisions of the Drugs (Prices Control) Order (DPCO), 2013.

(d) to (f): The one time increase in the prices of 11 scheduled formulations was undertaken in public interest so as to ensure that drugs are available to the general public. Moreover, most of these drugs are low-cost, generally used as first line of treatment and are crucial to the public health programmes of the country. These drugs are used for treatment of Asthma, Glaucoma, Thalassemia, Tuberculosis, mental health disorders, etc.

(g) & (h): In order to have transparency, a draft version of the Price Calculation Sheets for the proposed revised price notifications, including wherever applicable, the Price to Retailer (PTR) and Moving Annual Turnover (MAT) values adopted for calculations, is uploaded on the website of NPPA for 10 clear working days to invite comments from the stakeholders. Only after taking into account the comments or any additional data thus received within the given time period, the NPPA finalizes the ceiling and the retail Prices. Thus, the entire procedure of price fixation is available in the public domain which ensures transparency and accountability. All price notifications for the formulations by NPPA are available on NPPA's website i.e. [www.nppaindia.nic.in](http://www.nppaindia.nic.in).

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