

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3700#
TO BE ANSWERED ON 05th April, 2022

Increase in the prices of raw material of medicines

3700 # Ms. Indu Bala Goswami:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) whether Government is aware of the fact that the reckless increase in the prices of raw materials of medicines has made a huge impact on the pharmaceutical industry;
- (b) if so, the measures being taken by Government to control it, the details thereof;
- (c) whether due to the unexpected increase in the price of auxiliary components used in the manufacturing of medicine, the crisis of shortage of essential medicines in the country may also deepen; and
- (d) if so, the details thereof?

ANSWER

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

(a) & (b): As per provisions of Drugs (Prices Control) Order, 2013 (DPCO-2013), the National Pharmaceutical Pricing Authority (NPPA), an attached office of the Department of Pharmaceuticals fixes the ceiling price of all scheduled formulations appearing in National List of Essential Medicines (NLEM). All the manufacturers of these drugs are required to sell their product equal to or lower than the ceiling price. Further, NPPA monitors the prices of non-scheduled drugs so as to ensure that the increase in their Maximum Retail Price (MRP) is not more than 10% of what was prevalent during the preceding twelve months.

Representations from manufacturers of drugs are received from time to time by National Pharmaceutical Pricing Authority (NPPA) for upward revision of prices of the drugs on account of increase in raw material, transportation and other input costs, etc. These representations are examined and considered by NPPA after scrutiny. NPPA has invoked extraordinary powers in public interest under para 19 of the Drugs (Prices Control) Order, 2013 (DPCO, 2013) for upward revision of the ceiling prices of 30 scheduled formulations of 15 drugs by giving one time increase of 50% from the extant ceiling price in December 2019 and July 2021 respectively. Details of the revision of ceiling prices of drugs by NPPA are available on its website at www.nppaindia.nic.in.

(c) & (d): The manufacturers of scheduled formulations are required to submit quarterly returns of production/ import of scheduled formulations and their bulk drugs/active pharmaceutical ingredients to NPPA. Whenever shortage is reported by the State Drug Controllers or when the matter comes to the notice of NPPA, remedial steps are taken for ensuring availability of drug by impressing upon manufacturers to rush the stocks to the places of shortage.
