



# National Pharmaceutical Pricing Authority

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The **Parliamentary Standing Committee** has criticized the [National Pharmaceutical Pricing Authority \(NPPA\)](#) for allowing a **50% price increase on 11 essential drug formulations** in 2024.

- In 2024, NPPA **approved price hikes** for drugs including those used for treating **bacterial infections, asthma, and bipolar disorder** in line with the [Drugs Prices Control Order, 2013](#) guided by [CAMPH \(Committee on Affordable Medicines and Health Products\), NITI Aayog](#).

## What are the Key Observations & Recommendations of the Standing Committee on Drug Pricing?

- **Key Observations:**
  - **Concern Over Public Health Impact:** The **Standing Committee on Chemicals and Fertilizers** expressed serious concerns about the **potential negative effects of the price hikes** on **public health**, particularly in the context of **affordability and access to essential medicines**.
  - **Limited Justification:** The committee noted that the NPPA's justification of price hikes was based on the **increased cost of production, active pharmaceutical ingredients (APIs), and exchange rates**, but the impact on the affordability of medicines was not adequately considered.
  - **Regulatory Gaps in Cancer Drug Pricing:** The **Committee on Petitions (Rajya Sabha)** observed that while the number of **anti-cancer drugs** under price control in **NLEM 2022** increased from **40 to 63**, a large number of **oncology medicines** remain outside the **Drugs (Prices Control) Order, 2013**.
    - This lack of **statutory price regulation** has led to **high and often unaffordable cancer drug prices**, severely restricting patient access.
- **Key Recommendations:**
  - **Reconsider Price Hike Mechanism:** The committee recommended that the **NPPA re-evaluate** its decision-making process for price hikes, ensuring that price increases are **reasonable and affordable** for the public.
  - **Expand Price Control on Critical Drugs:** The committee urged the government to **broaden price control** regulations, particularly on **oncology drugs**, to make them **affordable** and accessible for the entire population.
  - **Ensure Transparency in Price Adjustments:** The committee emphasized that any future price hikes should be **transparent** and backed by **clear criteria** that prioritize **public welfare and patient accessibility**.
  - **Stronger Oversight on Non-Essential Drugs:** The panel recommended that **NPPA** should **strengthen oversight** on **non-essential drugs** and ensure that manufacturers are not able to increase **Maximum Retail Prices (MRPs)** by more than **10% annually** without justification.
  - **Regular Monitoring and Inclusion:** The committee suggested the **regular monitoring** of drug prices and urged the inclusion of a **wider range of medicines** under price control to ensure **affordable access** for the general public.

# What is the National Pharmaceutical Pricing Authority (NPPA)?

- **About:** NPPA is the **independent regulator for drug pricing** in India, ensuring availability and affordability of medicines.
  - It was constituted in **1997** under the **Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers**.
  - It balances **consumer affordability** with **industry growth**, supporting India's role as the **"Pharmacy of the World"**.
    - The **pharmaceutical industry** in India is valued at **USD 50 billion (2023-24)** & is projected to reach **USD 130 billion by 2030**.
- **Outreach & Transparency:** NPPA is expanding through **Price Monitoring and Research Units (PMRUs)** in 31 States/UTs and administers public platforms like **Pharma Sahi Dam** (medicine price information) and **Pharma Jan Samadhan** (grievance redressal).
  - **Integrated Pharmaceutical Database Management System 2.0 (IPDMS) digital system** strengthens **monitoring, transparency, and accountability** in the pharmaceutical sector.



## Pharma Sector Regulations in India

- [Central Drugs Standard Control Organization](#)
- [Drugs and Cosmetics Act, 1940](#)
- [Drugs and Magic Remedies \(Objectionable Advertisements\) Act, 1954](#)

- [National Medical Devices Policy, 2023](#) and the **Pharmaceutical Technology Upgradation Assistance Scheme**

**Read More:** [Revamping India's Pharmaceutical Landscape.](#)

**Drishti Mains Question:**

Essential drug pricing in India must strike a balance between affordability for patients and sustainability for the pharmaceutical industry. Discuss.

## **UPSC Civil Services Examination, Previous Year Question (PYQ)**

### **Prelims**

**Q. Which of the following are the reasons for the occurrence of multi-drug resistance in microbial pathogens in India? (2019)**

1. Genetic predisposition of some people
2. Taking incorrect doses of antibiotics to cure diseases
3. Using antibiotics in livestock farming
4. Multiple chronic diseases in some people

**Select the correct answer using the code given below.**

- (a) 1 and 2
- (b) 2 and 3 only
- (c) 1, 3 and 4
- (d) 2, 3 and 4

Ans: (b)

### **Mains:**

**Q. How is the Government of India protecting traditional knowledge of medicine from patenting by pharmaceutical companies? (2019)**