

# Business Standard

## More drugs may see price revisions as raw material costs, expenses rise

API prices have gone up by 25-30 per cent for some drugs in recent months

### Topics

Drug prices | Pharma industry | National Pharmaceutical Pricing Authority

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After anti coagulant drug Heparin, [pharma industry](#) is keen to have at least another 25-30 drugs be considered for an upward price revision as raw material prices and

other expenses have shot up in recent months. They include common drugs like paracetamol and some antibiotics and vitamins.

On Wednesday, the National Pharmaceutical Pricing Authority, the country's pricing regulator allowed a one time and temporary price increase of 50 per cent till December 31 this year for heparin injectable after hike in input costs and shortage of supplies from China hit the manufacturers. Heparin 5000iu/ml injection roughly costs around Rs 90-100 for a vial.

The industry had made several representations to the pricing regulator after prices of the active pharmaceutical ingredient (API) of heparin went up by over 200 per cent in the last two years. The current crisis has perhaps added to the woes as supplies from China have been disrupted.

Several pharma [companies](#) have also approached the NPPA to consider reviewing the price cap of other products which have seen significant price increase in recent months. "On an average for some products the API prices have shot up by 25-30 per cent. API roughly constitutes 35 per cent of the production cost," said Sudarshan Jain, secretary general of the Indian Pharmaceutical Alliance (IPA), the lobby group representing big drug firms in the country.

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Prices of APIs of common antibiotics like norfloxacin, ciprofloxacin etc have shot up. Besides this, [companies](#) claim their operational costs too have gone up in recent months due to the pandemic. "The transportation costs of employees to the plants has gone up by three times as we now need three buses instead of one to transport the workers. Inside the plant too the shifts are impacted as one has to take care of social distancing etc. This has increased our operational costs," said the manufacturing head of one Mumbai based company.

NPPA has the powers under para 19 of the Drug Price Control Order, 2013 to fix ceiling prices of any drug whether or not they fall under the National List of Essential Medicines (NLEM). It also allows the NPPA to increase or decrease the price of any drug irrespective of the annual wholesale price index (WPI) of the year.

Last December the NPPA used this power to increase the prices of 21 drugs by 50 per cent (TB drugs, vitamin C, antibiotics etc). That was the first time NPPA invoked para 19 to raise prices of drugs.

"The government does not wish to be seen as raising medicine prices during a pandemic. They understand the reason behind the representations and we have presented all data related to Chinese prices going up etc," said an industry insider.

### **[Read our full coverage on Drug prices](#)**

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