

up the matter in the interest of the consumers/patients as such promotional expenses being extended to doctors had direct implications on the pricing of drugs and its affordability. After discussing the issues with the Pharma Associations/ Industry, this Department has prepared a draft 'Uniform Code of Pharmaceutical Marketing Practices' (UCPMP) which is to be adopted voluntarily in the first instance. The UCPMP was put up on the Department's website www.pharmaceuticals.gov.in for inviting the comments from all the stakeholders. The comments received were examined and draft UCPMP has been prepared and circulated to the pharma association for their comments.

Over pricing of scheduled drugs

4695. SHRI UPENDRA KUSHWAHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether prices of scheduled drugs are not fixed by manufacturers as per the formula prescribed by Central Government and they charge excess amount from customers;

(b) if so, the action taken by Government in this regard;

(c) the steps taken to recover the excess amount charged by manufacturers of such pharmaceutical products; and

(d) the measures taken by NPPA to review all cases of prices of pharmaceutical products where 'Maximum Allowable Post Manufacturing Expenses (MAPE)' was required to be restricted to the prescribed cap?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs/formulations as per the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 1995). No one can sell any scheduled drug/formulation at a price higher than the price fixed by NPPA. A number of drug companies have been found selling medicines at a higher price to consumers. In such cases, NPPA initiates action of overcharging against the companies as per the provisions of the DPCO, 95.

(c) Based on detection of overcharging cases since its inception in August, 1997 and till April, 2012, NPPA has issued demand notices in 829 no. of cases involving an amount of Rs. 2462.28 crore (overcharging along with interest) for selling the medicines at a price higher than the prices fixed under DPCO, 1995. Of this, Rs. 231.78 crore has been realized till April, 2012 leaving a balance of Rs. 2230.50 crore to be realized. Out of this, an amount of Rs. 2142.73 crore is under litigation & pending in various courts, Rs. 19.56 crore is pending for recovery with Collectors of various States and the balance amount is under process.

(d) The prices of scheduled formulations are fixed/revised as per formula given under Para 7 of DPCO, 95. "MAPE" (Maximum Allowable Post Manufacturing Expenses) means all costs incurred by a manufacturer from the stage of ex-factory cost to retailing and includes trade margin and margin for the manufacturer and it shall not exceed one hundred per cent for indigenously manufactured scheduled formulations. While fixing the prices of indigenously manufactured scheduled formulations, MAPE is allowed at 100% by NPPA.

In the case of an imported formulation, the landed cost forms the basis for fixing its price along with such margin to cover selling and distribution expenses including interest and importer's profit which shall not exceed fifty percent of the landed cost. In respect of imported formulations for which equivalent domestic substitutes are available, 35% margin is allowed by the NPPA so long as the price remains at the existing level. In case of sudden/unreasonable/unprovocative/intentional increase in C.I.F. price, in order to hold on to existing price levels, margin will be suitably reduced to bring the price at parity with the existing price to ensure fair and reasonable price to consumer public.

Revival of IDPL

4696. SHRIMATI GUNDU SUDHARANI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Cabinet has approved the revival plan of IDPL in Andhra Pradesh;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the details of action plan prepared for reviving IDPL?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) Based on revival plan submitted by the Indian Drugs and Pharmaceuticals Limited (IDPL) on its revival including its Hyderabad Plant, a draft Cabinet Note has been prepared and is under consideration in the Department.

Extracting subsidy on bogus bills

†4697. SHRI NARESH AGRAWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

†Original notice of the question was received in Hindi.