

non-scheduled formulations exceeding 10% per annum, subject to prescribed conditions. In case a company increases the prices of non-scheduled formulations beyond 10%, the specific cases are taken up by NPPA with the respective companies for rolling back the increase within the limit of 10%. In case, a company does not comply with the instructions as above, NPPA initiates the process for capping the increase in the prices upto a ceiling of 10% by fixing the price of respective formulation pack/medicine.

NPPA, however, regularly examines the movement in prices of non-scheduled formulations. The monthly reports of IMS Health and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest.

A number of drug companies have been found to be selling scheduled medicines at a higher price to the consumers. In such cases NPPA initiates action for overcharging based on the report from State Drug Controllers (SDCs), complaints from individuals, verification of price list submitted by companies and *suo-moto* purchase of samples of scheduled packs. In case, a company is found selling the scheduled drugs/formulations at a price higher than the prices fixed by NPPA/Government, appropriate action is initiated against them by NPPA under para 13 of the DPCO, 1995 read with Essential Commodities Act, 1955 for recovery of the overcharged amount.

(c) and (d) A *suo-moto* study conducted by the Ministry of Corporate Affairs was forwarded to this Ministry by Union Minister of Corporate Affairs for consideration and ameliorative action. On examination NPPA has found that there is only one medicine containing scheduled drug *i.e.* Ciprofloxacin and other are non scheduled drugs on which NPPA has no power to control the launch price.

In respect of Ciprofloxacin NPPA had initiated action for over-charging against the formulators. However, the matter is *sub-judice* in High Court of Bombay.

Selling of drugs at higher prices

823. SHRIMATI RENUKA CHOWDHURY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether Government is aware that major Pharma Companies are selling most common drugs at about 10 times the cost;
- (b) if so, the details thereof;
- (c) the reasons for the exorbitant rates; and

(d) the corrective measures taken by Government to curtail such practice?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) The prices of 74 scheduled bulk drugs and the formulations containing any of those 74 scheduled drugs are controlled by NPPA under DPCO, 1995. The prices of formulations are fixed as per the formula given in paragraph 7 of DPCO, 1995 and a 'MAPE' (Maximum Allowable Post-manufacturing Expenses) not exceeding 100% of the ex-factory cost is allowed in the price of indigenously manufactured scheduled formulations to take care of the post-manufacturing expenses including profit margins of the manufacturers, wholesalers and retailers. In case of an imported formulation, a margin not exceeding 50% of the landed cost is allowed to cover selling and distribution expenses including interest and importers profit.

In respect of drugs not covered under the DPCO, 1995 *i.e.* non-scheduled drugs, manufactures fix the prices by themselves without seeking the approval of the Government/NPPA. NPPA has no control on the launch price of the non-scheduled formulations. NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of IMS Health and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest.

Based on monitoring of prices of non-scheduled formulations, NPPA has fixed prices in case of 30 formulation packs under para 10(b) and companies have reduced prices voluntarily in case of 65 formulation packs. Thus in all prices of 95 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.

A number of drug companies have been found to be selling scheduled medicines at a higher price to the consumers. In such cases NPPA initiates action for overcharging based on the report from State Drug Controllers (SDCs), complaints from individuals, verification of price list submitted by companies and *suo-moto* purchase of samples of scheduled packs. In case, a company is found selling the scheduled drugs/formulations at a price higher than the prices fixed by NPPA/Government, appropriate action is initiated against them by NPPA under para 13 of the DPCO, 1995 read with Essential Commodities Act, 1955 for recovery of the overcharged amount.

In order to ensure compliance of the notified ceiling price, NPPA calls for the control samples of the subsequent batches and the price list of the companies in respect of the formulations wherein the companies are found to have overcharged. To ensure that companies adhere to the prices fixed by NPPA, the State Drug Controllers are sensitized and asked to forward the cases relating to non-compliance of the notified price. As

a part of continuous market surveillance, NPPA also procures samples of various scheduled formulations to check the compliance of the notified ceiling price by the companies.

On the basis of the complaints registered by individuals/NGOs, reports received from the State Drug Controllers and the samples purchased by NPPA from different parts of the country, compliance of the prices fixed/notified by the NPPA is regularly monitored and ensured. Price list submitted by the company in Form-V is scrutinized for the purpose. In case a company is found selling any scheduled formulation at a price higher than that notified/approved by the NPPA/Government, action is taken against such company as per the provision of DPCO, 1995 for recovery of the overcharged amount.

Availability of fertilizers in domestic market

824. SHRI C.M. RAMESH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the political unrest prevailing in Syria and Libya severely affects the import of fertilizers from these two countries to meet the domestic demand of fertilizers; and

(b) if so, the steps taken by Government to ensure adequate supply of fertilizers in the domestic market?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Libya is an exporter of urea in a limited quantity. Syria is an exporter of rock phosphate, a raw material used for manufacture of Phosphatic fertilizers.

India has not imported any quantity of finished fertilizer from Libya since 2007-08. However, a small quantity of rock phosphate from Syria is being imported by India. Thus the political unrest prevailing in Syria and Libya does not affect the import of fertilizers and its raw material to meet the domestic requirement.

(b) In view of (a) above, the question does not arise.

Production of fertilizers

825. SHRI C.M. RAMESH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is sufficient production of fertilizers in the country to meet the local demand;

(b) if so, the details of production of all types of fertilizers in the country during the financial year 2011-12; and

(c) the reasons, if any, for importing fertilizers from foreign countries?