

- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has recently withdrawn the freight subsidy on fertilizers; and
- (d) if so, the details thereof and the steps being taken to check the increase in prices of fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) As far as MRP of urea is concerned, a proposal for formulation of pricing policy for existing urea units beyond Stage-III is under consideration of the Government. As regards other fertilizers *i.e.* P&K fertilizers, their MRP are fixed by the fertilizer companies under the Nutrient Based Subsidy (NBS) policy. Under the NBS policy, a fixed amount of subsidy decided on annual basis, is provided on the subsidized P&K fertilizers.

(c) No, Sir.

(d) The country is dependent on imports of P&K fertilizers either in the form of finished fertilizers or its raw materials, the delivered prices of P&K fertilizers are dependent on international prices of P&K fertilizers and its raw materials and exchange rate of Indian Rupees against US\$. Since the amount of subsidy is fixed, any increase/decrease in the prices of fertilizers and its raw materials in the international market have direct bearing on the MRPs of P&K fertilizers. The depreciation of Indian Rupees against US\$ has further added to increase in the prices of fertilizers. Though the MRPs of P&K fertilizers have increased, the farmers are still paying only 58% to 70% of the delivered cost of P&K fertilizers.

#### **Price violation by pharma companies**

807. SHRI AAYANUR MANJUNATHA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the details regarding mechanism for revising the prices of bulk drugs;
- (b) whether some pharmaceutical companies charge exorbitant prices of their drugs and formulations without any control/check;
- (c) if so, the steps taken to monitor the prices of drugs;
- (d) the number of cases detected by the drug regulator involving price violations during the last three years and the current year alongwith the action taken against the erring pharmaceutical companies; and
- (e) the measures taken to ensure availability of life saving drugs in sufficient quantity at the reasonable prices in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The prices of bulk drugs specified under

First Schedule of Drugs (Prices Control) Order, 1995 (DPCO, 1995), alongwith their salts/esters/derivatives/stereo-isomers manufactured indigenously are fixed/ revised from time to time under DPCO, 1995. As per provisions of Para 3 of DPCO, 1995, any manufacturer, who desires revision of the maximum sale price of a bulk drug fixed, is required to make an application to the National Pharmaceutical Pricing Authority (NPPA) in Form I of DPCO, 1995. Accordingly, prices of scheduled bulk drugs are fixed / revised after examination of the requisite data/information including verification of records through plant visits and by allowing a post tax return, as applicable under the said paragraph. The price of scheduled bulk drugs are also fixed/revised under Para 11 of DPCO, 1995 where any manufacturer of a bulk drug fails to submit an application for price fixation/revision, as the case may be.

(b) and (c) There are 74 bulk drugs specified under First Schedule of DPCO, 1995. The prices of these 74 bulk drugs and formulations thereof are fixed by the NPPA. No manufacturer can sell the scheduled formulation at a price higher than the price notified by the NPPA. In respect of drugs, not covered under the DPCO, 1995 *i.e.*, non-scheduled drugs, manufacturers fix the prices by themselves without seeking the approval of Government/NPPA.

As a part of price monitoring activity, NPPA regularly monitors the prices of formulations under DPCO, 1995. The monthly reports of ORG IMS and the information furnished by individual manufactures are utilized for the purpose of monitoring prices of non-scheduled formulations. Whenever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily falling 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. This is an ongoing process.

Based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 30 formulation packs under Para 10(b) and companies have reduced price 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.

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.

(d) During the last three years 2009-10, 2010-11, 2011-12 and the current year 2012-13 (upto July, 2012), there were 165 cases wherein fresh demand has been raised by NPPA in confirmed cases of overcharging as per year-wise breakup given below:—

Sl. No.	Year	Number of Cases where fresh Demand raised in confirmed cases of overcharging
1.	2009-10	80
2.	2010-11	44
3.	2011-12	27
4.	2012-13 (upto July, 2012)	14

(e) Life saving drugs is not defined in the DPCO, 1995. NPPA is, however, entrusted with the responsibility of monitoring the availability of drugs and to identify shortage, if any, and to take remedial steps to make the drugs available. NPPA is carrying out this responsibility mainly through monthly field reports from the State Drugs Controller and other available information. As and when the reports for shortage of particular drug(s), in any part of the country are received, the concerned company is asked to rush the stock and to make the drugs available. Generally shortage reported is brand specific. However, in most of the cases alternative brands are available. The Department of Pharmaceuticals has also launched 'Jan Aushadhi Campaign' with the objective of making available medicines at affordable prices for all. Under this campaign less priced quality unbranded generic medicines are made available through Jan Aushadhi Stores. The Jan Aushadhi Campaign has now been formalized as Generic Drug Scheme with the approval of Planning Commission. 122 Jan Aushadhi Stores have been opened in different States/UTs in the country as on 30.7.2012.

#### **Increase in price of urea**

808. SHRI P. RAJEEVE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the price of urea in 2009;
- (b) by what percentage had the price of urea increased in 2010 and 2011;
- (c) by what percentage has the price of urea increased in the current year;
- (d) the quantity of urea imported from 2009 till the present, year-wise; and
- (e) the steps being taken to ensure adequate indigenous production of urea?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The MRP of urea in 2009 was Rs. 4830/- per tonne, exclusive of CST, Sales Tax and Central Excise Duty.

(b) and (c) The MRP of urea was increased to Rs. 5310/- per tonne *w.e.f.* 1st April, 2010 *i.e.* by ten per cent, exclusive of CST, Sales Tax and Central Excise Duty, the