(c) whether Government has taken concrete steps to supply DAP and Urea to Madhya Pradesh as per its demand and on time?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (b) The demand and allocation (Availability) of Urea and DAP in Madhya Pradesh during last three years *i.e.* 2009-10, 2010-11 and 2011-12 are as under:–

(Figures in LMT)

Year	Urea		DAP	
	Demand	Allocation (Availability)	Demand	Allocation (Availability)
2009-10	15.25	16.00	8.50	9.52
2010-11	16.75	17.05	10.00	10.94
2011-12	17.50	18.16	10.95	11.89

(c) It is observed from the table above that the allocation/availability is over and above the requirement of last three years.

Selling of common drugs at higher prices

2210. SHRI N.K. SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is aware that leading pharmaceutical companies sell commonly used drugs at 10 times the cost of production;

(b) whether Government intends to take stringent action against such companies; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) The prices of 74 scheduled bulk drugs and the formulations containing any of those 74 scheduled drugs are controlled by National Pharmaceutical Pricing Authority (NPPA) under Drugs (Prices Control) Order, 1995 (DPCO, 95). 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, 95 *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, 95 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 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.

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, 95 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, 95 for recovery of the overcharged amount.