

[20 August, 2004]

RAJYA SABHA

are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95). The trade margin to retailers in respect of Scheduled formulations is fixed at 16%. Prices of non-Scheduled medicines are fixed by the manufacturers themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

### **Printing prices of life-saving drugs**

†1809. SHRIMATI SAVITA SHARDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government propose to print the prices of life saving drugs on their packing along with sales tax so that common people may not face any difficulty regarding the prices;

(b) if so, the details thereof; and

(c) by when, the final decision is likely to be taken in this regard?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (c) The Drugs (Prices Control) Order, 1995 (DPCO 95) does not distinguish between drugs as life saving and others. Under the provisions of the DPCO 95, prices of both Scheduled and non-Scheduled formulations are printed as "retail price not to exceed.....local taxes extra". Representations have been received from time to time that the provisions of the DPCO 95 should be amended for printing the retail prices of all medicines inclusive of all taxes. Various options are being considered for solving the problem, however, due to difference in types and rates of local taxes of states/local authorities, no proper solution has been found so far.

### **Norms for monitoring prices of drugs**

1810. SHRI DHARM PAL SABHARWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that policy decision for altering the norms of

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† Original notice of the question was received in Hindi.

value ceiling for monitoring the prices of medicines in the country has been taken without the approval of the Minister;

- (b) the details of medicines that have a total sale of Rs. 1 crore per year;
- (c) whether it is a fact that ORG does not monitor sales of generic drugs;
- and
- (d) if so, the reaction of Government thereto?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (d) The Government, vide a resolution dated 29.8.1997, have constituted the National Pharmaceutical Pricing Authority (NPPA), an independent body of experts with powers, *inter-alia*, to fix prices and notify the changes therein if any, of bulk drugs and formulations, from time to time under the Drugs (Prices Control) Order, 1995 (DPCO, 1995). According to the resolution, the NPPA shall have the power to regulate its own procedure for performing the functions entrusted to it. The procedures and systems for monitoring of the prices of non-Scheduled formulations have been decided in the Authority from time to time. These guidelines are uniformly followed for monitoring the whole Pharma market as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. Quite a few generic products are covered in the monthly audit.

#### **Loss in Madras Fertilizers Limited**

†1811. SHRI RAM JETHMALANI:  
SHRI RAJ MOHINDER SINGH:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that Madras Fertilizers Limited has begun incurring loss since last year;
- (b) if so, the loss incurred by this company till June, 2004;
- (c) whether Government have ascertained the causes of the loss; and

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