

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2856
ANSWERED ON:17.08.2004
PRICE CONTROL ON IMPORTED FORMULATIONS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government control the price on imported formulation also;
- (b) if so, the policy of the Government and the products that have been granted price approval for imported formulation;
- (c) whether some drug companies especially Ely Lilly, Nicholas, Sun has flouted the DPCO fully in case of finished formulation prices;
- (d) if so, the details thereof;
- (e) whether these cases have been referred to CBI for further probe; and
- (f) if so, the outcome thereof alongwith the action taken against the defaulter companies so far?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b) : Prices of Scheduled imported formulations are fixed as per para 7 of the Drugs (Prices Control) Order, 1995, by the National Pharmaceutical Pricing Authority (NPPA). Para 7 provides that the landed cost shall form the basis for fixing its price alongwith such margin to cover selling and distribution expenses including interest and importer's profit which shall not exceed fifty percent of the landed cost. Importers of non-Scheduled formulations fix their price on their own as per cost of import and prevailing market competition etc. NPPA regularly examines the movement in prices of non-Scheduled formulations (including imported formulations) on the basis of information available to it from various sources.

(c) to (f): No case of flouting Drugs (Prices Control)) Order, 1995 provisions/price violation in case of Imported finished formulation prices has come to the notice of NPPA in respect of M/s. Ely Lilly, M/s. Nicholas and M/s. Sun.