

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

STARRED QUESTION NO:48
ANSWERED ON:22.11.2000
CBI UNEARTH'S DRUG RACKET
RADHA MOHAN SINGH;RAMSHETH THAKUR

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the Government are aware that CBI has recently unearthed a scam in the purchase of medicines at higher rates by CGHS authorities in collusion with the drug/medicines suppliers as reported in the 'Danik Jagaran', dated November 3, 2000;
- (b) if so, the details thereof; and
- (c) the action taken/proposed to be taken by the Government against guilty persons?

Answer

MINISTER OF HEALTH AND FAMILY WELFARE (DR. C.P. THAKUR)

- (a) Yes, Sir.
- (b) The details of the cases are available in the statement laid on the table of the Lok Sabha.
- (c) As and when the CBI submits the final report, Government will take further necessary action.

STATEMENT REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA STARRED QUESTION NO. 48 TO BE ANSWERED ON 22.11.2000

CENTRAL BUREAU OF INVESTIGATION

Anti Corruption Branch, New Delhi

Sub: Lok Sabha Admitted Starred Question No. 48 relating to investigation process of CBI Unearths Drug Racket.

1. RC-63(A)/2000-DLI dt. 31.10.2000 u/s 120B, r/w Sec 420, IPC and Sec 13(2) r/w 13(1)(d) of PC Act, 1988 has been registered against Sh. Saranjit Deb, the then CMO, S.S. Khatri, the then Pharmacist, Gole Market Dispensary (CGHS) and M/s Oberoi Medic & General Store, Channa Market, Karol Bagh, New Delhi on the allegation that they entered into a criminal conspiracy with the object to cheat and cause undue pecuniary advantage to themselves and the firm in the matter of local purchase of medicines by abusing their official positions as public servants.

In pursuance of the said conspiracy M/s Oberoi Medical & Medical & General Store raised bills against the supply of medicines to CGHS Dispensary, Gole Market New Delhi by inflating the bills, showing excess amount of rates of items than their actual market rates and also charging excess rates of sale tax/local levies. These inflated bills were passed and payment made to the supplier.

2. RC-64(A)/2000-DLI dt. 31.10.2000 u/s 120B, r/w Sec 420, IPC and Sec. 13(2) r/w 13(1)(d) of PC Act, 1988 has been registered against Dr. P.C. Prasad, the then I/C CGHS Dispensary, Sh. Karan Singh, Pharmacist, Chitra Gupta Road, Dr.(Mrs.) Usha Chawla the I/C CGHS Dispensary, Sh. Arun Kumar Sharma, Pharmacist, Minto Road, Dr. (Mrs.) B.C. Thamboli, the then I/C CGH Dispensary, Sh. B.S. Barwa, the then Pharmacist, President Estate & M/s. Rishabh Enterprises, Paharganj, New Delhi on the allegation that they entered into a criminal conspiracy with the object to cheat CGHS administration, and to cause undue pecuniary advantage to themselves and the firm in the matter of local purchase of medicines by abusing their official position as public servants.

In pursuance of the said conspiracy, M/s Rishabh Enterprises raised highly inflated bills against the supply of medicines to CGHS dispensaries at Chitra Gupta Road, Minto Road and Presidents Estate, New Delhi, showing excess amount of rates of items than their actual rates and also by charging excess rates of sales tax/local tax etc. Respective Medical Officers incharge and Pharmacists, named above posted at Chitra Gupta Road, Minto Road, President Estate dispensaries during the relevant period, instead of rejecting such bills, recommended the same for payment causing large wrongful loss to the CGHS dispensary's administration and corresponding gain to M/s Rishabh Enterprises and/or to themselves.

Both the cases are under investigation.