

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

UNSTARRED QUESTION NO:1718
ANSWERED ON:23.08.2007
OVERCHARGING NOTICES BY NPPA
Saradgi Shri Iqbal Ahmed

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

- (a) whether National Pharmaceutical Pricing Authority (NPPA) has sent overcharging notices to various drug companies;
- (b) if so, the details thereof; company-wise indicating the liability and the drugs;
- (c) the total recovery effected so far;
- (d) whether the companies have reduced the prices after issue of notices to them;
- (e) if so, the details thereof;
- (f) the steps taken/proposed to be taken by the Government against the companies which have not yet reduced the prices;
- (g) whether cases have been filed in the courts by some companies;
- (h) if so, the details thereof; and
- (i) the present status of the court cases?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to
(i): National Pharmaceutical Pricing Authority (NPPA) regularly takes action against pharma companies who do not implement the prices fixed/notified by NPPA under the provisions of Drugs (Prices Control) Order, 1995 (DPCO,95) and this is a continuous and ongoing process. Since, inception in Aug' 1997, NPPA has raised a total demand of Rs.1427.37 crores for recovery towards overcharged amount in 425 cases, under the provisions of DPCO' 1995 read with Essential Commodities Act' 1955. NPPA has recovered Rs.100.43 crores (upto 31.7.07) from the defaulting companies. NPPA continues to take appropriate action regularly for recovery of the overcharged amount.

The major amount is under litigation and recovery of the same depends upon the outcome of the Court cases. Since inception of NPPA (August,1997) till date, NPPA is handling/dealing 75 court cases filed by Pharma Companies against NPPA/Union of India in various parts of the country with respect to recovery of overcharged amount. An estimated overcharged amount of Rs.1333.85 crores is being contested by the said Pharma units against which NPPA has recovered Rs.81.14 crores (upto 31.7.2007). NPPA continues to take regular and appropriate action for recovery of overcharged amount. In some cases, recovery is affected, due to orders from the courts such as the Hon'ble High Courts and Hon'ble Supreme Court of India.