

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

STARRED QUESTION NO:88  
ANSWERED ON:07.12.2004  
OVERCHARGING OF DRUG PRICES  
Pathak Shri Brajesh;Sidhu Shri Navjot Singh

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

- (a) whether the Union Government is contemplating to restrict the profits of pharma companies keeping in view the need of the common man;
- (b) if so, the details thereof;
- (c) whether the Government has appointed any Committee to restrict the profit margin on non-Schedule formulation also;
- (d) if so, the details thereof;
- (e) the time by which the committee is likely to submit its report;
- (f) the details of such companies that have come to the notice of National Pharmaceutical Pricing Authority (NPPA) for overcharging the cost of drugs during each of the last three years and thereafter;
- (g) the action taken in each case including the recovery of overcharged amount during the said period;
- (h) whether the Government proposes to amend the Drug Price Control Order,1995; and
- (i) if so, the details thereof?

**Answer**

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

(a) to (i) : A Statement is laid on the Table of the House.

STATEMENTS REFERRED TO IN REPLY TO PARTS (a) TO (i) OF THE LOK SABHA STARRED QUESTION NO.88 (8th position) FOR ANSWER ON 7-12-2004 REGARDING 'OVERCHARGING OF DRUG PRICES'

(a) to (e): A Committee under the Chairmanship of the Joint Secretary (Pharmaceuticals) has been constituted to examine the span of price control (including trade margin) in the light of the National Common Minimum Programme and the observations of the Supreme Court in Special Leave Petition (SLP) No. (C) 3668/2003 and to suggest measures for fulfilling the objective of the National Common Minimum Programme to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted its interim report to the Government.

(f) & (g): Since the inception of the National Pharmaceutical Pricing Authority (NPPA) in August 1997 upto November, 2004, a demand of Rs.593 crores has been raised in 246 cases. Of these, roughly 67% i.e., in 165 cases, companies have fully or partly paid the amounts due. Approximately, Rs. 80 crores has been recovered so far.

(h) & (i): At present no decision has been taken to amend the Drugs (Prices Control) Order, 1995.