

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

UNSTARRED QUESTION NO:2968
ANSWERED ON:20.03.2008
OVERCHARGING ON THE PRICES OF MEDICINES
Hasan Chaudhary Munawwar

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

- (a) whether a large number of cases are pending before various courts in regard to overcharging of prices on medicines;
- (b) if so, the details of all the cases;
- (c) whether the National Pharmaceutical Pricing Authority (NPPA) has sent overcharging Notices to Cipla, Zydus Cadila, Ranbaxy, Lupin and Glaxo;
- (d) if so, the details thereof alongwith the names of drugs; and
- (e) the total recovery made out of Rs.193 crores?

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 (e) : Since the inception of National Pharmaceutical Pricing Authority (NPPA) in August 1997, NPPA has raised a total demand of Rs. 1546.28 crores (up to 15.02.08) for recovery towards overcharged amount in 511 cases, under the provisions of Drugs (Prices Control) Order, 1995 (DPCO, 1995) read with Essential Commodities Act, 1955. NPPA has recovered Rs.104.30 crores so far (upto 15.02.08) from defaulting companies. NPPA continues to take appropriate action regularly for recovery of the overcharged amount. In some cases the recovery is affected, due to orders from the Hon'ble High Courts and Hon'ble Supreme Court of India and cases presently sub-judice in Courts. Out of Rs.1441.98 crores pending recovery as on 15.02.08, Rs.1252.71 crores are under litigation.

STATEMENT

F. No. 1/6/08 -PI.I GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (PI-1 Desk)

Subject: Lok Sabha USQ. No. 2968 for answer on 20.3.2008 regarding OVERCHARGING ON THE PRICES OF MEDICINES

This relates to Lok Sabha USQ. No. 2968 for answer on 20.3.2008 regarding OVERCHARGING ON THE PRICES OF MEDICINES asked by CH. MUNAWAR HASSAN. The question seeks information as to whether a large number of cases are pending before various courts in regard to overcharging of prices on medicines, if so, the details of all the cases, whether the National Pharmaceutical Pricing Authority (NPPA) has sent overcharging Notices to Cipla, Zydus Cadila, Ranbaxy, Lupin and Glaxo; if so, the details thereof alongwith the names of drugs; and the total recovery made out of Rs.193 crores.

Information received from the NPPA with reference to Lok Sabha Starred Question No. 212 answered on 13.3.2008 may please be seen at page 3/c. With reference to this Question reply is awaited. Based on available information a draft reply to parts (a) to (e) of the question has been attempted and submitted for kind consideration / approval of Hon'ble Minister of State (C&F&PA).

(J.S. SIDHU) UNDER SECRETARY (PI) 17-3-2008 DEPUTY SECRETARY (PI)