

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

STARRED QUESTION NO:74
ANSWERED ON:19.02.2009
OVERCHARGING BY PHARMACEUTICAL COMPANIES
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

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

- (a) whether the cases of overcharging are pending against various pharmaceutical companies in the country;
- (b) if so, the details thereof;
- (c) whether the Government has taken any action against such companies so far;
- (d) if so, the details in this regard, company-wise;
- (e) the details of overcharged amount so far recovered by the Government from each of such companies during 2007-08 and 2008-09; and
- (f) the steps taken by the Government to check recurrence of such activities by the pharmaceutical companies in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS P ASWAN)

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

STATEMENT REFERRED IN REPLY TO PARTS (a) to (f) OF THE LOK SABHA STARRED QUESTION NO.74 FOR ANSWER ON 19.02.2009 REGARDING OVERCHARGING BY PHARMACEUTICALS COMPANIES

(a): Yes, Sir.

(b): Since the inception of NPPA in August 1997 and till 31st January 2009, NPPA have issued demand notices in 614 cases for overcharging to the companies for recovery of an amount of Rs.1954.53 crore. So far, Rs. 140.87 crore has been realized. Recoveries amounting to Rs.1773.91 crore are sub-judice in various Courts. The major amount is under litigation and the recovery of the same depends upon the outcome of the Court cases.

(c): Yes, Sir.

(d): Since the inception of NPPA in August 1997 and till 31st January 2009, NPPA have issued demand notices in all 614 cases for overcharging to the companies for recovery of an amount of Rs.1954.53 crore. NPPA has also referred 39 cases (Annexure-I) to District Collectors in various states for recovery of overcharged amount as arrears of land revenue for an amount of Rs.110.22 Crores.

(e): The NPPA has recovered an overcharged amount of Rs.4.51 Crores in 137 cases in 2007-08 and Rs.36.23 Crores in 140 cases in 2008-09 (Till Jan.,2009).

(f): In order to ensure compliance of the notified price, NPPA calls for the control samples of the subsequent batches and the price list of the companies in respect of the formulations wherever the companies are found to be overcharging. The NPPA also initiates action for overcharging based on complaints from State Drug Controllers, verification of Price lists submitted by the companies and suo-moto procurement of samples of scheduled packs.