

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

UNSTARRED QUESTION NO:1825  
ANSWERED ON:19.11.2010  
PROCUREMENT OF DRUGS  
Hussain Shri Syed Shahnawaz

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

- (a) whether the Union Government purchases medicines through open tender from the lowest bidder (L-1) for its hospitals and the CGHS dispensaries;
- (b) if so, whether the Government proposes to make changes in the acquisition system of medicines so that best quality medicines can be provided to the people;
- (c) if so, the details thereof;
- (d) the quantity of the medicines procured by CGHS and other hospitals of the Central Government during the last three years and the current year, so far;
- (e) the details of the sources from where such medicines have been procured; and
- (f) the details of the companies which have been blacklisted during the said period for supplying inferior quality/spurious medicines?

**Answer**

THE MINISTER OF HEALTH & FAMILY WELFARE (SHRI GHULAM NABI AZAD)

- (a) to (c): In so far as the Central Government Hospitals located in Delhi, namely, Dr. RML Hospital, Safdarjung Hospital and LHMC & Associated Hospitals are concerned, the essential medicines/drugs are procured through Government Medical Stores Depot (MSD) according to formulary and through tendering process by the hospitals for the drugs which are not supplied by MSD. The CGHS purchases generic and proprietary drugs on Medical Store Organisation (MSO) approved rates. The MSO approves L-1 rates for generic drugs after inviting open tender.
- (d) During 2007-08, 2008-09, 2009-10 and 2010-11 (as on middle of November), quantity of medicines worth 1157.45 crore has been procured by the hospitals mentioned above and CGHS.
- (e): In CGHS, the drugs in bulk are procured from manufactures through their authorised distributors and local purchase of drugs is made from authorised chemists.
- (f): No company has been blacklisted by CGHS or Hospitals mentioned above, for supplying inferior quality/spurious medicines.