

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

UNSTARRED QUESTION NO:1988  
ANSWERED ON:11.08.2011  
RECOVERY AGAINST EXCESS PRICES ON MEDICINES  
Singh Dr. Raghuvansh Prasad

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

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) has issued notices to the pharmaceutical companies for recovery of ` 2328 crores against excess prices on medicines which are under price control law;
- (b) if so, the status of recovery of the above amounts; and
- (c) the steps being taken by the Government to stop this practice of pharmaceutical companies to safeguard the interests of consumers?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) National Pharmaceutical Pricing Authority (NPPA) since its inception in August, 1997 till 31st July, 2011, based on detection of overcharging cases, has issued demand notices in 812 cases involving an amount of Rs.2357.24 Crore (overcharging along with interest) for selling the medicines at a price higher than the prices fixed under Drugs (Prices Control) Order, 1995 (DPCO 1995).

(b) Out of total amount of Rs.2357.24 crore an amount of Rs. 211.25 crore has been realized till 31st July 2011. Out of remaining amount of Rs. 2145.99 crore, cases pertaining to an amount of Rs. 1936.14 crore are under litigation & are pending in various courts and Rs. 33.71 crore is pending for recovery with collectors of various States. Cases for Rs. 176.14 crore are being pursued with the concerned Pharma Companies.

(c) A number of drug companies have been found to be selling medicines at a higher price to consumers. In such cases, NPPA initiates action of overcharging against the companies as per the provisions of the DPCO' 1995 and the Essential Commodities Act, 1955. In order to ensure compliance of the notified ceiling price,

NPPA calls for the control samples of the subsequent batches and the price list of the companies in respect of the formulations where the companies were found to have overcharged. NPPA also on continuous basis verifies the price lists submitted by the companies and undertakes market surveillance by suo-moto procurement of samples of scheduled formulation packs to see that there is no violation of the prices fixed and revised by NPPA.