

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

UNSTARRED QUESTION NO:4213
ANSWERED ON:06.09.2012
PUNITIVE ACTION AGAINST PERSONS
Laguri Shri Yashbant Narayan Singh;Singh Rajkumari Ratna

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

- (a) whether the Government has taken punitive action against any person charged with over charging in respect of 24 controlled price medicines, during the last three years;
- (b) if so, the persons/firm-wise details thereof and the manner in which the said accused persons/firms have been punished in the matter; and
- (c) if not, the reasons therefor?

Answer

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

(a) to (c): National Pharmaceutical Pricing Authority (NPPA) fixes the prices of scheduled medicines containing any of 74 Bulk Drugs listed in the Drugs (Prices Control) Order, 1995 (DPCO` 1995). No one can sell any scheduled drug/formulation at a price higher than the price fixed by the NPPA. A number of drug companies have been found to be selling medicines at a higher price to consumers. In such cases, NPPA initiates action for overcharging based on the report received from State Drug Controllers (SDCs), complaints from individuals, verification of price list submitted by companies and suo-moto purchase of samples of scheduled packs. In case, a company is found selling the scheduled drugs / formulations at a price higher than the prices fixed by NPPA/Govt, appropriate action is initiated against them by NPPA under para 13 of the DPCO`1995 read with Essential Commodities Act, 1955 for recovery of the overcharged amount.

Whenever any Prima-facie overcharging case comes to the notice of NPPA, NPPA initiates action by issuing Preliminary Notices to the Pharma companies seeking requisite information / details from them to examine the matter further and in confirmed cases of overcharging, demand notices are issued to the defaulting Pharma companies for depositing the overcharged amount with the Government.

During the last three financial years 2009-10, 2010-11 & 2011-12 there were 151 cases where fresh demand has been raised by NPPA in confirmed cases of overcharging as per year wise breakup given below:

S.No. Year Number of Cases where fresh
Demand raised in confirmed
cases of overcharging

1. 2009-10 80

2. 2010-11 44

3. 2011-12 27

The detail of above cases are being collected.