

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

UNSTARRED QUESTION NO:4338
ANSWERED ON:06.09.2012
SETTING UP OF STATE LEVEL CELLS BY NPPA
Botcha Lakshmi Smt. Jhansi;Karwariya Shri Kapil Muni

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

- (a) whether the National Pharmaceutical Pricing Authority (NPPA) proposes to strengthen its enforcement activities and has sought the approval of the Planning Commission for setting up State level cells to keep a close tab over drug prices across the country?
- (b) if so, the details thereof;
- (c) whether cases of overcharging of medicines have been detected in duty free zones;
- (d) if so, the details thereof; and
- (e) the steps taken by the government to check overcharging of medicines?

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 (b):With a view to strengthen the enforcement/ monitoring system with the help of State Drug Control Administration to Build consumer awareness about pricing and availability, Creation of NPPA ceils in States and Scheme for interaction with States National Pharmaceutical Pricing Authority (NPPA) had submitted Plan Schemes for the 12th Five Year Plan 2012 to 2017 to the Planning Commission proposed at 49.00 crores..

(c) &(d) :No separate state-wise/duty free zone wise records are maintained by NPPA in this regard as a company may be located in a particular territory say Delhi or Mumbai but it may have manufacturing units located in different States. Therefore, NPPA would not know the overcharged amount for a product which has been manufactured in a unit located in excise exempted zone.

(e): NPPA initiates action for overcharging based on the report 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`95 read with Essential Commodities Act, 1955 for recovery of the overcharged amount.

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 wherein the companies are found to have overcharged. To ensure that companies adhere to the prices fixed by NPPA, the State Drug Controllers are sensitized and asked to forward the cases relating to non-compliance of the notified price. As a part of continuous market surveillance, NPPA also procures samples of various scheduled formulations to check the compliance of the notified ceiling price by the companies.

On the basis of the complaints registered by individuals / NGOs, reports received from the State Drug Controllers and the samples purchased by NPPA from different parts of the country, compliance of the prices fixed / notified by the NPPA is regularly monitored and ensured. Price list submitted by the company in Form V is scrutinized for the purpose. In case a company is found selling any scheduled formulation at a price higher than that notified / approved by the NPPA / Government, action is taken against such company as per the provision of DPCO.95 for recovery of the overcharged amount.