

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

UNSTARRED QUESTION NO:973

ANSWERED ON:29.11.2012

VIOLATION BY PHARMACEUTICAL COMPANIES

Azad Shri Kirti (Jha)

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

(a) the number of cases busted regarding violation of prices by drug regulator during the last three years and the current year and the action taken against the defaulting pharmaceutical companies; and

(b) the measures taken to ensure availability of life saving drugs in the country in proper quantity and reasonable prices?

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): Whenever any prima-facie overcharging case comes to the notice of National Pharmaceutical Pricing Authority (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 and the current year 2012-13 (upto October,2012) there were 189 cases where fresh demand has been raised by NPPA in confirmed cases of overcharging as per year wise break up given below:

S.No.	Year	Number of cases where fresh Demand raised in confirmed cases of overcharging
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1	2009-10	80
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2	2010-11	44
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3	2011-12	26
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4	2012-13 (upto October , 2012)	39
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(b): Life Saving Drugs are not defined in DPCO.1995. NPPA, as an ongoing & regular exercise monitors the availability (shortage) of drugs in the country through Drugs Control Administration of State Governments. Whenever shortage is reported by the State Drug Controllers or comes to its notice otherwise, NPPA takes remedial steps for ensuring availability of drugs by impressing upon manufacturers to rush the stocks to the places of shortage. The shortages reported are the brand specific and in most cases equivalent substitutes are available in the market.

Apart from purchase of samples by the officers of NPPA from different parts of the country, complaints by individuals / NGOs and report from the State Drug Controllers are utilized to ensure compliance of the prices fixed / notified by the NPPA / Government. Price list submitted by the companies in Form V are scrutinized for the purpose. In case a company is found selling any scheduled formulation at a price higher than notified / approved by the NPPA / Government, action is taken against such company as per the provision of DPCO.1995 for recovery of the overcharged amount.

The Drug Policy as amended from time to time also envisages making available quality medicines to the masses at a reasonable price.

Further, the Department of Pharmaceuticals has launched `Jan Aushadhi Campaign¹ with the objective of making available

medicines at affordable prices for all. Under this campaign less priced quality unbranded generic medicines are made available through Jan Aushadhi Stores. 145 Jan Aushadhi Stores have been opened in different States/UTs in the country as on 31.10.2012.