

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

UNSTARRED QUESTION NO:4446  
ANSWERED ON:20.12.2012  
ISSUANCE OF NOTICES BY NPPA  
Joshi Shri Mahesh

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

- (a) whether the officers of National Pharmaceutical Pricing Authority (NPPA) have been freely indulging in issuance of notices which were not permissible to earn money from the companies;
- (b) if so, whether several notices which were issued were not converted into liability notices for considerations and the files even been destroyed;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government conducted/ proposes to conduct any investigation into the matter;
- (e) if so, the details thereof; and
- (f) the action taken/proposed to be taken by the Government against the guilty officials?

**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): No, Sir. National Pharmaceutical Pricing Authority (NPPA) has issued notices for overcharging as and when price violation cases have come to notice based on the reports received from State Drug Controllers or samples randomly purchased from market or complaints received from NGOs / individuals with requisite product details and photo copy of the carton / label of the product etc. The issue of preliminary notice does not mean that the company is liable to deposit the overcharged amount. The notices issued by NPPA for overcharging based on inputs received from different sources are vehemently opposed and contested by the pharmaceutical companies on several grounds, like, the composition of their product being different and no price has been fixed for their product or the ceiling price notified by NPPA is not as per the provisions of Drugs (Prices Control) Order, 1995 (DPCO,95) or the SSI units are exempted from price control and not required to take approval of price from NPPA or the formulation has been manufactured before date of issue of the price notification etc. Each case requires thorough examination involving various technical issues to prove the contentions / arguments of the companies wrong and establish overcharging. The submissions made by the companies in response to the notices are critically examined. Sometimes personal hearings are also given to the companies on request. It is only after the overcharging is established; the `demand notice` is issued directing the company to deposit the overcharged amount including interest.

Since inception of NPPA in 1997 till October, 2012, there are 885 cases where demand has been raised and the details of those cases have been made available on NPPA`s website for general information of the public.

(d) to (f): There is no such proposal.