

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

UNSTARRED QUESTION NO:3263
ANSWERED ON:13.12.2012
SALE OF DRUGS AT HIGHER PRICES
Sayeed Muhammed Hamdulla A. B.

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

- (a) whether many pharmaceutical companies have been selling drugs whose prices are controlled under the Government's Drug Price Control Order at higher than stipulated prices;
- (b) if so, the details thereof and the action taken against these companies for violation of these orders;
- (c) whether there is any proposal to amend the rules to avoid such cases in future; and
- (d) if so, the details thereof?

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) Yes Sir. There are a number of cases where pharmaceutical companies have been found to be selling some of their medicines to the consumers at a price higher than the price notified by the National Pharmaceutical Pricing Authority (NPPA).
- (b) In confirmed cases of overcharging, the excess amount charged by selling medicines at higher price than the price fixed by NPPA including interest there on is recovered from the pharmaceutical companies under paragraph 13 of the Drugs (Prices Control) Order, 1995 (DPCO, 1995). Since inception, there are 885 cases as on 31.10.2012 where demand notices have been issued by NPPA to the pharmaceutical companies for recovery of Rs.2577.28 Crore towards overcharging including interest out of which, Rs.232.52 Crore has been realized, Rs.2260.80 Crore is under litigation and pending in various courts, Rs.16.26 Crore is pending for recovery with Collectors of various States and the balance amount of Rs.67.70 Crore is under process.
- (c) & (d): The National Pharmaceutical Pricing Policy (NPPP-2012) approved by the Cabinet on 22.11.2012 has been notified on 7.12.2012. Based on the same a new Drug Price Control Order shall be prepared/notified.