

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4432
ANSWERED ON:22.04.2013
IRREGULARITIES IN PROCUREMENT OF MEDICINES
Shekhar Shri Neeraj;Singh Shri Yashvir

Will the Minister of DEFENCE be pleased to state:

- (a) whether serious irregularities have been reported in procurements of medicines in army hospitals during 2006-07 to 2010-11;
- (b) if so, the details thereof;
- (c) whether medicines were procured from market at higher rates in army hospitals;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether the Government has inquired into the matter and has fixed responsibility in this regard;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) & (b): The Comptroller & Auditor General (C&AG) of India in their Report No.18 of 2012-13 (Performance Audit) have made recommendations to improve the functioning of the Armed Forces hospitals.

(c) to (g): The local procurement of medicines from market is made under Director General Local Purchase (DGLP) and Ex-Servicemen Contributory Health Scheme (ECHS) Funds. These funds are allocated to Armed Forces hospitals for procurement of essential medicines locally, which is done by them in accordance with the Government instructions and guidelines, at rates lower than the Maximum Retail Price (MRP). The rates of procurement of medicines by different Armed Forces hospitals vary due to factors like quantum of medicines, branded versus generic formulations, State Government taxation structures, cost of logistics and transportation etc.