

# Pharma dues not collected

## Leading companies owe the government almost Rs 2,500 crore

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**NEW DELHI:** In the last 15 years, the Centre could recover only one-tenth of the Rs 2,500 crore dues from leading pharmaceutical companies, which sold some medicines at prices higher than the ceiling fixed by the government.

The biggest defaulter is Cipla, which owes almost Rs 1,700 crore to the government. Other biggies in the list include Ranbaxy (about Rs 650 crore), Okasa Pharmaceutical (Rs 90 crore) and Cadilla (Rs 56 crore). As the central government

fixes the prices of 74 drugs, it has the power to recover the excess amount charged from the manufacturer, importer or distributor. The money is kept in a fund meant for benefiting the consumers and creating awareness.

Since the inception of National Pharmaceutical Pricing Authority in August 1997, till November 2012, 902 notices involving Rs 2,577 crore were sent to drug companies, out of which only Rs 234 crore was recovered and that too after court orders in many cases. Recovery of Rs 2,267.75 crore was under litigation, the



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department of chemicals and fertilisers that governs the NPPA informed the Parliamentary Standing Committee on chemicals and fertiliser, which tabled its report on Monday.

Since district collectors are authorised to recover the money from pharmaceutical firms, 84 cases were referred to the collectors, out of which 30 are under litigation and 47 cases are pending for recovery. Only in seven cases, recovery has been made.

Litigation arise when pharmaceutical companies challenge the price fixed by the government. Inclusion of bulk

drugs under price control was also challenged.

Dismissing a previous health ministry survey, which found only 0.046 per cent drugs spurious, the House panel said such random surveys were not sufficient to monitor the extent and check the menace of spurious drugs.

It asked the department of pharmaceuticals and health ministry to conduct regular survey and random checks in different parts of the country and ensure stringent and quick legal action against the manufacturers of spurious drugs.

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