

GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY WELFARE
DEPARTMENT OF HEALTH AND FAMILY WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO.1533
TO BE ANSWERED ON 20th DECEMBER, 2022

FREEBIES TO DOCTORS BY DRUG MANUFACTURERS

1533: SHRI NARANBHAI J. RATHWA:

Will the Minister of **HEALTH AND FAMILY WELFARE** be pleased to state:

- (a) whether Government is aware that several drug manufacturers in the country are distributing freebies worth ₹ 10,000 crores per annum to doctors for prescribing their drugs;
- (b) whether it is a fact that Central Board of Direct Taxes (CBDT) has alleged that makers of Dolo tablets had distributed freebies worth more than ₹ 1000 crore during COVID-19 pandemic;
- (c) if so, the details thereof and guidelines of Government for the distribution of freebies to doctors; and
- (d) whether Government will consider the regulation of price mechanism of sale of drugs in the country and if not, the reasons therefor?

ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(DR. BHARATI PRAVIN PAWAR)

(a) to (c): Department of Pharmaceuticals has informed that Uniform Code for Pharmaceutical Marketing Practices (UCPMP) is in operation since 01.01.2015, for addressing unethical practices by Pharma Companies. The UCPMP contains provisions whereby companies or their associations/representatives or any person acting on their behalf shall not extend any gift, cash, hospitality, travel facility inside or outside the country to Health-Care Professionals and their family members for vacation or for attending conferences, seminars, workshops, CME programmes etc. as a delegate. The code is voluntarily adopted for compliance by the Industry.

Central Board of Direct Taxes (CBDT), Department of Revenue, informed that the Income Tax Department (ITD) conducts suitable actions as per law in relevant cases, where any credible information is received about violation of provisions of the Income Tax Act, 1961[the Act]. Such violations may also include, claiming of inadmissible expenses, including expenses covered under the explanation 1 & 3 of section 37(1) of the Act.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 formed under Indian Medical Council Act, 1956 (102 of 1956), provide for conduct for doctors and professional association of doctors in their relationship with pharmaceutical and allied health sector industry.

(d): As per the information provided by Department of Pharmaceuticals (DoP), the National Pharmaceutical Pricing Authority (NPPA) under DoP fixes the ceiling price of medicines specified in the first schedule of Drugs (Prices Control) Order, 2013 (DPCO, 2013). All manufacturers of medicines have to sell their products within the ceiling price (plus applicable Goods and Service Tax) fixed by the NPPA. The annual increase allowed in the case of Scheduled formulations is upto the level of annual revision in Wholesale price index (WPI). NPPA also fixes retail price of a new drug under DPCO, 2013 for existing manufacturers of scheduled formulations. The notified retail prices are applicable only to the applicant manufacturing/ marketing companies. For other non-scheduled formulations, a manufacturer is at liberty to fix the maximum retail price of a non-scheduled formulation launched by it. In case of non-scheduled formulation, no manufacturers can increase MRP by more than 10% of MRP during preceding 12 months.
