

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

**LOK SABHA
STARRED QUESTION NO.85
TO BE ANSWERED ON THE 8TH FEBRUARY, 2019
PROCUREMENT OF DRUGS**

†*85. PROF. RAVINDRA VISHWANATH GAIKWAD:

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

- (a) whether the Government is aware of scams reported in procurement of drugs under the National Rural Health Mission (NRHM) in Maharashtra during the last five years;
- (b) if so, the details thereof; and
- (c) the details of punitive action taken by the Government against the persons involved therein?

**ANSWER
THE MINISTER OF HEALTH AND FAMILY WELFARE
(SHRI JAGAT PRAKASH NADDA)**

(a) to (c) : A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA
STARRED QUESTION NO.85* FOR 8TH FEBRUARY, 2019**

(a) to (c) As per the information received from the State Government of Maharashtra, no such scam has been reported. However, in April, 2016 based on the local newspaper reports and discussions in both Houses of Maharashtra Legislature, allegations of Rs 297 cr medicine purchase scam under National Rural Health Mission were investigated by the State Government of Maharashtra. The enquiry committee under Chairmanship of Gautam Chatarjee, Retd. Additional Chief Secretary, Government of Maharashtra submitted its report observing that there has been no irregularity in purchase of medicines. The information as received from the State Government of Maharashtra is at Annexure.

Annexure

Public Health Department Maharashtra started free medicine scheme for all health facilities under Public Health Department in 2014. One tender notice of 148 tenders for purchase of 430 types medicines with total cost of Rs. 297 crores was published in all the leading newspapers all over the country. This purchase was under the free medicine scheme and from State Funds and NRHM funds. Purchase procedure was carried out by e-tender and purchase was approved by Central Purchase Committee under chairmanship of Principal Secretary, Public Health Government of Maharashtra. During same year, National Urban Health Mission also received Rs. 42 Crores for medicine purchase to Urban Local Bodies. NUHM purchased 170 medicines worth Rs. 40.13 crores for Urban Local Bodies by repeat order of NRHM tender rates.

2. In April 2016, one local newspaper published series of news with allegations that there was 297 cr medicine purchase scam under National Rural Health Mission. Same issue was discussed in both houses of Maharashtra Legislature. One committee under chairmanship of Shri Bhagwan Sahai, Additional Chief Secretary was established to enquire into the matter. This committee submitted primary report saying that there are irregularities in purchase of medicine under NUHM and that need to be investigated in detail. Accordingly, second committee under Chairmanship of Gautam Chatarjee, Retd. Additional Chief Secretary, Government of Maharashtra was established. This committee submitted report on 19.8.2016 with following inference:

- i. There were two steps in purchase of medicine. First step was purchase from State and NRHM funds and second step was by repeat order from NUHM funds.
- ii. There is no irregularity in purchase procedure for both the steps.
- iii. For purchase from State and NUHM funds, demand generation, compilation, tender process, approval, payment, utilization, etc were as per State Government Guidelines and there was no irregularity at any step.
- iv. For purchase of NUHM medicines, demand from Urban Local Bodies was not collected and compiled properly, therefore demand for medicine was communicated wrongly by NUHM to Purchase cell.
- v. All the excess purchased medicines by NUHM was redistributed among Public Health Department health facilities, therefore there was no wastage of medicine, however, State had to spend Rs. 73246/- for redistribution of medicines.

3. The report was accepted by Government and tabled in both the houses of Maharashtra Legislature. Based on this report, Departmental Enquiry was initiated against then Joint Director holding charge of NUHM. Presently enquiry is in progress.

4. Above facts indicate that there was no scam or irregularity in purchase of medicine. Regarding NUHM purchase only, there was no irregularity in purchase procedure but the demand and supply was not handled carefully by concerned officers.

5. Now demand generation is made online and through E-aushadhi software so that same irregularity should not happen again.
