

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA
UNSTARRED QUESTION No. 2316
TO BE ANSWERED ON THE 3rd AUGUST, 2021

Unethical Practice by Pharma Companies

**2316. SHRI SHANMUGA SUNDARAM K.:
SHRI VELUSAMY P.:**

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

- (a) whether the doling out of freebies, cruise tickets, paid vacations and sponsorships to educational conference and seminars for doctors by pharmaceutical companies has been banned from January 1, 2014;
- (b) if so, whether the Government is aware of the fact that the Mumbai branch of the Income Tax Appellate Tribunal has disallowed an allowance of Rs. 76.55 lakhs paid by a leading pharma company;
- (c) the steps taken by the Government to prevent such kind of unethical practice followed by the pharma companies hitherto; and
- (d) whether the Government has any proposal to bring out a specific and comprehensive law and if so, the details thereof?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI MANSUKH MANDAVIYA)**

(a) & (c): No, Sir. However, in the year 2014, Government had prepared a Uniform Code for Pharmaceutical Marketing Practices (UCPMP) to discourage unethical practices employed by Pharmaceutical Companies for promoting sales of their medical products. On 12th December, 2014, it was sent to all the pharmaceutical associations for voluntary implementation with effect from 01.01.2015. Further, as per clause 6.8.1 of the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002, a registered medical practitioner is prohibited to accept Gifts, Travel facilities, Hospitality, Cash or monetary grant from any pharmaceutical or allied health care Industry.

(b): Yes, Sir. The Central Board of Direct Taxes, Department of Revenue has informed that the Income Tax Appellate Tribunal (ITAT), Mumbai has upheld the disallowance of Rs. 76.55 lakhs made by an Assessing Officer in assessment order of a pharmaceutical company for the Assessment Year 2009-2010.

(d): No, Sir

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