

Cipla, Sun Pharma, Lupin on drug price watchdog's new list of firms 'overcharging consumers'

NPPA has issued a list of 'overcharging cases' under litigation, which includes matters dating back to 1997 & those where firms have moved court against the allegations.

HIMANI CHANDNA 13 January, 2021 3:20 pm IST

New Delhi: Leading drug makers, including **Cipla**, Lupin, Cadila and Sun Pharma, are among the companies accused of overcharging consumers, according to the new provisional list released by the **drug price watchdog, National Pharmaceutical Pricing Authority (NPPA)**.

On 11 January, the NPPA issued an updated provisional list of "overcharging cases (OC)" under litigation, which includes matters dating back to 1997, the year the watchdog was formed. These are cases where companies have moved court against allegations that they overcharged consumers.

Each of these companies faces a penalty that includes the amount allegedly overcharged apart from interest.

The total estimated overcharged amount — including interest but minus the share of penalties the companies have already paid — stands at Rs 6,550 crore, according to the list.

"It has been decided to upload the provisional list of OC cases under litigation on the website of NPPA, so that companies involved may see the status of their case and if there is any discrepancy in the provisional list, the concerned companies (sic) may provide appropriate information or feedback," the NPPA said in an office memorandum accompanying the list, which has been uploaded on the watchdog's website.

According to the list, Mumbai-based Cipla has to pay the maximum penalty, over Rs 3,000 crore (including interest but minus the sum recovered). For Sun Pharma, the penalty is Rs 250 crore. Ranbaxy, which merged into Sun Pharma in 2015, faces a penalty of around Rs 400 crore.

In 2013, Cipla and Ranbaxy accounted for over 50 per cent of the total overcharged amount — Cipla's alleged overcharged amount at the time stood at Rs 1,382 crore, whereas Ranbaxy's stood at Rs 136.2 crore.



Readers who pay are readers who care Because good journalism costs money

Subscribe Now

In the latest list, Lupin's overcharging penalty stands at around Rs 67 crore, whereas GlaxoSmithKline's totals Rs 3.42 crore. Cadila's overcharging amount stands at around Rs 34 crore.

ThePrint reached the Cipla media representative by email and text but the company said it won't be able to comment on the matter. Emails to Sun Pharma, Lupin, Cadila Healthcare and GlaxoSmithKline hadn't elicited a response by the time of publishing.

***Also Read:** [Drug price watchdog plans to raise 'public health' concerns over cocktail drugs before govt](#)*

Companies given 15 days for feedback

According to the NPPA's office memorandum, "feedback from companies, seeking any modifications in the provisional list, should be appropriately backed by supporting documents".

It informed the drug makers that "the interest amount in respect of cases included in the provisional list has been updated, wherever possible, upto 30.11.2020".

"Any payment or part-payment made has been adjusted from an overcharged amount while updating the interest, due to which in some cases the date of updation of interest may vary," it added.

The NPPA has given the companies 15 days to provide their feedback to the list.