

Pharma Body Challenges NPPA's Price Control Order

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The industry grouping of pharma multinationals—Organisation of Pharma Producers of India (OPPI) has challenged National Pharma Pricing Authority's (NPPA) recent decision to bring over 100 more drugs under price control in Delhi High Court on Monday. The first hearing of the case is expected to come up on Friday.

The NPPA has invoked a clause in the drug pricing order to cite extraordinary circumstances for these drugs, which lie outside the scope of National List of Essential Medicines (NLEM) and fixed their price caps in 'public interest'. The NLEM includes 652 formulations as essential. Confirming the move, Ranjana Smetacek told ET "Yes we have filed a petition in Delhi HC and the hearing is expected on Friday". This is second suit NPPA is facing on matter after India Pharma Alliance (IPA), a grouping of large domestic drugfirms filed a petition against the move last week in Bombay High Court.

Earlier this month, the drug pricing regulator, invoked a special provision under drug price control that gives it the right to fix the prices of any drug "in extraordinary circumstances, if it considers necessary so to do in public interest". It cites huge inter-brand price differences in these drug categories as 'extraordinary'. The drug companies—both domestic and MNCs are up in arms against the pricing regulator's move. Before moving the court, the Indian drugmakers sought the intervention of



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Ananth Kumar, union minister of chemicals and fertilisers claiming that inter-brand differences cannot qualify as 'extra ordinary' by any means. "The inter-brand differences have always existed and were in existence when the NLEM was drawn up. Also, the inter-brand differences would be found in every single formulation which is manufactured by more than one formulator" the IPA letter to minister said, fearing that by that logic every drug which has more than one player will come under price control, negating the purpose of NLEM 2011, and national pharma pricing policy, 2012. A NPPA official countered the argument "If a wrong or discrepancy has existed for years and has not been noticed or acted upon, that doesn't become right just by virtue of existing for so many years".