

## PILs challenge NPPA decision on price cap

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Two public interest litigations (PILs) filed on Thursday in the Supreme Court and Delhi high court challenged a 22 September decision by the National Pharmaceutical Pricing Authority (NPPA) to withdraw internal guideline to set prices of non-essential drugs following directions from the department of pharmaceuticals.

A Supreme Court bench led by chief justice H.L. Dattu said the court will hear the PIL, filed by lawyer Manohar Lal Sharma, "as early as possible". The high court will hear the petition filed by All India Drug Action Network (AIDAN) on Wednesday.

Sharma in his petition argued that the new circular has allowed "pharma firms to raise price as per their choice to secure windfall gain" leading to a steep rise in the prices of certain drugs and harming public interest.

AIDAN, a network of several non-government organizations, alleged in its PIL that NPPA's action to withdraw the guideline under the directions of a 19 September letter from the pharma department was illegal.

The high court is hearing a petition filed by the Organisation of Pharmaceutical Producers of India challenging a July decision of NPPA to cap prices of some 108 drug formulations not previously under price controls and mostly used for the treatment of diabetes and heart disease.

"We have questioned the government's decision to withdraw the NPPA guideline and also pleaded the court to ask the government to produce the details of the letter from pharmaceutical department that directed the NPPA to do so," AIDAN's lawyer Divya Jyothi Jaipuria said in a telephone interview.

"These petitions raise an interesting policy issue about the independence of regulatory authorities," said Shamnad Basheer, former IPR chair at National University of Juridical Sciences, Kolkata. "Once the government has vested the power in NPPA, can it interfere with the functioning of NPPA, barring exceptional circumstances?"

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Comment (M7)

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