



13th May, 2019

TL19/1305/6A

Captain (r) Zahid Saeed,
Secretary,
Ministry of National Health Services Regulations and Coordination,
LG & RD Complex, G-5/2,
Islamabad.

Subject: Transparency International Pakistan Complaining on Extra
Ordinary Increase in Drug Prices by DRAP dated 5th April, 2019 and
Unsatisfactory Reply of DRAP dated 24th April, 2019.

Dear Sir,

This is to bring into the notice of the Secretary, that the clarification given by DRAP on 24th April, 2019 on TI Pakistan letter dated 4 April 2019 is silent on the following serious observations. These are forwarded by the complainant and are being conveyed to DRAP.

1. Reasons for increase of drug prices 3 times within a period of 12 months by DRAP?
 - a) On 19th January, 2018 under SRO 4/(1)/2018 for 2.08%, 2.91%, 4.16% for 3 various categories.
 - b) On 30th December, 2018 for increase ranging from 240% to 355% for eight categories.
 - c) On 10th January, 2019, vide SRO No. 34/1/2019 from 2.08%, 9% and 15% for two categories.
2. The circumstances leading to revision of the drug pricing regulations within short period of 3 years; when the price regulations were issued in 2015?
3. The Supreme Court did not order DRAP to make new Drug Pricing Policy 2013, as it's in Supreme Court order in HRC Case 2858/ 2006 on 28th February, 2018. The Court directed the DRAP as follows,

“We direct that the matters be resolved by the DRAP as per the said statement and the matter be listed for hearing before this Court after a month's time.”

But DRAP prepared a new pricing policy and which was announced on 6th June, 2018 and submitted in Court in Aug' 18 after 6 months of Supreme Court's order. This was a gross violation by DRAP of the Supreme Court's order, which were binding on DRAP in submitting the resolution of issue within 30 days of Supreme Court's order.



4. Supreme Court has also in the same order of 28th February 2018 directed as under;

‘We also direct that all the pharmaceutical companies, within a period of three months, shall implement and enforce a bar code not only on the box but also on the wrappers affixed upon the containers/ bottles of the pharmaceutical products.’

Did DRAP insure that pharmaceutical company has complied this by 2018?

5. The Drug Pricing mechanism notified on 5th March, 2015/18 by DRAP, the following was the formulae for Hardship Cases price increases

Formulae

For Locally manufactured drugs:

Trade Price=**manufacturing cost** + mark-up@70%

For Imported drugs:

Trade Price=**Landed cost** + mark-up@35%

But in Drug Pricing Policy issued on 12th June, 2018 by DRAP Hardship Cases for locally manufactured drugs have been changed to the following formulae

(Cost of active materials + excipients + cost of packing material) x factor as under

The factor varies from 240 % to 355% against 7 categories of drugs.

6. The increase of the factor on the cost of manufacturing from 70% in 2015 to 240%/355% by DRAP in 2018, through the Drug Pricing Policy does not appear to be supported on any rational basis. Why the **markup/factor** has been increased by Five times?

The effect of dollar depreciation or inflation is already included in the cost of manufacturing of drugs and not on factor/markup and the remaining factors are also percentage based that result is an inbuilt increase mechanism.

The factor on the cost of cost of manufacturing including the marketing cost distribution discounts and profits, the ambiguity is not clarified in DRAP’s reply.

This is also to inform the Secretary that the complainant has provided in a document that DRAP has requested Auditor general of Pakistan on 12th April 2019 to conduct a special Audit of DRAP for the period 2012-2013 to date of the Pricing Mechanism to ascertain whether prices of drugs are determined justly, in accordance within the laid down policy and as per law.

This information was omitted in DRAP’s reply dated 24 April 2019 to TI- Pakistan, and how can Auditor General of Pakistan take out any ambiguity, when DRAP has requested Auditor General of Pakistan to audit in accordance with laid down policy, which means, Auditor



General Pakistan cannot criticize or open the case of mechanism of Hardship cases increased by Five times from the mechanism of Hardship cases defined by 2015 pricing mechanism.

Transparency International Pakistan requests the Secretary to examine the above issues, ambiguities and initiate urgent measures to rectify the defects made in Drug Pricing Policy of 2018 which was also approved by the Cabinet and needs to be amended.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Justice Zia Perwez
Former Judge of Supreme Court of Pakistan
Trustee- TI-Pakistan

Encl: Annex-A and Annex-B.

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, Public Accounts Committee, National Assembly, Islamabad.
3. Registrar, Supreme Court of Pakistan, Islamabad.
4. Chairman, NAB, Islamabad.
5. PSPM, Prime Minister Office, Islamabad.
6. State Minister of Health, Ministry of NHS R&C, Islamabad.
7. MD, PPRA, Islamabad.
8. Auditor General of Pakistan, Islamabad.

F.No. 4-9/2019-DD(P)
Government of Pakistan
Ministry of National Health Services, Regulations and Coordination
Drug Regulatory Authority of Pakistan

SUBJECT:- EXORBITANT RISE IN MEDICINE PRICES OF UPTO 160%, APPROVED BY THE FEDERAL GOVERNMENT TWICE WITHIN 4 MONTHS IN JANUARY 2019 AND AGAIN IN APRIL 2019, AGAINST SRO NO. F.9-13/2016-(DDC9P) DATED 6TH JUNE 2018

The undersigned is directed to refer your letter No. TL19/0504/8A dated 5th April, 2019 in connection with the above.

2. Paragraph 4 of the Drug Pricing Policy, 2018 provides mechanism for price fixation of New Chemical Entities (NCEs) and New Biological Entities (NBEs) i.e. drugs which have not been registered so far. Paragraph 7 of Drug Pricing Policy-2018 provides mechanism for Annual adjustment in MRPs of already marketed drugs which has been linked with Consumer Price Index (CPI). Paragraph 9 of the said Policy provides mechanism to increase prices of already marketed drugs under hardship category of drugs. In addition paragraph 12(8) allow the Policy Board of the Authority, after recording reasons in writing, to recommend to the Federal Government that the MRP of a drug or a class of drug may be fixed or reduced or raised in modification of this Policy.

3. Background, reasons and procedure adopted for increase in prices of drugs notified on December 31, 2018 and January 10, 2019 is summarized in the following paragraphs

4. On 28th February, 2018 in HRC case No. 2858/2006, after hearing arguments of the lawyers of the pharmaceutical companies, Secretary, Ministry of National Health Services, Regulations and Coordination and Deputy Attorney General for Pakistan, the honorable Supreme Court of Pakistan, passed the order (**Annex-A**) as under:

“In the early hours of the day the arguments were heard however in order to explore the possibility of some consensual development in the matter, the committee of the learned counsel appearing for the pharmaceutical companies, Secretary, Ministry of National Health Services, Regulations and Coordination, Chief Executive Officer of DRAP, the learned Deputy Attorney General have submitted a joint statement, which has been made part of the record, with the prayer that “It is respectfully stated that the above road map may be graciously approved by this Court and appropriate orders passed”. Keeping in view the above consensual statement, we direct that the matters be resolved by the DRAP as per the said statement and the matter be listed for hearing before this Court after a month’s time. We also direct that all the pharmaceutical companies, within a period of three months, shall implement and enforce a bar code not only on the box but also on the wrappers affixed upon the containers/bottles of the pharmaceutical products. Furthermore, any stay order granted by any Court including the High Courts of all the Provinces and Islamabad, would not be an impediment/bar in any manner in the way of the implementation of the above consensual statement.

5. Extracts from the above said consensual statement (approved by the court) with respect to relevant matters are reproduced hereunder:

CONSENSUAL STATEMENT

HARDSHIP CASES:-

2. *One of the categories of cases which are to be decided by the DPC of DRAP are classified as Hardship Cases.*

Hardship cases are sub-divided in 04 categories.

Category "A":-

Cases which were rejected by the DPC of DRAP for want of documents.

Category "B":-

Cases which were rejected by the DPC of DRAP on merits.

Category "C":-

Cases which were accepted by the DPC of DRAP by granting a one-time 8% increase.

Category "D":-

Other pending Hardship Cases.

- (A) (i) *In all such cases which were rejected by the DPC of DRAP for want of documents, a notice will be issued to the concerned company identifying the missing documents.*
- (ii) *These cases are identified by the DPC of DRAP in its Minutes of Meeting of 4th and 5th May, 2016 and 27th June, 2016.*
- (iii) *If there are other such cases, the pharmaceutical concerns may write to DRAP within 10 working days hereof and DRAP will identify the missing documents.*
- (iv) *In respect of both (ii) and (iii) above, DRAP will notify the list of missing documents to the party concerned within 10 working days.*
- (v) *The pharmaceutical concerns will supply the documents to DRAP within 10 working days of the receipt of notice, in person, through an authorized representative of such concerns, and if there is a shortfall it will be identified immediately by DRAP. Such shortfall shall be made up within 03 working days.*
- (vi) *After receipt of the above documents, DRAP will decide these cases, through a speaking order, within 10 working days, after notice to the parties and giving them a hearing, within 10 working days.*
- (B) *Cases which were rejected on merits in the DPC meetings of 4th and 5th May 2016 and 27 June, 2016 will be reconsidered after notice to and giving the pharmaceutical concerns a hearing and these will be disposed off by the DPC of DRAP by a speaking order within 30 working days.*
- (C) *Cases which were accepted by granting a one time 8% increase will be reconsidered after notice to and hearing*

the pharmaceutical concerns and disposed off by a speaking order within 30 working days.

- (D) *All other pending Hardship Cases will be brought to the attention of DRAP by the pharmaceutical concerns within 10 working days and will be disposed off by the DPC of DRAP after notice to the parties and giving them a hearing by passing a speaking order, within 45 working days.*
3. *When deciding all these cases by speaking order(s), DRAP will also clearly explain with reasons whether it has applied the 2015 policy prospectively or retrospectively.*

OTHER PRICE FIXATION CASES:-

4. *All subjudice price fixation cases which fall outside or are in addition to the category of Hardship Cases will be decided by a speaking order by the DPC of DRAP within 60 working days after notice to and hearing parties.*

PRICE REDUCTION OF ORIGINATOR BRAND:-

6. *DPC of DRAP will after notice to the parties and giving them a hearing pass a speaking order within 30 working days whether the price reduction of originator brands under paragraph 6 of the 2015 Policy are subject to the exceptions mentioned in that paragraph or not and whether they are prospective or retrospective.*

ANOMALIES:-

7. *DPC of DRAP will after notice to the parties in sub judice cases and giving them a hearing pass a speaking order within 30 days whether the MRPs of generics are to be according to the brand or molecule/formulation.*

DECISION:-

11. *DPC of DRAP will decide all cases in accordance with law and on the basis of materials and evidence produced before it.*

AMENDED DRUG PRICING POLICY 2015:-

12. *The proposed amendments in the Drug Pricing Policy 2015 will be completed within a period of 30 days after seriously considering and taking into account the suggestions and recommendations of the stakeholders and a new policy will be notified within 60 working days thereafter.*

6. In compliance to the Supreme Court order dated 28th February, 2018 pharmaceutical concerns were advised to submit/complete their applications for increase in MRPs, reduction in MRPs of originator brand and other matters as per consensual statement attached with the above said order. Agenda /working papers were prepared in line with the Drug Pricing Policy-2015 and DPC considered all such cases in its following meetings:

- i. 27th Meeting held on 21st & 22nd March, 2018
- ii. 28th Meeting held on 29th & 30th March, 2018
- iii. 29th Meeting held on 12th & 13th April, 2018
- iv. 30th Meeting held on 18th to 20th April, 2018
- v. 31st Meeting held on 27th & 28th April, 2018

7. DPC after considering arguments and materials & evidence produced before it by the pharmaceutical concerns decided all pending hardship cases, price fixation cases, anomalies, other price fixation cases and price reduction cases in accordance with the provisions of Drug Pricing Policy, 2015.

8. As per direction of the Supreme Court in HRC No. 2858/2006 vide para 12 of the consensual statement the proposed amendments in the Drug Pricing Policy 2015, after considering and taking into account the suggestions and recommendations of the stakeholders, were notified on June 12, 2018 vide Drug Pricing Policy, 2018 after approval of the Federal Cabinet (**Annex-B**).

9. Compliance reports vide HRMA No. 314/2018 dated May 11, 2018 and HRMA No. 421/2018 dated June 26, 2018 were submitted in Supreme Court of Pakistan along with copies of minutes of DPC meetings and Drug Pricing Policy, 2018. Some companies also filed objections to DPC decisions in the Honorable Supreme Court and the Honorable Supreme Court, after hearing their lawyers and Additional Attorney General for Pakistan passed the following order (**Annex-C**) on August 3, 2018 in HRC No. 2858 of 2006 & CMA No. 3968/2018.

“ In the backdrop of our previous orders, DRAP has formulated and promulgated a new policy namely the Drug Pricing Policy, 2018. It may be pertinent to point out that in the light of an earlier order, we had directed the pharmaceutical industry, DRAP and Ministry of Health that they should sit together to develop a policy by consensus. We have been informed by Mr. Makhdoom Ali Khan, the lead counsel appearing for the Pharmaceutical industry along with Mr. Faisal Siddiqui, Mr. Anwar Mansoor Khan, Mr. Kazim Hassan, Mr. Abdul Sattar Pirzada, ASC, as well as others representing various companies, that the policy noted above has not only been formulated by consensus but has been validly and legally made and there is no reason to interfere with the same on any ground whatsoever.

2. At this stage, an objection has been raised by Mr. Omar Soomro, learned ASC appearing for Pakistan Chemists Association. He submits the policy is untenable for the reason that it only caters for and benefits the local manufacturers and not importers of the medicines. Further the difference of margin for both the local and the foreign manufactures at the rate of 40% & 45% respectively is discriminatory. Therefore, the policy is liable to be struck down on the principles of equality as enunciated by article 25 of the Constitution. When questioned, the learned counsel conceded that there is a difference between the two classes namely the importers and local manufacturers. It is obviously founded upon an intelligible differentia. We, therefore, do not find it in conflict with or violative of the afore-noted Article of the Constitution. Besides, we also note that most of the manufacturers who are represented by counsel named above are local manufacturers as well as importers of pharmaceutical products and have

termed the policy as reasonable and fair. For these reasons, we do not find any merit in the objections of Mr. Omar Soomro, ASC. These are accordingly rejected.

- 3. As regards the question involving hardship cases, suffice it to say that a large number of cases have been dealt with and decided by the DRAP prior to the 2018 Drug Pricing Policy i.e under the Policy of 2015. All those cases which are covered by the erstwhile policy and have been decided cannot be re-opened. The remaining hardship cases, which are 457 in number regarding which objections have been filed before this Court are covered by the policy of 2018. Based on the rule of recurring cause of action and the new cases filed in this regard by the Pharmaceutical companies shall (as agreed by the Chief Executive Officer) of DRAP be decided under the 2018 Policy (with prospective effect) in accordance with law within 10 weeks from today.*
- 4. The existing MRP price of the pharmaceuticals sold in Pakistan (with agreement of the Pharmaceutical Industry and DRAP) is frozen till the decision of DRAP regarding the price fixation in hardship cases in accordance with mechanisms and procedures incorporated in Drug Policy, 2018.*
- 5. It is pertinent to mention here that under the law and appellate forum has been provided. Anybody aggrieved of the decision of DRAP in the above matters may challenge the same before the appellate forum. With consensus of all, we direct that instead of approaching the Courts of ordinary jurisdiction i.e. civil courts or High Courts in original jurisdiction or even before agitating the matters in the constitutional jurisdiction of the High Courts, the aggrieved parties shall avail all remedies available to them under the statute.*
- 6. As far as the question of Bar Code on the packaging wrappers or containers of the medicines is concerned, DRAP is directed to involve the pharmaceutical industry in its deliberation and issue a notification vis-à-vis Bar Coding that address the issues in SRO 470 of 2017. These issues include the timelines required for the implementation of this technology, printing of such Bar Codes on primary packaging and other technical issues of this nature. DRAP is therefore, directed to do the needful in the shortest possible time and submit a summary for our perusal in Chambers.*
- 7. As directed in our earlier order, the appointment of permanent CEO DRAP shall be made early as possible in the order of preference on the recommendations made by the Interview Committee constituted by the Ministry of National Health Regulatory Services and the Policy Board of DRAP. The notification of such appointment shall be submitted with the Registrar of this Court as soon as it is issued.*
- 8. This matter is disposed of in the above terms. However, in case any of the parties feels aggrieved on account of violation or non-compliance with the above directions, it may move an appropriate application for resurrection of the same."*

10. In compliance to the above said order, letters were issued to the concerned pharmaceutical companies to submit fresh applications of hardship cases under Drug Pricing Policy, 2018 for consideration by DPC of DRAP. Accordingly, pharmaceutical concerns filed applications under Drug

Pricing Policy, 2018 on the basis of recurring cause of action. Agenda /working papers were prepared in line with the Drug Pricing Policy-2018 and DPC considered all such cases in its following meetings:

- i. 35th Meeting held on 27th & 28th September, 2018.
- ii. 36th Meeting held on 9th & 10th October, 2018.

11. Compliance report vide HRMA No. 670/2018 was submitted in Supreme Court of Pakistan along with copies of minutes of DPC meetings. Pharma Bureau, Pakistan Pharmaceutical Manufacturer Association, Pakistan Chemists and Druggists Association and some companies filed civil review petitions on order dated 3rd August, 2018 of Supreme Court of Pakistan and the Honorable Supreme Court, after hearing their lawyers and Additional Attorney General for Pakistan passed the order (**Annex-D**) on November 14, 2018 in HRC No. 2858 of 2006 & CMA No. 3968/2018. Relevent paras are reproduced hereunder:

“These review petitions have been filed on behalf of various Pharmaceutical Companies seeking clarificatory orders pursuant to our order dated 03.08.2018 passed in Human Rights Case No.2858 of 2006 and CMA No. 3968 of 2018.

2. *The learned counsel for the petitioners points out that the bulk of issues subject matter of proceedings before this Court which constituted the basis for development of consensus between Drug Regulatory Authority of Pakistan (DRAP) and Pharmaceutical Companies stand resolved. He submits that the mechanism agreed between the parties has been implemented, prices of Drugs have been determined and where such prices are found fair, the same have been accepted, however, where any Pharmaceutical Company has any reservation regarding the price, it has the appellate remedy available to it.*

3. *In this context, the learned counsel for the petitioners has made the following requests (which are acceded to) by way of follow up and clarification of our earlier order which are necessary for further progress in implementation of the consensus between the parties.*

- i. *Although, DRAP has determined the drug prices in hardship cases, the same have not been sent to the Government. These are required to be placed before the Cabinet for consideration before they are notified. The learned Deputy Attorney General, on instructions, submits that the recommendations of DRAP will be sent to the Government by Monday for further processing. The Government will notify these prices within 15 days and no restraining order from any other court of law shall impede this process. This satisfies the learned counsel for the review petitioners.*
- ii. *It is pointed out that on account of exchange rate differential occurring due to devaluation of Pak Rupee against US\$, the prices of drugs need revision. For a number of reasons, the prices of life saving drugs need to be revised as these will otherwise become unavailable. DRAP has referred both matters to the Policy Board as per its report. The Policy Board may be directed to decide such matters within a reasonable time. The request is reasonable and is not opposed by the learned DAG. Consequently, we direct that the Policy Board may decide these matters within a period of 15 days from the date of receipt thereof.*
- iii. *The Drug Regulatory Authority Act envisages appellate Boards to be notified by the Policy Board. We have been*

informed by the learned DAG that such Boards have since been notified. We are sanguine that such Boards will make bona fide efforts to decide matters filed before them within a period of 60 days as provided in the Act.

iv. *It is also pointed out that SRO No.1002(I)/13 was issued by the Government of Pakistan which provided for increase in prices of certain Drugs whose prices were frozen for a period of twelve years from 2001 to 2013. However, the notification was subsequently withdrawn as desired by the then Prime Minister. Such withdrawal was challenged before the High Court of Sindh and a number of Companies obtained restraining orders against such withdrawal. As a result, the prices of certain Drugs have not been revised since 2013. These prices were frozen by our order dated 03.08.2018. It is therefore clarified that prices of Drugs frozen on 03.08.2018 shall remain frozen except if the same are revised in future as per law in accordance with Drug Pricing Policy of 2018. We also direct that the DRAP shall process the cases of those Companies which had approached the Court and whose matters are pending before the Sindh High Court, according to the Drug Pricing Policy of 2018. Once the cases are processed, they shall be entitled to such further increases as may be granted by DRAP. However, the Companies shall have a right of appeal available to them as provided in terms of the Act. The learned counsel for both sides agree that other minor issues arising out of the consent order dated 03.08.2018 or otherwise shall be resolved with mutual consultation with DRAP or through the appellate mechanisms provided in the Drug Regulatory Authority Act, 2012.*

v. *The parties are satisfied with regard to matters related to Bar-coding. No orders are therefore necessary.*

4. *We have also been informed by the learned DAG that an appeal against dismissal of an application under Section 12(2), CPC filed by the DRAP is pending in the High Court of Sindh. We are not inclined to interfere in the matter at this stage. In case, the appeal is fixed for hearing, the same shall be decided in accordance with law.*

5. *In the aforementioned terms, the listed review petitions are disposed of."*

12. In pursuance of Supreme Court directions vide paragraph 3(i) of Order dated 14-11-2018 recommendations of Drug Pricing Committee in respect of price determination of 889 drugs (463 increase, 395 decrease & 30 almost at same level) were sent to the Ministry of National Health Services Regulation and Coordination for onward submission for approval of the Federal Cabinet.

13. In pursuance of Supreme Court directions vide paragraph 3(ii) of Order dated 14-11-2018 matter of devaluation of Pak Rupee and its impact on drug prices was placed before the Policy Board in its meeting held on 18-12-2018 and Board considered the following reasons:

- Devaluation of Pak Rupee against USD @ 28% (approx.) during 2018
- Increase in prices of APIs in China due to closure of plants on account of environmental reasons.
- Increase in prices of excipients and packaging material of medicines.
- Increase in manufacturing cost due to rise in price of utilities bills such as electricity and gas.
- Increase in additional duty increased from 1% to 2%
- Unavailability of quality drugs due to increase in cost of production.

- Multinational companies are retreating and investment opportunities are also being affected.

14. After detailed deliberation Policy Board made following recommendation to Federal Cabinet under Drug Pricing Policy-2018, para 12(8):-

- a. 9% over and above the maximum retail prices as determined under hardship category during the year 2018.
- b. 15% over and above the maximum retail prices as determined under Drug Pricing Policy, 2018 for drugs other than those as specified above.

15. Summary for approval of Maximum Retail Prices (MRPs) of drugs was placed before the Federal Cabinet for consideration. The Federal Cabinet considered the summary and decided that the Ministry shall make a detailed presentation regarding the matter before the Task Force on Health which has requisite expertise for the purpose and firmed-up proposal may be brought for the consideration of the Federal Cabinet in the next meeting.

16. In pursuance of the above Cabinet decision, mechanism for determination of prices and recommendations of Policy Board and Drug Pricing Committee were placed before the Task Force on Health in its meeting held on 21-12-2018. The Task Force endorsed recommendations of the Policy Board & DPC. Summaries were placed before the Federal Cabinet and the Federal Cabinet approved the proposals in its meeting held on 27-12-2018.

17. After approval by the Federal Cabinet notification in respect of rationalization of prices of 889 drugs (464 increase, 395 decrease and 30 at same level) vide SRO 1610(I)/2018 (**Annex-E**) was issued on 31-12-2018 and increase in MRPs due to devaluation of Pak Rupee was issued on 10-01-2019 vide SRO 34(I)/2019 (**Annex-F**).

18. Pharmaceutical companies increased MRPs of their drugs as per above said SROs but did not decrease MRPs of their drugs in accordance with SRO 1610(I)/2018. Many pharmaceutical companies again filed constitutional petitions in Sindh High Court. DRAP vehemently contested the cases and on 16-04-2019 all such petitions were disposed of with directions to Petitioners for approaching Appellate Board of DRAP (**Annex-G**). DRAP along with Provincial Health Authorities launched a country wide campaign to ensure that prices of drugs have been decreased and stocks of companies were selling drugs at higher prices were seized. These companies will be prosecuted in drug courts and overcharged amount along with surcharges will be recovered under provisions of DRAP Act, 2012. It is relevant to mention that 170 appeals (approx.) have been filed by different companies against the price determination by Drug Pricing Committee which were notified vide SRO 1610(I)/2018.

19. Prices of drugs listed in your letter except for Cap. Diabetone (at serial no. 4) has been increased in accordance with law and after approval by the Federal Government. In case of product Cap. Diabetone the matter is under investigation and drug inspectors have been advised to take legal action.

20. Pricing Policy, 2018 is under review with the National Task Force on Health. Special Audit on hardship cases is currently underway by the team of Auditor General of Pakistan and WHO has also been requested to provide technical experts who can advise DRAP on pricing mechanism.


(Amanullah)
Director Costing & Pricing 2/4-4-19

Mr. Justice Zia Perwez,
Former Judge of Supreme Court of Pakistan
Trustee-TI-Pakistan
4-C Mezzanine Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority,
Karachi.

D.O No. 17-4/2019-DRAP-NHSRC

GOVERNMENT OF PAKISTAN
MINISTRY OF NATIONAL HEALTH SERVICES,
REGULATIONS & COORDINATION



SECRETARY

Islamabad, the 12th April, 2019

Subject: REQUEST FOR SPECIAL AUDIT OF DRUG REGULATORY
AUTHORITY OF PAKISTAN FOR THE FISCAL YEAR 2012-
2013 TO 2017-2018

My dear Javid Jehangir Sahib,

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Drug Regulatory Authority of Pakistan was established through DRAP Act promulgated on 13th November, 2012

The Authority is mandated to regulate allopathic, homoeopathic, unani and herbal drugs, medical devices, medicated cosmetics etc.

2. In view of its role that has a direct impact on the health and wellbeing of the people, the authority remains a subject of public scrutiny. DRAP receives continued media attention alleging irregularities and malpractices regarding diverse areas being dealt by the authority as per its mandate.

3. It goes without saying that transparency and efficiency in functioning of the organization is of critical importance to meet the targets and ensure sustained availability of quality medicines to the masses.

4. In view of the foregoing, to further instill public confidence in the authority, it is requested to conduct a Special Audit of DRAP for the period 2012-2013 to date of the Pricing Mechanism to ascertain whether prices of drugs are determined justly, in accordance with the laid down policy and as per law.

With profound regards,

(Capt. (R)-Zahid Saeed)

12.04.19