

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:1983  
ANSWERED ON:23.08.2012  
REDUCTION IN PRICES OF LIFE SAVING DRUGS  
Raghavan Shri M. K.

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

- (a) whether the pharma majors in the world are collaborating with Indian firms to reduce prices of life saving drugs;
- (b) if so, the details of the firms that have approached for collaboration and the list of medicines indentified for price reduction;
- (c) whether these also lead to substandard quality of medicines at lower rates or these Multi National Companies are likely to maintain international quality of medicines; and
- (d) if so, the measures taken to retain quality of medicines?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) and (b) As per the liberalized guidelines of Reserve Bank of India, Indian Companies can collaborate with foreign companies under the Automatic Route for lumpsum payment of technical know-how fee upto US\$ 2 Million and/or royalty up to 5% on domestic sales and 8% on exports over a period of 7 years from the date of commencement of commercial production or 10 years from the date of agreement, whichever is earlier. The Department has no information about any collaboration between Indian and foreign companies which aim to reduce the prices of Life Saving Drugs.

(c) and (d) Do not arise.