

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

UNSTARRED QUESTION NO:1105  
ANSWERED ON:29.11.2012  
PRICES OF PATENTED MEDICINES  
Singh Shri Ravneet

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

- (a) whether the Government has evolved any mechanism to control prices of exorbitantly priced patented medicines to make them more affordable;
- (b) if so, the details thereof and the steps taken/proposed to be taken in pursuance thereof by the Government in the matter; and
- (c) the difference between the Reference Pricing System and the Negotiated Pricing Model with regard to drugs?

**Answer**

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

(a)&(b): The Committee constituted by the Department of Pharmaceuticals to look into the issue of Price Negotiation mechanisms for patented drugs have since submitted its report to the Department on 05.06.2012. The report is being examined and no final decision has yet been taken on it.

Further, the Indian Patents Act as amended in 2005 contains provisions for issue of Compulsory License for patented drugs. Department of Industrial Policy and Promotion had informed that so far one Compulsory license has been granted by the Controller General of Patents, Designs and Trade Marks to a drug manufacturing company since the amendment of the Patents Act in 2005 for an application filed under Section 84 of the Patents Act (as amended in 2005). As per the orders of the Controller of Patents, Mumbai compulsory license has been granted to M/s Natco for manufacture of an anti-cancer drug 'NEXAVAR', M/s Natco Pharma Ltd. are required to sell this drug at a price not exceeding Rs. 8880/- for a pack of 120 tablets, required for a month's treatment which was earlier being sold by M/s Bayer Corporation at Rs. 2,80,428/- for one month treatment.

(c): The Committee, which was looking into the issue of Price Negotiation mechanism of Patented Drugs have mentioned in its report that in case of reference pricing the prices of the product are fixed on the basis of the prices in other similarly placed countries and in case of Price Negotiation model, the prices are fixed after negotiations with the manufacturer.