



IIMC-CRC-2024-02

IIMC CASE RESEARCH CENTER (IIMCCRC)

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JUNE 2024

BHARAT BIOTECH'S PRICING POLICY FOR COVAXIN

BHARAT BIOTECH

In March 2021, Bharat Biotech (Bharat) announced that its COVID-19 vaccine Covaxin, would be sold at a price of Rs. 600 per dose to State governments while private hospitals/ individuals had to pay Rs. 1,200 per dose. The export rate was fixed at \$15 to \$20 per dose. These prices were much higher than that announced by the Serum Institute of India (SII) for Covishield (Rs. 600/\$8 per dose in the open market) another COVID-19 vaccine.

While both SII and Bharat were accused of 'profiteering' during a pandemic, the criticism of Bharat was particularly harsh. Covaxin was indigenous and developed in collaboration with public agencies unlike Covishield where SII which was the contract manufacturer for AstraZeneca, the patent holder. Public health experts insisted that Bharat had to be transparent about their manufacturing costs and commercial contracts. They also wanted scrutiny of the Government of India's (GoI) contract with Bharat following the announcement by Indian Council of Medical Research (ICMR) that it shared intellectual property (IP) for Covaxin. Dr. Anant Bhan (Dr. Bhan), a public health expert questioned,

"They say they share IP but what sort of an agreement did they sign? Does it give them [the government] the right to override any clauses in case of an emergency?"ⁱ

Prof. Nimruji Jammulamadaka of Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

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ⁱ Inamdar Nikhil and Alluri Aparna. (May 14th 2021). How India's vaccine drive went horribly wrong. BBC. Retrieved from <https://www.bbc.com/news/world-asia-india-57007004>, on June 26th 2023