

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

UNSTARRED QUESTION NO:815  
ANSWERED ON:09.07.2009  
RESEARCH AND DEVELOPMENT IN PHARMACEUTICAL SECTOR  
Rao Shri Kavuri Samba Siva

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

- (a) the status of Research and Development (R&D) in the discovery and formulation of new drugs for marketing at reasonable price;
- (b) the allocation of funds on R&D and action taken to streamline the research activities in the country during each of the last three years and the current year;
- (c) whether the Government proposes to create a fund to finance new drug discovery projects so as to make India, a leader country in new drug discovery;
- (d) if so, the details thereof;
- (e) whether the Government also proposes to offer incentives to domestic as well as multinational drug makers to encourage new drug discovery in the country; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS(SHRI SRIKANT KUMAR JENA)

(a) Different Pharmaceuticals companies mainly under Indian Pharmaceutical Alliance are involved in drug discovery and formulation research alongwith Government Departments/Institutions like Department of Science and Technology, Department of Biotechnology, ICMR, AYUSH etc. The Government of India is running different schemes for drug discovery through different Departments along with newly formed Department of Pharmaceuticals. Drug discovery and development is a continuous and long drawn process involving 10-12 years of time aiming at manufacturing safe, potent and affordable drugs.

The Indian pharmaceutical Industry has geared up for research for development of new drugs. There are about 58 companies in Pharmaceuticals sector having R&D centres approved by DSIR u/s 35 (2AB) of the Income Tax Act. Out of these about 15 companies are carrying out research & development in new drugs and have built up impressive R&D infrastructure and expertise in chemical research, pharmaceutical research, fermentation research as well as new drug discovery research (NDDR) and research in novel drug delivery systems. The therapeutic areas in which these companies have developed lead molecules are malaria, urology, metabolic disorders, cardiovascular indications, cancer, diabetes, dyslipidemia, obesity, inflammation & pain, staphylococcal infections, respiratory infections, skin infections, anti-migraine, anti-TB and anti-psoriasis.

(b) Different Ministries have different plan outlay. The newly created Deptt. of Pharmaceuticals has allocated fund for research mainly to National Institute of Pharmaceutical Education & Research (NIPER). The budget outlay for each of the fast three years and the current year on R&D by Department of Science & Technology (DST) and NIPER are at annexures I & II. The amount of NIPER includes the amount provided by the DST also.

(c)to (f): This Department is coordinating with other Departments like DST/Department of Biotechnology (DBT) etc. which are engaged in R&D activities to finalise the various tasks to be undertaken by the Department to obviate duplicity. Presently Rs. 20 crores have been provided to Department for the new schemes. The Department has formulated various small R&D schemes which have been forwarded to the Planning Commission for `in principle` approval.

The following incentives are available to industries for research & development in drugs and Pharmaceuticals:

- i) Weighted tax deduction of 150% on R&D expenditure approved under section 35(2AB) of the Income tax Act.
- ii) The R&D centres recognized by DSIR are also registered with DSIR for the purpose of availing customs duty and excise exemption as per notification No. 24/2007- Customs dated 1st March 2007 and 16/2007-/Central Excise dated 1s March 2007.

(b) Details on the year-wise expenditure incurred/allocation of funds under Drugs and Pharmaceuticals Research Programme of DST is given below:-

Year	Loans (Rupees	Grants-in	Total
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in Crores) -aid (Rupees in Crores) (Rupees in Crores)

2006-07	35.00	25.00	60.00
2007-08	60.00	58.00	118.00
2008-09	56.50	40.00	96.50
2009-10 (BE)	66.00	30.00	96.00

**Natioanl Institute of Parmaceutical Education & Research (NIPER) S.A.S. Nagar**

**Financial details for the 3 years (in crores)**

**(A) Continuing/ongoing schemes from 10th Plan**

S.No.	Particulars	2007-08	2008-09	2009-10
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1	Diabities complications	0.95	2.00	0.80
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2	Leads moleculars for TB, Malaria and leishmania	1.10	1.50	0.80
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3	Chiral Drugs/bio-chemo enzymatic-transfermention	0.36	0.35	0.30
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4	Nanotechnology & Drug Delivery System	0.40	1.45	1.10
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5	Impurity Profiling facility	0.17	0.19	0.21
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Total (A)		2.98	5.49	3.27
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**(B) Infrastructure Development & New Schemes**

1	Drug for most neglected diseases	0.31	2.20	4.06
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Total (B)		0.31	2.20	4.06
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GRAND TOTAL (A+B)		3.29	7.69	7.33
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