

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

UNSTARRED QUESTION NO:4017

ANSWERED ON:21.03.2013

RESEARCH AND DEVELOPMENT IN PHARMACEUTICAL INDUSTRY

Bajirao Shri Patil Padamsinha ;M.Thambidurai Dr.

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

- (a) Whether the Government proposes to promote the research and development in the pharmaceutical sector;
- (b) if so, the details thereof;
- (c) whether Foreign Direct Investment (FDI) is being allowed in pharmaceutical sector;
- (d) if so, the details of the percentage of FDI allowed in this sector;
- (e) whether there is any increase in the prices of ordinary/common medicines, due to liberalisation of FDI in the pharmaceutical sector;
- (f) if so, the details thereof; and
- (g) the action taken by the Government to prevent increase in prices of ordinary/ common medicines due to FDI?

Answer

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) & (b) Yes, Madam. The Department has included in the Report of Working Group on Drugs & Pharmaceuticals Industry for the 12th Plan, submitted to the Planning Commission, a proposal for setting up Pharma Venture Capital Fund with an outlay of Rs. 500.00 crore for investment of identified funds into a newly created specialised private equity / Venture Capital that undertakes Research & Development (R&D) investments into companies in the Pharmaceutical industry.

Besides, in November 2011, M/s. Ernst & Young Private Limited (M/s E&Y), Gurgaon, has been given an assignment as Global Level Consultant for preparation of Detailed Project Report for developing India as a Drug Discovery & Pharma Innovation Hub 2020. M/s E & Y has since submitted draft Detailed Project Report (DPR). It will be finalized in consultation with all stakeholders.

(c) & (d) Department of Industrial Policy & Promotion issued Press Note No. 3(2011 series) dated 8.11.2011 amending the existing Foreign Direct Investment (FDI) policy under which 100% FDI was permitted through automatic route. As per Press Note 3(2011 Series) issued by Department of Industrial Policy and Promotion on 08.11.2011:-

(i) FDI, upto 100%, under the automatic route, would continue to be permitted for Greenfield investments in the Pharmaceuticals sector.

(ii) FDI upto 100%, would be permitted for Brownfield investment (i.e. investments in existing companies), in the pharmaceuticals sector, under the Government approval route.

(e) No such incidence has come to the notice of the Department.

(f) & (g) Do not arise.