

# Finance ministry clears Rs 70 cr loan under annual R&D fund

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**T**HE central government is soon to make available Rs 70 crore as soft loan for R&D purposes to the industry through its Rs 150 crore annual drug R&D fund (Pharmaceuticals Research and Development Support Fund).

The operationalisation of the Fund, announced in the Union Budget 2005-06, has become possible after it received finance ministry approval. The loan is to attract a nominal 3% interest. Informing this to Pharmabiz, Dr V S Ramamurthy, Secretary, DST said that the department has already started processing the loan applications they are receiving from the industry for various R&D projects. Terming the clearance of funds as an 'unusual gesture from the central government,' he wanted the industry to make maximum use of it.

On the demand for more funds for drug R&D, Dr Ramamurthy said that the government is open to increasing the scope of the

annual fund. However, the allocation of more funds would be on the basis of the utilization of the existing funds. "Let them come to us for more funds after having made use of the existing funds," he said. There is no upper ceiling prescribed for availing the R&D fund. The DST attempt would be to disburse the fund as per the merit of individual project.

The department was finding it difficult to clear the loan component of the R&D fund after the finance ministry had second thoughts on disbursing the amount to the industry. According to the earlier programme, the funds were given only for public-private partnership ventures where government labs were part of the R&D process. While the earlier system called for the release of Rs 12 crore towards industry-institution collaborative research, the annual fund provides for the disbursement of a much larger amount as soft loans to the industry. The huge increase in the allocation was the reason for the finance ministry scrutiny. ♦