

Government to unveil new scheme for pharma clusters next week

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The Ministry of Chemicals and Fertilisers is set to unveil next week a scheme that will enable pharma units in different clusters across the country to set up common infrastructure facilities with substantial financial assistance from the Government.

"The cluster development scheme has received all the necessary approvals and is ready for announcement next week," B.K. Singh, Director of Pharmaceuticals, Ministry of Chemicals and Fertilisers, said.

Under the scheme, pharma clusters will get a financial aid of 70 per cent, up to a limit of

₹20 crore for each cluster, to set up common facilities such as effluent treatment, R&D laboratories, logistics and training facilities.

For the scheme, a cluster has been defined as a zone having at least 15 pharma units within a radius of 10 km.

"This will include SEZs and other pharma zones. In our estimates there could be some 25 to 30 such clusters across the country," Singh told *Business Line* on the sidelines of a CII meet here today.

The Ministry has set aside ₹125 crore to be initially spent on the scheme.

Cluster members will first

have to form a special purpose vehicle and initiate the process of preparing the detailed project report for the common facility they want to set up. "Even here, 50 per cent of the DPR cost will be borne by the government and the rest by the SPV," he said.

The DPR will then go to the consultant, who will determine whether the project is viable and give its recommendation to the Ministry. While the cluster will get 70 per cent of the project cost as aid from the government, the SPV will have to put in a minimum of 10 per cent and can mop up the remaining 20 per cent through loans.

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