

Research funding body a growth tonic for pharma cos

TEAM TOI

Research and development (R&D) in innovation and technology-driven sectors is expected to get a boost with the finance minister announcing the setting up of a 'research funding organisation' to fund projects selected through a competitive process.

This could serve as an incentive for pharma companies who have invested in innovative R&D and have projects on new drug development, experts say. Funding in R&D projects is capital-intensive, with domestic companies usually shying away from spending major bucks on it.

Details on the tax breaks and sectors which could benefit from the proposal were not immediately available. Contributions to the organisation will be eligible for tax benefits, the FM said, adding that legislative changes required for this will be introduced at the time of the regular Budget.

R&D