

Govt plans Rs 3,000-cr fund for drug discovery

Our Bureau

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The Government plans to set up an exclusive Rs 3,000-crore pharma fund to promote innovation, research and development (R&D) in drug discovery.

Official sources say the proposed fund will focus on key areas such as biologics, among others. Biologics are medical products synthesised from living organisms and used in the treatment and prevention of diseases.

TALKS ON

At present, the Government is holding talks with the National Institute of Public Finance, on the modalities of the fund. According to Mr Ashok Kumar, Secretary, Department of Pharmaceuticals, a clear picture on the structure of the fund, could emerge in about four months.

"This could be a 10-year close-ended fund with some subordinate funds. The Government will also put in some money," Mr Kumar told newsmen on the sidelines of the valedictory session of 'BioAsia 2010', here on Saturday.

On the modalities of setting up the fund, Mr Kumar added, a specific agency will be given the responsibility of floating the fund, after the notification of expression of interest.

"After setting up, it needs to exit to avoid any conflict of interests. All these aspects

are being hammered," he said.

REVIVING IDPL

The Government is also examining the revival of Indian Drugs and Pharmaceuticals Ltd (IDPL).

When asked about the financial implications of this move, Mr Kumar said, "If the decision to revive IDPL was approved, loan write-off and other debts of the now sick company could result in massive burden."

Cash-funding through direct measures and generation of resources through use of IDPL's huge asset base was being studied, he said.

CENTRES OF EXCELLENCE

To address the talent requirements of the pharma and biotech industries, the Department of Pharmaceuticals has also decided to develop seven National Institutes of Pharmaceutical Education and Research (NIPER) in the country into special centres of excellence.

"For instance, the NIPER in Hyderabad will be developed as a special centre for bulk drugs," he said. Earlier, speaking at BioAsia 2010, Mr Kumar urged Indian pharma companies to focus on biologics.

"We have made a niche for ourselves in the generics space. But, according to estimates, 23 per cent of the global pharmaceutical markets would be biologics," he said.

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