

Govt plans ₹2k cr VC fund for drug research

Rupali Mukherjee | TNN

Mumbai: The government plans to set up a Rs 2,000 crore venture capital fund to invest in drug discovery and research. The department of pharmaceuticals will soon appoint a consultant who will draw up a plan to rollout the fund, which will become operational in the next financial year.

"We have approval from

the Planning Commission with regard to the corpus which will be around Rs 500 crore. To start with, the government will pump in Rs 200 crore," department of pharmaceuticals secretary Mukul Joshi said on Tuesday.

The government plans to set up an independent body on the lines of the IDFC which will identify and fund projects for drug discovery. The National Institute of

Public Finance and Policy has drawn up a roadmap for the government, Joshi said.

Globally, the process of drug discovery, research and development of a molecule before it finally hits the market involves billions of dollars. The government hopes to encourage domestic companies to accelerate, support and nurture pharma research. Domestic companies often don't have deep pockets

to pursue such an endeavour.

The government has also drawn up a business plan to increase the number of Jan Aushadhi stores from 70 to 760-odd in the next two years. "There are 11 states which hold high potential for expansion and we will set up stores there. In the first phase, we will open 212 stores and 422 in the next phase. The supply issues at these stores are expected to

be resolved," he said. At present, these stores are operational in six states.

The government spends Rs 2.5 lakh each on setting up a Jan Aushadhi store, which sells generic medicines procured from pharma public sector units. Some states like Rajasthan have not been keen on opening such stores as they already have a system of supplying low-cost generic medicines.

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