

Biotech sector expected to reach \$100b by 2025

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The government is targeting the country's biotechnology industry to reach \$100 billion by 2025, as it works to develop India into a world-class bio-manufacturing hub.

The sector, which is currently growing at 20 per cent, is expected to go up to \$11.6 billion by 2017, according to the achievement report of the sector under government's "Make in India" initiative.

"The government is investing substantially for creating human capital and infrastructure with a special focus on R&D to develop India into a world-class bio-manufacturing hub...The

focus is on making the Indian biotechnology sector reach \$100 billion by 2025," it said.

In order to promote the sector, the government had introduced several tax incentives in Budget for financial year 2016-17. The turnover limit to avail the Presumptive Tax Scheme under section 44 AD has been increased to Rs 2 crore from Rs 1 crore, it added.

Another incentive is that new manufacturing companies incorporated on or after 1 March 2016 to be given an option to be taxed at 25 per cent plus surcharge and cess on fulfilment of certain conditions, the report said.

The report said the biotech sector has also

attracted major FDI inflows, including that of GlaxoSmithKline PTE Ltd Singapore investing \$228.39 million in GlaxoSmithKline Pharmaceuticals Ltd and France-based Sanofi Pasteur Merieux SAS investing \$109.41 million in Shantha Biotech Ltd.

The report, jointly prepared by the department of industrial policy and promotion and department of biotechnology, said when it came to foreign direct investment policy, 100 per cent FDI has been allowed through automatic route for greenfield pharmaceuticals projects.

"For brownfield projects, 74 per cent FDI is permitted under the automatic route," it added.