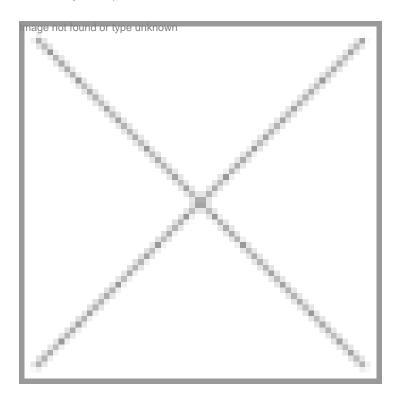


Remove import duty on consumables

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The biotech division of the Federation of Indian Chambers of Commerce and Industry (FICCI), an association of business organizations in India, recommends the following:

To promote the development of large-scale monoclonal antibodies (mAb) facilities (a scale equal to or more than 5,000 liters)

- Around 30 percent duty on imported equipment should be eliminated for a period of five-to-10 years in order to allow companies to build large-scale manufacturing plants like continuous centrifuges and control systems of large-scale cell culture bioreactors, among others.
- Import duty on critical consumables, such as filters, flow and level measurement devices, should be eliminated for a period of five-to-10 years, so that the industry gets promoted like R&D.
- Large biotech plants may be supported with long-term soft loans with low interest rates (three percent) and with a moratorium of around three years.
- A. All expenditure related to research carried out in the in-house facility, including clinical trials, bioequivalence studies, regulatory and patent approvals should be eligible for weighted deduction, even if these activities are carried outside the approved R&D facility, including overseas expenditure.
- B. Government must create a budget through which 50 percent of the total income tax paid by a company in the last 10 years can be paid back, or at least as loan to an R&D organization for 20 years at a nominal rate of interest.
- C. The percentage of weighted deduction on contributions made to an exclusive R&D company for carrying out research

- and development should be increased from 125 percent to 175 percent.
- D. In relation to testing or analysis of newly developed drugs or devices, including vaccine and herbal remedies as well as central laboratory services, data management, biostatistical analysis and reporting services for clinical trials pertaining to drugs or devices, on human participants to ascertain the safety and efficacy of such drugs on human beings be exempt from the whole of the service tax leviable thereon under Section 66 of the said Finance Act.