

**GOVERNMENT OF INDIA  
MINISTRY OF SCIENCE AND TECHNOLOGY  
DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH  
LOK SABHA**

**UNSTARRED QUESTION NO. 1746  
(TO BE ANSWERED ON 27.07.2016)**

**PATENT ACQUISITION AND COLLABORATIVE RESEARCH AND TECHNOLOGY  
DEVELOPMENT POLICY**

**1746. SHRI FEROZE VARUN GANDHI:**

**Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:**

- (a) whether there is a pre-condition of 1:33 times the loan amount as bank guarantee for loan amounts under Patent Acquisition and Collaborative Research and Technology Development Policy;**
- (b) if so, the reasons therefor;**
- (c) whether such stringent condition has resulted in less proposals for TAC;**
- (d) if so, the steps taken by the Government to relax the policy; and**
- (e) if not, the manner in which the Government proposes to address the issues of less number of patents and research share of country in the world?**

**ANSWER**

**MINISTER OF STATE OF SCIENCE AND TECHNOLOGY AND EARTH SCIENCES  
(SHRI Y.S. CHOWDARY)**

- (a) Madam, there is a pre-condition of one and one third times and not 1:33 times the loan amount as bank guarantee for loans under Patent Acquisition and Collaborative Research and Technology Development Policy.**
- (b) The reason behind the pre-condition of furnishing a bank guarantee equivalent to one and one third times the loan amount provided to industries under the Patent Acquisition and Collaborative Research and Technology Development (PACE) Scheme of DSIR is the General Financial Rule 225 of the Government, according to which this is a security against loans provided by the Government.**
- (c) This stringent condition of furnishing a bank guarantee equivalent to one and one third times the loan amount has not only resulted in lesser number of proposals for consideration of the Technical Advisory Committee (TAC) of the PACE scheme, but also withdrawal of many proposals submitted by the applicant industries.**
- (d) The PACE scheme has been approved based on the General Financial Rules and therefore, the Government is not in a position to relax the policy in the present scheme.**
- (e) The Government proposes to address the issues of less number of patents and low research share of country in the world by encouraging industries to increase technology depth and value addition so as to manufacture products based on indigenous patents. The Government is already providing excise duty waiver on goods based on patented technology. Government has also promoted the setting up of technology incubators which will enable a large number of entrepreneurs to establish start-ups and take up research and development. The Government is already working towards a target to raise the national R&D expenditure from the current level of around 1% of GDP to 2% of GDP with 50% contribution by industry.**

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