

**GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS AND FERTILIZERS  
DEPARTMENT OF PHARMACEUTICALS**

RAJYA SABHA  
UNSTARRED QUESTION No. 3075  
TO BE ANSWERED ON THE 28<sup>TH</sup> MARCH, 2023

**Establishment of a bulk drug park in Kakinada district, Andhra Pradesh**

**3075 Shri G.V.L. Narasimha Rao:**

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) the States selected for the establishment of a bulk drug park under the scheme for promotion of bulk drug parks;
- (b) the fiscal and non-fiscal incentives offered by the Government of Andhra Pradesh;
- (c) the location where the sanctioned bulk drug park for Andhra Pradesh is likely to be established;
- (d) the progress made so far with regard to land identification and handover, location, extent of area etc;
- (e) whether the Detailed Project Report (DPR) has been submitted and the details thereof;
- (f) the proposed Common Infrastructure Facilities (CIF) to be developed under the project; and
- (g) the likely impact on Kakinada region's emergence as a pharmaceutical cluster?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS  
(SHRI BHAGWANTH KHUBA)**

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(a) to (g): The Scheme for Promotion of Bulk Drug Parks aims to support setting up of three (3) Bulk Drug Parks in the country. The proposals of Andhra Pradesh, Gujarat and Himachal Pradesh have been selected under the scheme.

As per the Detailed Project Report (DPR) submitted by Andhra Pradesh Bulk Drug Park Infrastructure Corporation Ltd (APBDICL), Government of Andhra Pradesh, the Bulk Drug Park is being developed at A.V. Nagaram and Thondangi Revenue Villages of Thondangi Mandal of Kakinada, Andhra Pradesh in an area of 2000.46 acres and the land required for development of the Park has been acquired. As per DPR, the total Project Cost is Rs.1672.41 crore (excluding the IDC cost of Rs.36.43 Cr), which includes Common Infrastructure Facilities (CIF) Project Cost of Rs.1441.00 Cr (*out of this, Rs.1000 Cr is GoI Grant*) and Physical Infrastructure cost (other than CIF) of Rs.194.98 Cr. The Park is envisaged to generate economic activity for pharmaceutical sector in the region.

As per the DPR, the major CIF facilities being developed under the scheme include Roads, drainage, Boundary, green area, water supply, Waste Water Conveyance Network System –HTDIS and LTDIS (CETP) and treatment system, marine outfall, Power Supply, Steam Co-generation plant including distribution, Common Solvent recovery system, Solid Waste Management, Warehousing and common logistics, Analytical Testing labs, Centre of Excellence, etc. The annexure contains the details of incentives as per the DPR submitted.

**Annexure on the details of Incentives as per the DPR submitted by APBDICL, Government of Andhra Pradesh**

- DPR contains the details of charges to be collected from the bulk drug manufacturing units in the proposed park for the items such as Land lease rate per square meter, Utilities charges such as Effluent treatment, Water, Steam, Solid waste treatment, Warehouse charges, Park maintenance charges, Quality control testing charges and Solvent recovery charges.
- **Interest Rate:** - Interest subsidy of 3% on the term loan taken for fixed capital investment by new Micro and Small enterprises for 5 years from the date of commencement of commercial production.
- **GST Reimbursement Subsidy:** -
  - Reimbursement of 100% of net SGST accrued to the state for a period of 10 years from the date of commencement of commercial production or up to the realization of 125% fixed capital investment, whichever is earlier.
  - 15% Investment Subsidy on Fixed Capital Investment limited up to ₹20 lakh, whichever is lower for MSME.
  - Support 10% of the cost of establishing of Technology and Research Institutes in the state in coordination with leading Institutions / Research Organizations and Educational Institutions as well as industry limited to Rs.5 Crores.

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