

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1782
TO BE ANSWERED ON 19th December, 2023

PLI scheme for pharmaceutical industry

1782 Shri Vijay Pal Singh Tomar:

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

- (a) the details of the progress of the Production-Linked Incentive (PLI) scheme for the pharmaceutical sector, including the achievements and challenges faced in reducing import dependency;
- (b) whether Government has taken steps to address and reduce dependency on imports of critical raw materials, especially APIs, for high-selling drugs, if so, the details of steps taken thereon;
- (c) whether Government has identified regions for creation of bulk drug parks for promotion of domestic medicinal drugs; and
- (d) if so, the details of the regions along with the strategy to attract investment from private entities for the same and if not, the reasons therefor?

ANSWER

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

(a) to (d): The Government of India has taken several measures to encourage domestic manufacturing of Pharmaceutical drugs including bulk drugs to reduce import dependence and to establish a dominant position in the global market. The programmatic interventions to support Pharmaceutical Industries as on date are as follows;

- i. The PLI Scheme for Pharmaceuticals, with financial outlay of Rs. 15,000 crores provides financial incentive to 55 selected applicants for production of identified products under three categories for a period of six years. Under category 2, APIs are also getting manufactured. The investment committed by the selected applicants was Rs 17,275 cr. against which investment worth Rs 25,813 cr has already been realized. The cumulative sales under the scheme as of September, 2023 is Rs 1,16,121 cr. (which includes exports worth Rs 75,141 cr.).
- ii. The Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) in India, with a financial outlay of Rs. 6,940 crores and the tenure from FY 2020-2021 to FY 2029-30, provides for financial incentive for production of 41 identified products. These Bulk Drugs/APIs are in addition to the APIs manufactured under PLI scheme for pharmaceuticals. 48

applications have been selected under the scheme. The committed investment made by the selected applicants is worth Rs 3938.57 cr, against which an investment worth Rs 3062.69 cr has already been realized. The envisioned production capacity under the scheme is 82,270 MT, against which production capacity worth 41881 MT has been installed by way of 27 commissioned projects.

- iii. The Scheme for Promotion of Bulk Drug Parks, with a financial outlay of Rs. 3,000 crores and the tenure from FY 2020-2021 to FY 2024-25, provides for financial assistance to three States for establishing Bulk Drug Parks. Department received proposals from 13 States. After evaluation of the proposals as per prescribed criteria, the approval was accorded to the States of Andhra Pradesh, Gujarat and Himachal Pradesh. These Bulk Drug Parks provide easy access to standard testing and infrastructure facilities through creation of Common Infrastructure Facilities (CIF) such as – Central effluent treatment plants, solid waste management, common warehouse, testing centres etc. Further, the implementing states are offering subsidized power and land lease rates, GST reimbursement and interest subvention for the manufacturers in these parks.
