

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

LOK SABHA
UNSTARRED QUESTION No. 2833
TO BE ANSWERED ON THE 17TH MARCH, 2023

Promotion of Pharmaceutical Industry

2833. SHRIMATI POONAMBEN MAADAM:

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) the steps taken by the Government to promote India's pharmaceutical industry;
- (b) the details of the financial outlay of Production Linked Incentive Scheme for Pharmaceuticals in the country;
- (c) whether the Government proposes to improve the existing infrastructural facilities of the pharma sector in the country; and
- (d) the steps taken/proposed to be taken by the Government towards 'quality and technology upgradation' so that indigenously manufactured medicines are exported?

ANSWER

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

(a) to (c): 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 Pharma Industries as on date are as follows;

- i. Under 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, the financial incentive is planned to be provided for 41 identified products. A total of 51 applications have been selected under the scheme. Out of these, 22 projects have already been commissioned with the installed capacity of 34,255 MT.
- ii. *Production Linked Incentive Scheme for Pharmaceuticals*, with a financial outlay Rs. 15,000 crores and the tenure from FY 2020- 2021 to FY 2028-29, provides for financial incentive to 55 selected applicants for manufacturing of identified products under three categories for a period of six years. So far, an incentive amount of Rs.363 Cr has been released under the scheme.
- iii. 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. After evaluation of the proposals received

from 13 States, the proposals of the states of Gujarat, Himachal Pradesh and Andhra Pradesh have been finally approved for providing grants-in-aid for creation of common infrastructure facilities in the proposed Bulk Drug Parks. Under the scheme, first instalments have been released to the States.

- iv. The Department is implementing the scheme of *Strengthening of Pharmaceutical Industry (SPI)*, with a financial outlay of Rs. 500 crores and the tenure from FY 2021-2022 to FY 2025-26 three sub-schemes to provide infrastructure support for pharma MSMEs in clusters and to address the issues of technology upgradation of individual pharma MSMEs and to facilitate growth and development of Pharmaceutical and Medical Devices Sectors through study/survey reports, awareness programs, creation of database, and promotion of industry.
- a. Under erstwhile scheme of *Assistance to Pharmaceutical Industry for Common Facilities (API-CF)*, so far, 3 projects have been sanctioned - one each in Tamil Nadu, Maharashtra and Himachal Pradesh. Under the API-CF sub-component of SPI scheme, four projects have been given In-Principle approval, one project has been given Final approval and two projects are under short-listed stage.
 - b. Under *Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)* sub-component of the Scheme, applications are invited from eligible applicants.
 - c. Under *Pharmaceutical and Medical Devices Promotion and Development Scheme (PMPDS)* sub-component, study/survey reports, awareness programs, creation of database, and promotion of industry are supported by the Department under this scheme.

The non-schematic interventions are as follows-

- i. In order to attract investments in this sector, the Government has allowed 100% foreign direct investments (FDI) in medical devices sector. Similarly, the Government has allowed 100% FDI in pharma sector for greenfield projects under automatic route. For the brownfield projects, upto 74%, FDI investments are allowed under automatic route and beyond 74% to 100%, FDI investments are allowed under government approval route.
 - ii. To redress the specific challenges of the MedTech Industry, in view of the diversity and multi-disciplinary nature of the sector, the institutional mechanism of Standing Forum of Medical Devices Associations, has been set up to deliberate on various issues with all the stakeholders including regulators.
- (d): The Department implements a *Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)* to facilitate Micro, Small and Medium Pharma Enterprises (MSME) of proven track record to upgrade their technology to meet WHO-GMP or Schedule M standards, by providing interest or capital subvention upto a maximum of Rs.1 Cr per eligible firm.
