

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

LOK SABHA
UNSTARRED QUESTION No. 2953
TO BE ANSWERED ON THE 17TH MARCH, 2022

Scheme to support Pharma Clusters

2953. SHRI RAMESH CHANDRA MAJHI:

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

- (a) whether the Government has any scheme to support the productivity, quality and sustainability of the existing pharma clusters across the country;
- (b) if so, the details thereof along with the salient features of such scheme;
- (c) whether such scheme will address the rising demand of pharma clusters to sustain its productivity and quality;
- (d) if so, the details thereof; and
- (e) the other steps taken/proposed to be taken by the Government to make India a global leader in pharmaceutical sector?

ANSWER

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

(a) to (d): 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 (viz, *Assistance to Pharmaceutical Industry for Common Facilities (API-CF)*, *Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)* and *Pharmaceutical and Medical Devices Promotion and Development Scheme (PMPDS)*) 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.

- i. The objective of the API-CF is to strengthen the existing pharmaceutical clusters' capacity for their sustained growth by creating tangible assets as "Common Facilities. Grant-in-Aid under the scheme will be 70% of the approved project cost or Rs 20 cr., whichever is less, as per approval of SSC. In the case of Himalayan States and States in the North East Region, the grant-in-aid would be Rs. 20 Crore per Cluster or 90% of the project cost of the Common Infrastructure Facilities (CIF), whichever is less. Under erstwhile API-CF, so far, 3 projects have been sanctioned, each one at Tamil Nadu, Maharashtra and Himachal Pradesh. Further, under the API-CF sub-component of SPI scheme, three projects have been given 'in-Principle' approval, two projects have been given final approval and two projects are under short-listed stage.
- ii. The objective of the PTUAS is to facilitate Micro, Small and Medium Pharma Enterprises (MSME) of proven track record to upgrade their technology to meet

WHO-GMP or Schedule M. Support under the scheme is up to maximum of 5% per annum (6% in case of units owned and managed by SC/STs) of interest subvention for loan component eligible under the scheme taken to the upper limit of Rs. 10 cr. for a maximum period of 3 years on reducing balance for sanctioned loans by any scheduled commercial banks/financial institutions, both in the Public and the Private Sector or Credit linked Capital subsidy of 10% on loan component eligible under the scheme. Maximum limit of loan will be Rs. 10.00 crore. Under this Scheme, applications are invited from eligible applicants. Four applications have been received which are under examination.

- iii. The PMPDS has two main objectives. The first objective is to promote Pharmaceutical and Medical Device Industry by bringing industry leaders, academia and policy makers together to share their knowledge and experience for overall development of the sectors. The other objective is to facilitate growth and development of the sectors through conducting studies, organizing awareness programs, creation of databases and promotion of industry. Financial support to organize seminars, conferences, workshop & exhibitions in the form of Grant-in-Aid are provided. Under this Scheme, study/survey reports, awareness programs, creation of database, and promotion of industry are supported by the Department under this scheme.

(e): Several steps have been taken by the Government of India to encourage domestic manufacturing of Pharmaceutical drugs including bulk drugs to reduce import dependence and to establish a dominant position in the global market 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. For these 55 selected applicants approximate 5500 eligible products have been approved under the scheme. FY 2022-23 is the first year of performance. As on date, *under the PLI scheme for Pharmaceuticals*, 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. Under the major non-schematic intervention, in order to attract investments in Pharma sector, 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.
