

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

LOK SABHA
UNSTARRED QUESTION No. 333
TO BE ANSWERED ON THE 3rd February, 2023

Domestic Pharmaceutical Companies

333. SHRI S. JAGATHRAKSHAKAN:

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

- (a) whether the domestic pharmaceutical companies are expected to report steady revenue growth of 6-8 per cent in FY2023 and FY2024; and
(b) if so, the details thereof alongwith the initiatives that are proposed to be taken by the Government keeping in view the fact that the domestic pharmaceutical industry continues to grapple with cost inflation and pricing pressures?

ANSWER

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

- (a): The department does not maintain projections of annual revenues of pharmaceutical companies. However, the growth in average annual turnover of Pharmaceuticals for the last three years is estimated to be about 9%.
- (b): The Department of Pharmaceuticals is implementing the following schemes to support domestic manufacturing of pharmaceuticals in the country:
- 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 incentives are to be provided for 41 identified products. Out of these, 21 projects have already been commissioned.
 - 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 incentives to 55 selected applicants for manufacturing of identified products under three categories for a period of six years. The eligible drugs under this scheme include APIs among other categories of pharmaceutical products.
 - 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 for creation of common infrastructure facilities to three States which have been selected under the scheme viz Gujarat, Himachal Pradesh and Andhra Pradesh. The industrial units setting up plants for APIs in these Parks will get benefitted from the common

infrastructure developed under the scheme, which will decrease the manufacturing cost and increase their competitiveness.

- 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 to provide infrastructure support for pharma MSMEs in clusters and to address the issues of technology upgradation of individual pharma MSMEs

Further, the National Pharmaceutical Pricing Authority (NPPA) revises the ceiling prices of scheduled medicines annually on the basis of Wholesale Price Index (WPI) for preceding calendar year on or before 1st April of every year, which is notified by the Government on the 1st day of April every year (The WPI increase is the maximum increase permissible and may or may not be availed by the manufacturers). It is further clarified that prices are increased or decreased by the manufacturers based on market dynamics. In case of non-scheduled formulations, the manufacturer can increase the MRP upto 10% during the preceding twelve months.

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