

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

LOK SABHA
UNSTARRED QUESTION No. 4975
TO BE ANSWERED ON THE 31ST MARCH, 2023

PLI Scheme for Pharmaceutical Sector

4975. SHRI THIRUNAVUKKARASAR SU:

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

- (a) the number of projects commissioned for various products so far under the Product Linked Incentive (PLI) scheme;
- (b) whether the Government has taken steps to boost domestic production of high value formulations, critical APIs and High-End Medical Devices under the PLI Scheme;
- (c) if so, the details thereof and the extent to which it would promote Aatmanirbharta; and
- (d) 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 and high end medical devices to reduce import dependence and to boost domestic manufacturing. The Programmatic interventions to support domestic manufacturing of APIs are as follows;

- i. 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 the financial incentive 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. *PLI 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. This scheme also covers the APIs, other than those covered under the PLI scheme under Bulk Drugs as mentioned at Point (i). Projects have been commissioned in 261 manufacturing locations, out of total 309 manufacturing locations.
- iii. *PLI Scheme for Promoting Domestic Manufacturing of Medical Devices* with total financial outlay of Rs. 3,420 crore and tenure from FY 2020-2021 to FY 2027-28, provides incentive to selected companies at the rate of 5% on incremental sales of medical devices manufactured in India and covered under the four Target segments of

- the scheme, for a period of five (5) years. Under the scheme, 26 applications have been approved and 14 projects have been commissioned. Under the scheme, domestic manufacturing of high-end medical devices has started which include Linear Accelerator, MRI Scan, CT-Scan, Mammogram, C- Arm, MRI Coils, high end X-ray tubes, etc
- iv. Under the *Scheme for Promotion of Bulk Drug Parks*, proposals of Andhra Pradesh, Gujarat and Himachal Pradesh have been approved for financial support to facilitate setting up of three (3) Bulk Drug Parks in the country. The total financial outlay of the scheme is Rs. 3000 crore and the tenure of the Scheme is from 2020-21 to 2024-25. The financial assistance by the centre is subject to a maximum limit of Rs.1000 Crore per park or 70% of the project cost of CIF (90% in case of North Eastern States and Hilly States), whichever is less.
 - v. Under the major non-schematic intervention, in order to attract investments in Pharma sector including for APIs, 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. Similarly, the Government has allowed 100% FDI in medical devices sector under automatic route.
