

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

LOK SABHA
UNSTARRED QUESTION No. 3335
TO BE ANSWERED ON THE 16th March, 2021

Pharmaceutical and Medical Device Industry

3335. SHRI BHAGWANTH KHUBA:

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

- (a) whether the Government has launched any new initiative to support the pharmaceutical and medical devices manufacturing industry to reach their potential in the coming years;
- (b) if so, the details thereof; and
- (c) the fresh steps taken by the Government for promoting domestic manufacturing of bulk drugs and medical devices in the country?

ANSWER

**MINISTER IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SHRI D. V. SADANANDA GOWDA)**

(a) to (c): The Department of Pharmaceuticals has recently launched following five schemes for promoting domestic manufacturing of Pharmaceutical drugs including bulk drugs and medical devices by attracting large investments in the sector to ensure their sustainable domestic supply and thereby reduce India's import dependence on other countries:-

(I) 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: Under the scheme, financial incentive will be given for manufacturing of 41 Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs). Incentives for incremental sales will be given to selected participants for a period of 6 years. The total financial outlay of the scheme is Rs. 6,940 crore and the tenure of the scheme is from FY 2020-2021 to 2029-30.

(II) Scheme for Promotion of Bulk Drug Parks: This scheme provides for grant-in-aid to 3 Bulk Drug Parks for creation of Common Infrastructure Facilities (CIF) with a maximum limit of Rs.1000 crore per park or 70% of the project cost of CIF, whichever is less. In case of North Eastern States and Hilly States (Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh) financial assistance would be 90% of the project cost. The total financial outlay of the Scheme is Rs. 3000 crore and the tenure of the Scheme is from FY 2020-21 to 2024-25.

(III) Production Linked Incentive Scheme for Promoting Domestic Manufacturing of Medical Devices: Under the Scheme, financial incentive will be given to selected companies at the rate of 5% of incremental sales of medical devices manufactured in India and covered under the Target segments of the scheme, for a period of five (5) years. The tenure of the scheme is from FY 2020-21 to FY 2027-28. The total financial outlay of the Scheme is Rs. 3,420 crore.

(IV) **Promotion of Medical Device Parks:** This scheme provides for grant-in-aid to 4 Medical Device Parks for creation of Common Infrastructure Facilities (CIF) with a maximum limit of Rs.100 crore per park or 70% of the project cost of CIF, whichever is less. In case of North Eastern States and Hilly States (Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh) financial assistance would be 90% of the project cost. The total financial outlay of the Scheme is Rs. 400 crore and the tenure of the Scheme is from FY 2020-21 to FY 2024-25.

The above four schemes were notified on 21.07.2020 in the Gazette of India and the detailed guidelines of these schemes are available on the website of the Department of Pharmaceuticals i.e. <http://pharmaceuticals.gov.in>.

(V) **Production Linked Incentive Scheme for Pharmaceuticals:** The Union Cabinet recently approved Production Linked Incentive scheme for Pharmaceuticals with the objective to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains. The total financial outlay of the scheme is Rs. 15,000 crore and three categories of pharmaceutical goods will be incentivized under the scheme based on their incremental sales. The tenure of the scheme is from FY 2020-2021 to 2028-29. The scheme has been notified on 3.3.2021 in the Gazette of India.

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