

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

LOK SABHA
UNSTARRED QUESTION No. 3365
TO BE ANSWERED ON THE 05th August, 2022

Medical Device Parks

3365. SHRI MAGUNTA SREENIVASULU REDDY:

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

- (a) the details of the medical devices parks in the country, State/UT-wise;
- (b) whether the Government proposes to establish more medical devices parks in the country;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether there is any proposal to establish a medical devices park in Andhra Pradesh;
- (e) if so, the details thereof and if not, the reasons therefor; and
- (f) the details of the other initiatives taken by the Government to promote the production of medical devices and reduce dependence on imported drugs from other countries?

ANSWER

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

(a) to (e): The Department implements the scheme “Promotion of Medical Devices Parks”, with a total financial outlay of Rs. 400 crore and the maximum assistance under the scheme for one Medical Device Park would be limited to Rs. 100 crore. The tenure of the scheme is from FY 2020-2021 to FY 2024-2025 and the selected Medical Device Park project will be implemented by a State Implementing Agency (SIA). Under the scheme, Department of Pharmaceuticals has received proposals from 16 States/Union Territories. The proposals were evaluated as per the criteria given in the scheme guidelines and final approval for financial assistance of Rs. 100 crore each has been given to the States of Uttar Pradesh, Tamil Nadu, Madhya Pradesh and Himachal Pradesh. There is no proposal to establish more medical device parks in the Country, under the scheme.

Further, the Department has provided grant-in-aid to the project of the Superconducting Magnet Testing, Validation and Integration Centre at AMTZ, Andhra Pradesh under the scheme “*Assistance to Medical Device Industry for Development of Common Facility Centres*”.

(f): The Government of India has taken several measures to encourage domestic manufacturing of Pharmaceutical drugs including bulk drugs and medical devices to reduce import dependence. The Programmatic interventions to support Pharma and Medical Devices Industries 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 financial

incentive for 41 identified products. A total of 51 applicants have been selected under the scheme.

- ii. The *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, including five (5) industry applicants selected for In-vitro diagnostic medical devices.
- iii. The 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. The proposals received are under evaluation.
- iv. The Department has launched 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 and this scheme has three components, to provide infrastructure support for pharma MSMEs in clusters and to address the issues of technology upgradation of individual pharma MSMEs.
- v. Under the scheme “*Promotion of Medical Devices Parks*”, final approval for financial assistance of Rs. 100 crore each, has been given to the States of Uttar Pradesh, Tamil Nadu, Madhya Pradesh and Himachal Pradesh for establishment of common facilities in their Medical Device Parks.
- vi. Further, under the sub-scheme “*Assistance to Medical Device Industry for Common Facility Centre*”, grant-in-aid of ₹ 25 crore was provided to Andhra Pradesh Medtech Zone Ltd. (AMTZ), Andhra Pradesh for establishment of Common Facility for Super conducting magnetic coil testing and research facility
- vii. *The Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices*, with a financial outlay of Rs.3,420 Cr and with the tenure from FY 2020-21 to FY 2027-28, provides for financial incentives to selected companies at the rate of 5% of 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. A total of 21 Applicants have been selected under the 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.
