

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF PHARMACEUTICALS

LOK SABHA
STARRED QUESTION No. 312
TO BE ANSWERED ON 21st MARCH, 2025

Import of Active Pharmaceutical Ingredients

†*312. **Smt. Bharti Pardhi:**
Shri Rajkumar Chahar:

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

- (a) the key policies and initiatives of the Government to reduce the country's dependence on imported Active Pharmaceutical Ingredients (APIs);
- (b) the steps being taken to reduce dependence on imported APIs and promote domestic production in the country;
- (c) the measures being taken to improve the infrastructure required for API manufacturing, such as access to utilities and waste management facilities;
- (d) the manner in which a sustained and affordable supply of fertilisers is being ensured by the Government to the farmers, especially in remote areas of the country;
- (e) whether the Government proposes to introduce any policy changes or initiatives in future to promote foreign investment in the country's chemical and fertiliser sectors, with a focus on Maharashtra; and
- (f) if so, the details of these initiatives and the benefits likely to be accrued therefrom?

ANSWER

THE MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SHRI JAGAT PRAKASH NADDA)

(a) to (f): A statement is laid on the Table of the House.

Statement referred to in reply to the LOK SABHA STARRED Q. No. 312 for answer on 21.03.2025 raised by Smt. Bharti Pardhi and Shri Rajkumar Chahar, regarding Import of Active Pharmaceutical Ingredients

The Government of India has taken number of steps to reduce dependence on imported APIs and promote domestic production. These include the following:

- (i) Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) and APIs in India (“PLI scheme for bulk drugs”) has a financial outlay of ₹6,940 crore and the production tenure is from FY 2022-23 to FY 2028-29. The financial incentive is to be given for manufacturing of identified products. A total of 48 projects have been selected under the scheme, of which 34 projects have been commissioned for 25 bulk drugs. Against committed investment of ₹3,938.57 crore, investment worth ₹4,253.92 crore have been realised under the scheme. As on December 2024, the cumulative sales made by the applicants under the scheme is ₹1,556.04 crore which includes exports worth ₹412.42 crore.
- (ii) PLI Scheme for Pharmaceuticals, with a financial outlay ₹15,000 crore and the production tenure from FY 2022-23 to FY 2027-28, provides financial incentive to 55 selected applicants for manufacturing of products under three categories for a period of six years. Product Category 2 covers APIs/KSMs/DIs except for those covered under the PLI scheme for bulk drugs. As of December 2024, the cumulative sales made by the applicants for category two product is ₹53,035 crore which includes exports worth ₹32,627 crore.
- (iii) Under the Scheme for Promotion of Bulk Drug Parks, three bulk drug parks have been approved for development, one each in Bharuch (Gujarat), Nakkapalli (Andhra Pradesh) and Una (Himachal Pradesh) districts. Government of India is supporting these projects with financial assistance to the tune of ₹1,000 crore per park. These parks are at different stages of development. Common infrastructure facilities supported under the projects include effluent treatment plant, sewerage treatment plant, steam generation and supply, treatment storage and disposal facilities, solvent recovery system, raw water supply, centre of excellence, etc.

As per the information provided by the Department of Fertilizers, the following steps are taken by the Government every season for ensuring timely and adequate availability of fertilizers in the country, including the remote areas:

- (i) Before the commencement of each cropping season, the Department of Agriculture and Farmers Welfare (DA&FW), in consultation with State Governments, assesses the State-wise and month-wise requirement of fertilizers.
- (ii) Based on the requirement projected, the Department of Fertilizers allocates adequate quantities of fertilizers to States by issuing monthly supply plan and continuously monitoring availability.
- (iii) The movement of all major subsidised fertilizers is monitored throughout the country by an online web-based monitoring system called the Integrated Fertilizer Monitoring System.
- (iv) Regular weekly video conference is conducted jointly by DA&FW and the Department of Fertilizers with State Agriculture Department officials, and corrective actions are taken to despatch fertilizers as indicated by State Governments.

Further, in order to ensure supply of urea at affordable prices, under the urea subsidy scheme, urea is provided to farmers at a statutorily notified maximum retail price (MRP). The MRP of

a 45-kg bag of urea is ₹242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realisation by urea units is given as subsidy to the urea manufacturer/importer by the Government of India.

In addition, the Government has implemented nutrient-based subsidy (NBS) policy with effect from 1.4.2010 for phosphatic and potassic (P&K) fertilizers. Under this policy, a fixed amount of subsidy, decided on annual or bi-annual basis, is provided on notified P&K fertilizers, depending on nutrient content. The P&K sector is decontrolled and fertilizer companies are allowed to fix MRP at reasonable levels. Fertilizer companies manufacture/import fertilizers as per market dynamics. The Government monitors international prices of key fertilizers and raw materials and fluctuations, if any, are subsumed while fixing NBS rates for P&K fertilizers to ensure affordable supply of P&K fertilizers to farmers.

In the wake of recent geopolitical crisis, which led to major disruption in supply of fertilizers, proactive steps were taken in the Kharif 2024 season to ensure smooth availability of P&K fertilizers to farmers. In July 2024, the Government took immediate measures to ensure regular imports through a one-time special package on Di-ammonium Phosphate (DAP), beyond the NBS rates for the period from 1.4.2024 to 31.12.2024 @ 3,500 per metric tonne, which has now been extended till 31.3.2025 to ensure sustainable availability of DAP at affordable price to farmers.

As per information provided by the Department of Fertilizers, there is no upcoming policy change or Government initiatives in this regard.
