

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

LOK SABHA  
UNSTARRED QUESTION NO.939  
TO BE ANSWERED ON 25<sup>th</sup> JULY, 2025

**Active Pharmaceutical Ingredient**

†939. Shri Arun Govil:

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

- (a) whether India is known for large scale manufacturing of affordable medicines and pharmacy of the world, if so, the details thereof;
- (b) whether the Government has made efforts to produce Active Pharmaceutical Ingredients (API) popularly known as bulk drugs, which is a raw material used in the manufacturing of medicines domestically to meet the demand of pharma industry particularly in view of the pressure tactics by the exporters of API, if so, the details thereof;
- (c) the current status of API manufacturing in the country along with the reduction in API imports from China during the last three years; and
- (d) the time by when India is likely to become self-reliant in the manufacturing of API?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS  
(SMT. ANUPRIYA PATEL)**

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(a): Yes, Sir, India is known for large-scale manufacturing of affordable medicines and is called the pharmacy of the world. India's pharmaceutical industry is the world's 3<sup>rd</sup> largest in terms of pharmaceutical exports by volume and the 11<sup>th</sup> largest by value, with total annual turnover of ₹4,71,898 crore in the financial year (FY) 2024-25. India exported pharmaceuticals worth ₹2,45,962 crore in FY 2024-25.

(b) to (d): Yes, Sir. In line with the Government's vision of Atmanirbhar Bharat, it has made extensive efforts to promote domestic manufacturing of APIs, which are popularly known as bulk drugs and constitute input for manufacturing of medicines, with a view to domestically meet the needs of the pharmaceutical industry. To this end, the following schemes have been launched:

- (i) *Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs) / Drug Intermediates (DIs) / Active Pharmaceutical Ingredients (APIs) in India (also known as the PLI Scheme for Bulk Drugs)*: The scheme, which has a total budgetary outlay of ₹6,940 crore, aims to avoid disruption in supply of critical active pharmaceutical ingredients (APIs) used to make critical drugs for which there are no alternatives by reducing supply disruption risk due to excessive dependence on single source. As of March 2025, the committed investment of ₹3,938.5 crore under projects approved under the scheme for investment over the six-

year production period of the scheme stands substantially exceeded with cumulative investment of ₹4,570 crore made by the scheme's third year. Further, production capacity has been created for 25 APIs/KSMs/DIs. Under the scheme, cumulative sales of ₹1,817 crore have been reported over the period from FY2022-23 till FY2024-25, including exports of ₹455 crore, thereby avoiding imports worth ₹1,362 crore.

- (ii) *PLI Scheme for Pharmaceuticals*: This PLI scheme, whose production-linked incentive period began in FY2022-23 and which has a total budgetary outlay of ₹15,000 crore, aims 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 and incentivises production of, among others, APIs/DIs/KSMs other than those notified under the PLI Scheme for Bulk Drugs. It has enabled enhanced investment and production in eligible products. Till March 2025, total domestic sales of API and DIs worth ₹22,658 crore have been made under the scheme. This includes sales worth ₹1,582 crore of over 190 APIs and DIs that were manufactured domestically for the first time, thereby avoiding imports of the said value.
- (iii) *Scheme for Promotion of Bulk Drugs Parks*: Under the scheme, which has a total budgetary outlay of ₹3,000 crore, three parks have been approved and are at various stages of development in the States of Andhra Pradesh, Gujarat and Himachal Pradesh, through their respective State Implementing Agencies. The total project cost of these is over ₹ 6,300 crore, with Central assistance to the tune of ₹1,000 crore each for creation of common infrastructure facilities. These parks would offer land and utilities such as power, water, effluent treatment plant, steam, solid waste management, warehouse facilities at a subsidised rate. The State Implementing Agencies of the three States are also offering fiscal incentives in the form of capital subsidy on fixed capital investment, interest subsidy, State Goods and Services Tax reimbursement, exemption of stamp duty and registration charges, etc. Further, the scheme provides that applicants for allotment of land in the parks to set up units for manufacturing products prioritised in the PLI Scheme for Bulk Drugs will have priority in land allotment.

According to an India Brand Equity Foundation report of April 2025, India is globally the third largest producer of API.

Under the PLI schemes, as mentioned above, domestic production has started to substitute the imports of APIs. Furthermore, bulk drug parks are under development for establishment of large-scale infrastructure for increased manufacturing of bulk drugs in the country. As the scheme progresses, projects therein mature and bulk drug units within the upcoming parks start manufacturing, it is expected that there would be improved self-reliance and resilience in supply of bulk drugs in the country.

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