

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

RAJYA SABHA
UNSTARRED QUESTION No. 2272
TO BE ANSWERED ON THE 21st MARCH, 2023

APIs and pharmaceutical research

2272 Shri B. Parthasaradhi Reddy:

Will the Minister of **Chemicals and Fertilizers** be pleased to state:

- (a) the reasons for a deduction in Production-Linked Incentive scheme (PLI) for manufacturing of Active Pharmaceutical Ingredients (APIs);
- (b) whether measures are being taken by Government to promote research and innovation in the pharmaceutical industry; and
- (c) if so, the details of the budgetary allocations made towards the promotion of such research and innovation?

ANSWER

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

(a): The Government of India has taken several measures to encourage domestic manufacturing of bulk drugs to reduce import dependence and to establish a dominant position in the global market. The schematic interventions to support Pharma (Bulk Drug) Industries is 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, the financial incentive is planned to be provided for 41 identified products. A total of 249 applications have been received out of which, 51 applications have been selected under the scheme. As per Quarterly Review Report of December, 2022 submitted by the selected applicant, total 22 Projects have been commissioned.
- 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).
- iii. There is no deduction in Production Linked Incentive scheme for APIs.

(b) & (c): Pursuant to Budget announcement 2023-24 announced that a new Programme to promote Research and Innovation in Pharmaceuticals will be taken up through Centre of Excellence and to also encourage industry to invest in Research and Development in specific priority areas, the Department of Pharmaceuticals has formulated a Scheme for '*Promotion of Research and Innovation in Pharma MedTech Sector (PRIP)*' having two components, viz., strengthening the research infrastructure by establishment of Centres of Excellences (CoEs) at

seven existing National Institutes of Pharmaceutical Education & Research (NIPERs) and to provide financial assistance for the companies working with Govt. Institutes and for doing in-house R&D in specified moon-shot areas. The Proposed Scheme has been submitted for appraisal.

Government has set up seven national Institutes of Pharmaceuticals Education & Research (NIPER) at SAS Nagar (Mohali), Ahmedabad, Guwahati, Hajipur, Hyderabad, Kolkata, and Raebareli as Institutes of National Importance for imparting postgraduate and doctorate education and conducting high end research in various specialization of pharmaceuticals. The government has allocated Rs. 395 crore for these seven NIPERs for financial year 2022-23.
