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PLI scheme for pharmaceuticals

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Why is in news? Dr Mansukh Mandaviya focuses on high value pharmaceuticals and high-end medical devices to reduce the import dependency

“Working on the vision of **reducing import dependency through indigenous production**, Government of India is focussing on production of high value pharmaceuticals and high-end medical devices.

Manufacturing of components of high-end medical devices in the country will be another big step in moving towards Aatmanirbharta.” stated this while appreciating the efforts of the applicants selected under the scheme.

The Department of Pharmaceuticals (DoP) has released the first tranche of incentives under the Product Linked Incentive (PLI) scheme of pharmaceuticals amounting to Rs 166 crore to four selected applicants.

Under the Atmanirbharta initiative of the Government, Department of Pharmaceuticals launched the PLI scheme for pharmaceuticals in 2021. The financial outlay under this PLI scheme is Rs.15,000 Cr over a period of six years.

With an objective to enhance India’s manufacturing capabilities and contributing to product diversification towards high value goods in the pharmaceutical sector, **3 different categories of products** are being supported under the scheme, viz,

Category 1: Biopharmaceuticals; Complex generic drugs; Patented drugs or drugs nearing patent expiry; Cell based or gene therapy drugs; Orphan drugs; Special empty capsules, Complex excipients,

Category 2: Bulk drugs (except those 41 eligible products notified under “PLI Scheme for Bulk drugs) and

Category 3: Drugs not covered under Category 1 and Category 2 such as Repurposed drugs; Auto immune drugs, anti-cancer drugs, anti-diabetic drugs, anti-infective drugs, cardiovascular drugs, psychotropic drugs and anti-retroviral drugs, including In vitro diagnostic devices (applicable to 5 applicants out of 55 applicants);

The incentives on incremental sales to selected participants under these categories are at varying rate over the years ranging from 10% to 3% (tapering at last two years of the scheme).

The Department has received an incentive claim of about Rs. 544 cr from 15 applicants. Based on the evaluation, Rs.

The Department of Pharmaceuticals also implements two other PLI schemes, namely **PLI for Bulk Drugs and PLI for Medical Devices**, which have achieved significant milestones in the first year of implementation.

Under the **PLI scheme for Medical Devices** with a financial outlay of Rs.3,420 Cr, a total of 21 applicants have been selected . The objective of this scheme is to **establish domestic manufacturing capability of high-end medical devices**.

Some of the medical devices are being domestically manufactured for the first time in the country. Thus, the PLI scheme has paved the way for an ecosystem for domestic manufacturing of these high-end medical devices.

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Under the **PLI scheme for Bulk Drugs** with a financial outlay of Rs.6940 Cr, the objective is to **boost domestic production of 41 select critical bulk drugs in the country**. So far, 51 projects have been selected for the 34 notified bulk drugs.