



Ministry of Chemicals and Fertilizers



Government issues Operational guidelines for Production Linked Incentive Scheme of Pharmaceuticals



Applications invited from industry



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With an aim to enhance India's manufacturing capabilities by increasing investment and production in the sector and to contribute to product diversification to high value goods in the pharmaceutical sector, Department of Pharmaceuticals notified the 'Production Linked Incentive (PLI) Scheme for Pharmaceuticals' vide Gazette Notification No.31026/60/2020-Policy-DoP dated 3rd March, 2021. The approved outlay of the scheme is Rs 15000 crore. The scheme envisages to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains. Based on a series of consultations with pharmaceutical industry and stakeholders in the Government, the operational guidelines for the scheme have been prepared and issued on 1st June. The scheme is now open to applications from the industry.

The applications are invited in three groups based on the Global Manufacturing Revenue of FY 2019-20 of the applicants. A special carve out for MSMEs has been kept under the scheme. All the applications will be submitted through an online portal maintained by SIDBI, the Project Management Agency for the scheme. Application can be made on the online portal, URL of which is <https://pli-pharma.udyamimitra.in>. **The application window is for 60 days starting from 2nd June, 2021 to 31st July, 2021 (Both dates inclusive)**

The eligible products have been categorized into three categories. The products covered under the scheme are formulations, biopharmaceuticals, active pharmaceutical ingredients, key starting material, drug intermediates, in-vitro diagnostic medical devices, etc. The category-1 and category-2 products attract 10% incentive and category-3 products attract 5% incentive on the incremental sales. Incremental sales of a product mean sales of that product in a year over and above the sales of that product in FY 2019-2020.

Based on clearly laid out selection criteria given in the guidelines, a maximum of 55 applicants will be selected under the scheme. An applicant, through a single application, can apply for more than one product and the products applied by an applicant can be in any of the three categories. The applicants will be required to achieve minimum cumulative investment per year over a period of 5 years as prescribed under the scheme. The investment could be under new plant and machinery, equipment and associated utilities, research and development, transfer of technology, product registration and expenditure incurred on building where plant and machinery are installed. Investment made on or after April 01, 2020 will be considered as eligible investment under the scheme.

f Thereafter, the selected manufacturers will be able to receive production linked incentives based on incremental sales of pharmaceutical products for a period of 6 years. A selected participant will be able to get a maximum incentive of Rs 1000 crore, Rs 250 crore and Rs 50 crore respectively depending upon its group over the period of the scheme. Additional incentive will be available based on performance but subject to certain conditions. In no case, the total incentive including additional incentive, would be more than Rs 1200 crore, Rs 300 crore and Rs 60 crore per selected participant respectively for the three groups over the period of the scheme.

in An Empowered Group of Secretaries will undertake periodic reviews of the scheme to ensure its smooth implementation along with the other PLI schemes of the Govt. of India. A Technical Committee will assist the department in all technical issues which arise during the implementation of the scheme. SIDBI, the Project management Agency selected for this scheme, will be responsible for implementation and will be the interface with the industry for all issues with respect to online applications, selection of applicants, verification of investments, verification of sales and disbursal of incentives etc.

The pharmaceutical and the in-vitro diagnostic industry is expected to actively participate in the scheme and contribute to further strengthening the sector.

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