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Cabinet approves development of 3 mega bulk drug parks

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Promotion of domestic manufacturing of critical Key Starting Materials/Drug Intermediates and Active Pharmaceutical Ingredients in the country



The Union Cabinet chaired by the Prime Minister, Narendra Modi has approved the following schemes:

1. The scheme on Promotion of Bulk Drug Parks for financing Common Infrastructure Facilities in 3 Bulk Drug Parks with financial implication of Rs. 3,000 crore for next five years.

2. Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical KSMs/Drug Intermediates and APIs in the country with financial implications of Rs6,940 crore for next eight years.

Promotion of Bulk Drug Parks

1. Decision is to develop 3 mega Bulk Drug parks in India in partnership with States.
2. Government of India will give Grants-in-Aid to States with a maximum limit of Rs. 1000 Crore per Bulk Drug Park.
3. Parks will have common facilities such as solvent recovery plant, distillation plant, power & steam units, common effluent treatment plant etc.
4. A sum of Rs. 3,000 crore has been approved for this scheme for next 5 years.

Production Linked Incentive Scheme

1. Financial incentive will be given to eligible manufacturers of identified 53 critical bulk drugs on their incremental sales over the base year (2019-20) for a period of 6 years.
2. Out of 53 identified bulk drugs, 26 are fermentation based bulk drugs and 27 are chemical synthesis based bulk drugs.
3. Rate of incentive will be 20 % (of incremental sales value) for fermentation based bulk drugs and 10% for chemical synthesis based bulk drugs.
4. A sum of Rs. 6,940 crore has been approved for next 8 years.

The scheme is expected to reduce manufacturing cost of bulk drugs in the country and dependency on other countries for bulk drugs.