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# Govt releases Rs 166 Cr incentives under PLI scheme for pharmaceuticals

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**Incentives on incremental sales to selected participants are at varying rate over the years ranging from 10% to 3%**



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- Dr. Reddy's Laboratories Limited, Biocon Limited, Strides Pharma Science Limited, Premier Medical Corporation Private Limited.

The Department has received an incentive claim of about Rs 544 crore from 15 applicants. Based on the evaluation, Rs 221 crore of claims of incentives from the selected four applicants were found to be eligible and 75% of this amount i.e., Rs 165.74 crore have been released.

DoP launched the PLI scheme for pharmaceuticals in 2021. The financial outlay under this PLI scheme is Rs 15,000 crore over a period of six years. So far, 55 applicants have been selected under the scheme, including 20 Micro, Small & Medium Enterprises (MSMEs). The financial year of 2022-2023 being the first year of production for the PLI Scheme, DoP has ear-marked Rs 690 crore as the budget outlay.

As of January 31 2023, sales of about Rs. 36,000 cr have been reported by the select 55 applicants.

3 different categories of products are being supported under the scheme-

- **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)