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Government approves 51 pharma companies for bulk drug manufacturing incentives

29 October 2023 | News | By Amguth Raju

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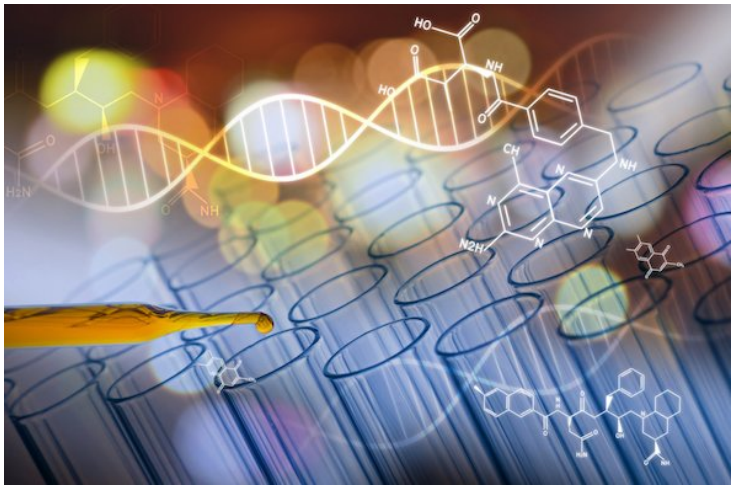

The Indian government has given the green light to 51 pharmaceutical companies to participate in the Production Linked Incentive (PLI) Scheme. This scheme is a pivotal step in promoting and strengthening the bulk drug manufacturing sector in India, and its approval marks a significant milestone in the country's efforts to reduce its dependence on imported pharmaceutical ingredients.

Uma Magesh, Under Secretary to the Government of India in the Department of Pharmaceuticals, made this announcement, emphasising the government's commitment to boosting the Indian pharmaceutical industry.

India has long relied on China for sourcing Active Pharmaceutical Ingredients (APIs) and Key Starting Materials (KSMs). In a bid to reduce this dependency on China and enhance its domestic manufacturing capabilities, India initiated policy changes in 2015. Since then, the central government has taken various initiatives, including the establishment of bulk drug clusters and the introduction of schemes to incentivize both new entrants and existing units to increase their manufacturing capacities.

The most recent initiative, the PLI scheme, was launched in 2020 with an initial annual budget of Rs 6940 crores. In a progressive move, the government has decided to extend financial incentives to eligible manufacturers for 41 identified products, encompassing 53 APIs, over a period of six years.

The Department of Pharmaceuticals communicated the list of 51 pharmaceutical companies that have been approved under the PLI scheme to the Bulk Drugs Manufacturing Association of India (BDMA).

These companies are set to produce a combined total of 92,130 Metric Tons (MT) of various active pharmaceutical ingredients and KSMs. Notable among these companies are Aurobindo Pharma Limited, partnering with Lyfius Pharma to manufacture 15,000 MT of Penicillin G, Karnataka Antibiotics and Orchid Biopharma Limited, each allocated 1,000 MT capacity for C-ACA production. Kinvan Private Limited is permitted to produce 300 MT of Clavulanic Acid, while Hindus Labs, Emmennar Pharma, and Alkimia Pharma-Chem will manufacture a combined total of 6,000 MT of 1,1 Cyclohexane Diacetic Acid (CDA). Meghmani LLP and Sadhana Nitrochem will produce 13,500 MT and 36,000 MT of Para Amino Phenol, respectively. Additionally, Granules India, RMC Performance Chemicals, and Alta Laboratories will contribute 8,000 MT, 1,500 MT, and 2,250 MT of Dicynadiamide (DCDA) to the initiative.

The BDMA has expressed its satisfaction at the approval of incentives under the PLI scheme for domestic bulk drug manufacturing companies. Eeshwar Reddy, the Executive Director of BDMA, views this as a positive signal from the government to strengthen the domestic bulk drug industry. With sustained support, India is poised to increase its manufacturing capacity and become a competitive force in the production of affordable APIs for global markets, potentially reducing its reliance on imports. This move is not only a significant step toward self-sufficiency but also a boost to the "Make in India" campaign, aligning with the government's vision of transforming India into a global pharmaceutical manufacturing hub.

Amguth Raju