

Ministry of Chemicals and Fertilizers :
Department of Pharmaceuticals



Production Linked Incentive Schemes have Strengthened India's Pharmaceutical, Bulk Drugs and Medical Devices Manufacturing Ecosystem

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The Government of India has made a wide range of efforts to increase investment in the pharmaceutical sector for enhancing manufacturing capabilities, to prevent disruption in supply of critical APIs used to make critical drugs and to promote medical device industry through provision of financial assistance

under the **Production Linked Incentive (PLI) Scheme**. The scheme has strengthened domestic manufacturing, reduced import dependence and encouraged technology adoption which has helped to build globally competitive manufacturing capabilities in Pharma & MedTech Sector.

Aligned with the vision of **Make in India** and **Atmanirbhar Bharat**, the PLI schemes viz., *a) **PLI Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/ Active Pharmaceutical Ingredients (APIs)**, commonly known as the **PLI Scheme for Bulk Drugs**; b) **PLI Scheme for Pharmaceuticals**; c) **PLI Scheme for Promoting Domestic Manufacturing of Medical Devices** implemented by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers are supporting expansion of manufacturing capacities across critical pharmaceutical ingredients, high-value medicines and advanced medical devices.*

a) PLI Scheme for Bulk Drugs : Strengthening Self-Reliance in Critical APIs

The Government approved the **PLI Scheme for Bulk Drugs in 2020**, with a total financial outlay of **₹6,940 crore**. The scheme was launched to strengthen domestic manufacturing of **41 identified critical products** and reduce dependence on imports, particularly for APIs and other essential pharmaceutical building blocks.

The scheme is designed to attract large investments in greenfield manufacturing projects and strengthen India's supply-chain resilience. Under the scheme, **48 projects have been approved**. As of June 2026, **₹5,210.74 crore of investment have been made**, exceeding the committed investment of **₹4,330 crore**. **39 projects for manufacturing 28 APIs/KSMs** have been commissioned.

The scheme has also enabled domestic production of critical fermentation-based products such as **Penicillin-G, Clavulanic Acid and Rifampicin**, which were earlier largely dependent on imports. As of June 2026, PLI scheme beneficiaries had achieved **sales of ₹3,792.49 crore, including exports of ₹560.16 crore**, while generating employment opportunities for around **5,127 persons**.

The commissioning of new manufacturing units, including projects in **Visakhapatnam, Andhra Pradesh**, is strengthening the domestic ecosystem for critical pharmaceutical raw materials. Companies such as Lyfius Pharma, Kinvan Private Limited, Andhra Organics Limited (AOL), Meghmani LLP,

Centrient Pharmaceuticals India Pvt. Ltd have contributed to strengthening of domestic manufacturing of critical APIs/KSM/DI such as Penicillin G, Clavulanic Acid, Sulfadiazine, Atorvastatin, Para Amino Phenol (PAP).

b) PLI Scheme for Pharmaceuticals : Driving High-Value Pharmaceutical Manufacturing

The **PLI Scheme for Pharmaceuticals was approved in 2021** with a total financial outlay of **₹15,000 crore**. The scheme seeks to enhance India's manufacturing capabilities, increase investment and production, and encourage a shift towards high-value pharmaceutical products.

The scheme supports manufacturing across categories including **biopharmaceuticals, complex generics, patented and off-patent drugs, orphan drugs, auto-immune medicines and other high-value pharmaceutical products**, along with specified APIs, DIs and KSMs not covered under the Bulk Drugs PLI Scheme.

A total of **55 applicants, including 20 MSMEs, have been selected** under the scheme. As of June 2026, the scheme has attracted **₹46,744 crore in actual investment**, substantially exceeding the targeted investment of ₹17,275 crore.

The scheme has also contributed to employment generation, with **1,21,294 jobs** created as of June 2026. Beneficiary companies have achieved cumulative sales of **₹4,02,869 crore**, including exports worth **₹2,57,370 crore**, from the commencement of the performance period in FY 2022-23 up to June 2026.

Companies such as Sun Pharmaceutical Industries Limited, AurobindoPharma Limited, Dr. Reddy's Laboratories Limited, Lupin Limited, Cipla Limited, Intas Pharmaceuticals Limited, Torrent Pharmaceuticals Limited have expanded their capacities to manufacture complex generics, biosimilars, auto-immune medicines and other high value pharmaceuticals

c) PLI Scheme for Medical Devices: Advancing Indigenous Manufacturing of High-End Medical Technology

The **PLI Scheme for Promoting Domestic Manufacturing of Medical Devices was approved in 2020** with a total financial outlay of **₹3,420 crore**. The scheme was introduced to boost domestic manufacturing and attract large investments in the medical devices sector, particularly in areas where India had significant import dependence.

The scheme provides a **5 per cent incentive on incremental sales** of eligible medical devices manufactured in India for a period of five years. It covers four broad segments, **cancer care/radiotherapy medical devices; radiology and imaging devices; anaesthesia, cardio-respiratory and renal care devices; and implants, including implantable electronic devices**.

The scheme has facilitated the establishment of domestic manufacturing capabilities for a range of high-end medical devices that were earlier predominantly imported. **Production of 57 unique medical devices** has commenced under the scheme, including **MRI machines, CT scanners, Cath Labs, Linear Accelerators, C-Arms, mammography machines, ultrasound systems, anaesthesia machines and heart valves**.

The initiative has also attracted leading global manufacturers and encouraged technology transfer and advanced manufacturing capabilities in India. Companies such as **GE Healthcare, Siemens, Philips, Varex, Nipro and Omron** have established or expanded manufacturing operations in the country, while

several participating companies have entered into technology-transfer arrangements with global partners. Domestic manufacturers have also expanded capabilities in the implant segment, contributing to increased domestic production and export potential.

The three PLI Schemes reflect a comprehensive approach for strengthening India's pharmaceutical and medical devices manufacturing ecosystem from critical raw materials and APIs to high-value medicines and advanced medical technologies.

By linking incentives with actual production and sales, the PLI framework is helping translate the **Make in India** vision into manufacturing capacity on the ground, while contributing to greater supply-chain resilience and strengthening India's position as a reliable manufacturing hub for pharmaceuticals and medical devices.

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PLI Scheme for Bulk Drugs for Resilient Pharmaceutical Supply Chain

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The Production Linked Incentive (PLI) Scheme for Bulk Drugs is strengthening India's domestic capabilities in manufacturing critical Key Starting Materials (KSMs), Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs), reducing import dependence and enhancing resilience across the pharmaceutical supply chain.

Five Greenfield projects that have commissioned manufacturing facilities under the Scheme demonstrate the growing scale and diversity of domestic production, covering critical ingredients for antibiotics, cardiovascular medicines and Paracetamol.

Lyfius Pharma Pvt. Ltd., a subsidiary of Aurobindo Pharma Limited, has established a large-scale **Penicillin G** manufacturing facility at Kakinada SEZ in Andhra Pradesh. The project with an investment of **₹2,270.05 crore**, has installed capacity of **15,000 MT per annum**.



The facility has generated **2,353 direct jobs** and recorded cumulative production of **₹1,191 crore**. **Penicillin G** is a critical fermentation-based KSM used in the production of intermediates such as 6-APA, which in turn are used for manufacturing widely prescribed antibiotics including amoxicillin and ampicillin.

With more than **90% domestic value addition**, the project resulted in the restoration of domestic manufacturing of Penicillin G after a gap of about three decades and addressed a strategically concentrated vulnerability in India's antibiotic supply chain while strengthening health security,

improving supply-chain resilience and reducing exposure to external supply disruptions and sharp price movements.

Kinvan Private Limited, a DPB Group company, has established a **400 MT per annum** fermentation-based manufacturing facility for Clavulanic Acid (Potassium Clavulanate) at Nalagarh, Himachal Pradesh.



The project with an investment of **₹504.68 crore**, has generated **465 direct jobs** and recorded cumulative production of **₹413 crore**. This is India's first fermentation-based manufacturing facility for Potassium Clavulanate.

Clavulanic Acid is a β -lactamase inhibitor that is combined with penicillin-group antibiotics such as amoxicillin to improve their effectiveness against resistant bacteria. The project represents a large-scale bio-pharmaceutical investment in a hill State, adding to Himachal Pradesh's pharmaceutical manufacturing base and has strengthened indigenous capabilities while reducing import dependence..

Andhra Organics Limited (AOL), a wholly owned subsidiary of Virchow Laboratories Limited, has commissioned manufacturing facilities for **Sulfadiazine, Telmisartan and Olmesartan** at Pydibhimavaram in Srikakulam district of Andhra Pradesh. The projects involve a combined investment of **₹151.47 crore** and have generated **221 direct employment**. The company has developed the manufacturing technology in-house and has established greenfield production facilities..



Domestic production of Sulfadiazine has contributed to a substantial reduction in India's import dependence, with imports having declined by about **73% compared with the FY 2019-20 baseline** since the company began supplies in 2022. Telmisartan and Olmesartan are widely used APIs for medicines prescribed for hypertension, supporting the availability of essential cardiovascular medicines.

Meghmani LLP has established a **13,500 MT per annum** manufacturing facility for **Para Amino Phenol (PAP)** at Dahej, Gujarat, with an investment of **₹60.46 crore**.



PAP is a critical starting material for Paracetamol, one of the most widely used medicines for fever and pain relief. The PLI-supported facility provides large-scale domestic capacity for PAP, which was earlier largely imported.

The project has recorded cumulative production of **₹687 crore**. The facility strengthens backward integration in Paracetamol manufacturing and contributes to greater security of supply for an essential medicine used extensively across the country and has also strengthened India's position as a reliable global supplier of Paracetamol.

Centrient Pharmaceuticals India Private Limited has established a greenfield **Atorvastatin API** manufacturing facility in Nawanshahr, Punjab, with an installed capacity of **206 MT per annum**.



The project with an investment of **₹161.13 crore**, has recorded cumulative production of **₹432 crore**.

Atorvastatin is a widely prescribed cardiovascular medicine used to lower cholesterol and reduce the risk of cardiovascular events. The project has enabled the development of a supply chain with more than **80% domestic value addition**, reducing dependence on imported key starting materials and supporting

India's capacity to meet domestic requirements while strengthening its potential as a global supplier.

The commissioning of these facilities under the PLI Scheme for Bulk Drugs reflects the growing capabilities of Indian manufacturers across fermentation-based and chemically synthesised pharmaceutical inputs.

From **Penicillin G and Clavulanic Acid to APIs such as Atorvastatin, Telmisartan and Olmesartan, and the key Paracetamol starting material PAP**, the projects are contributing to greater domestic value addition, import substitution, employment generation and supply-chain resilience. The projects also demonstrate how targeted policy support can encourage investments in strategically important pharmaceutical manufacturing segments, strengthen backward integration and build indigenous technological capabilities.

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