



Promotion of indigenous chemical and pharmaceutical manufacturing

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The following steps are being taken by the Department of Chemicals and Petrochemicals under the Make in India initiative to strengthen domestic chemical manufacturing:

(i) Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs): Government of India has notified the PCPIR Policy to attract investment and for the generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs promote the chemical and petrochemical sectors in an integrated and environmentally friendly manner on a large scale. PCPIRs are conceptualised in a cluster-based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses.

(ii) Plastic Park Scheme: The Department of Chemicals and Petrochemicals (DCPC) implement the scheme for setting up of plastic parks under the umbrella scheme of New Scheme of Petrochemicals. The scheme promotes setting up of need-based Plastic Parks with requisite state-of-the-art infrastructure and enabling common facilities. The objective is to consolidate and synergise the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the scheme, the Government of India provides grant, funding up to 50% of the project cost subject to a ceiling of ₹40 crore per project. In accordance with the scheme guidelines, nine plastic parks have been approved so far and the same are at different levels of implementation.

(iii) Centres of Excellence (CoEs): With the objective of promoting research and development efforts in the chemical and petrochemical sector to develop new molecules and technologies, the New Scheme of Petrochemicals includes a sub-scheme on setting up of centres of excellence. The objective is to provide grant-in-aid to educational and research institutions to improve existing technology and promote development of new applications of polymers, chemicals and plastics. The emphasis of the scheme is on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. Under the scheme, the Government of India provides financial support up to 50 per cent of the total project cost subject to an upper limit of ₹5 crore. So far, 18 CoEs have been set up under this scheme.

Under the Scheme for Promotion of Bulk Drug Parks, which has a total budgetary outlay of ₹3,000 crore, three parks have been approved and are at various stages of development in the States of Andhra Pradesh, Gujarat and Himachal Pradesh, through their respective State Implementing Agencies. The total project cost of these parks is over ₹6,300 crore, with Central assistance to the tune of ₹1,000 crore each for creation of common infrastructure facilities. These parks would offer land and utilities such as power, water, effluent treatment plant, steam, solid waste management, warehouse facilities at a subsidised rate to the bulk drug or active pharmaceuticals ingredient (API) manufacturers. The State Implementing Agencies of the respective States have offered fiscal incentives in the form of capital subsidy on fixed capital investment, interest subsidy, State Goods and Services Tax reimbursement, exemption of stamp duty and

registration charges, etc. Further, the scheme provides for applicants for allotment of land in the parks to set up units for manufacturing product prioritised in the PLI Scheme for Bulk Drugs to have priority in land allotment.

Further, under the Scheme for Promotion of Medical Devices Parks, having a total outlay of ₹ 300 crore, three parks have been approved and are being developed in Greater Noida (Uttar Pradesh), Ujjain (Madhya Pradesh) and Kanchipuram (Tamil Nadu). ₹180 crore have been released in two instalments for development of common infrastructure facilities at these three parks. The civil work for common facilities in all three medical device parks is at the final stage of construction. As of September 2025, 194 medical devices manufacturers have been allotted land in the approved Medical Devices Parks in a 298.58-acre area and construction has commenced for 34 units.

The measures taken by the Government to promote domestic manufacturing of APIs, reduce import dependency and the progress made is as under:

(i) Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) in India (also known as PLI scheme for Bulk Drugs): The scheme, which has a total budgetary outlay of ₹6,940 crore, aims to avoid disruption in supply of critical APIs used to make critical drugs for which there are no alternatives by reducing supply disruption risk due to excessive dependence on single source. As of September 2025, production capacities have been created for 26 KSMs/DIs/APIs, which were earlier primarily imported. Till September 2025, investment of ₹4,763.34 crore has already been made in three and half years of scheme production, against an investment commitment of ₹4,329.95 crore over the period of six years. Further, the scheme has resulted in cumulative sales of ₹2,315.44 crore reported till September 2025, including exports of ₹508.12 crore, thereby avoiding imports worth ₹1,807.32 crore.

(ii) PLI Scheme for Pharmaceuticals: The scheme has a total budgetary outlay of ₹15,000 crore, with aim to enhance India's manufacturing capabilities by increasing investment and production in the pharmaceuticals sector and contributing to product diversification to high-value goods in the pharmaceutical sector and incentivises production of high-value medicines such as biopharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry, auto-immune drugs, anti-cancer drugs, etc. as well as production of APIs/DIs/KSMs other than those notified under the PLI Scheme for Bulk Drugs. It has enabled enhanced investment and production in eligible products. As of September 2025, in three and half years of scheme operation, domestic cumulative sales of APIs and drug intermediates worth ₹26,123 crore have taken place, which includes sales of 191 new APIs and drug intermediates produced for the first time under the scheme.

This information was given by Union Minister of State in the Ministry of Chemicals and Fertilizers, Smt. Anupriya Patel, in a written reply in Rajya Sabha today.

PC/GS/SG

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