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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