

## PRODUCT-LINKED INCENTIVE SCHEME

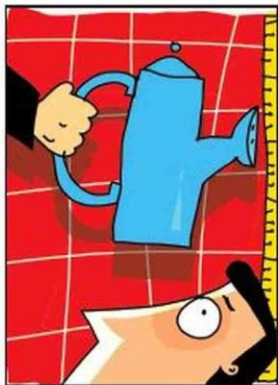
# Govt Allows Exports Under Plan to Boost API Output

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New Delhi: The government has tweaked the newly proposed production-linked incentive (PLI) scheme for bulk drugs to extend the incentives to exports of the products and ease other norms such as minimum investment threshold.

The pharmaceuticals department (DoP) on Thursday announced amendments to PLI scheme for promotion of domestic manufacturing of critical key starting materials (KSMs), drug intermediates (DIs) and active pharmaceutical ingredients (APIs) in India and PLI scheme for promoting domestic manufacturing of medical devices based on suggestions and inputs from the pharmaceutical and medical device industry.

Aimed at reducing dependence on China for APIs and KSM, the scheme for bulk drugs was initially meant to cater to only the domestic demand.



ANIRBAN BORA

ET had earlier reported that the scheme was expected to be tweaked.

“By making the export of products eligible for incentives, the government has signalled its support for the Indian pharmaceutical industry,” said Ramesh Swaminathan, chief financial officer at Lupin. “It is a big opportunity for us to remain competitive in the export market and potentially record a substantial growth. In the API segment, too, the

revisions are encouraging for us to earn back the space we once commanded,” he said. In the scheme for bulk drugs the government has replaced the criteria of ‘minimum threshold’ investment with ‘committed’ investment by the selected applicant.

“The removal of the minimum investment criterion will surely add further momentum for domestic production and speed up the Indian pharma industry’s journey to become self-reliant,” Swaminathan said. “However, we need to balance investments with optimising on the cost of production as a result of scale. I am certain, companies would take that call based on their risk-return appetites,” he said.

The government also brought in “changes in the minimum annual production capacity for 10 products,” DoP said in a statement.

“Minimum annual production capacity is a part of eligibility criteria under the scheme,” it said.