



Department of Industrial Policy
and Promotion

Department of
Pharmaceuticals

Pharmaceuticals Sector

Achievements Report

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MAKE IN INDIA

Table of Contents



0 3

**Policy Initiatives
& Investments**

0 5

**Skill
Development**

0 5

**Ease of Doing
Business**

0 5

**Infrastructure
Development**

0 5

Other Initiatives

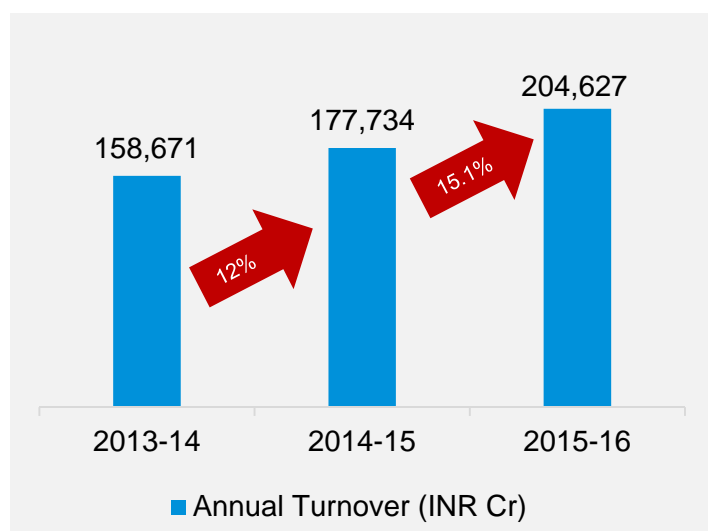


Pharmaceuticals - Sector

India is one of the largest producers of pharmaceutical products and a leading player in the global generics market, exporting nearly 50% of its production. The turnover of Indian pharmaceutical industry was estimated at **INR 2,04,627.1 crore** in FY 2015-16.

The Indian pharmaceutical industry has witnessed a robust growth in recent years growing from INR 177,734 crore in FY 2014-15 to INR 204,627 crore in FY 2015-16, **registering a growth of 29%** as compared to the **growth of 12%** from INR 158,671 crore during FY 2013-14.

Annual Turnover



In FY 2015-16, the exports of Drugs, Pharmaceuticals and Fine Chemicals was INR 1,06,212.4 crore. In the generics market, India exports 20% of global generics, making it the largest provider of generic medicines globally.

Policy Initiatives & Investments

FDI Policy:

- **100% FDI** has been allowed through **automatic route** for **Greenfield pharmaceuticals projects**
- For **Brownfield pharmaceuticals projects**, FDI has been **allowed up to 74%** through **automatic route** and beyond that through government approval.

Fiscal incentives

- To promote domestic manufacturing, inverted duty structure in Medical Device industry has been corrected
- Basic customs duty has been reduced to 2.5% along with full exemption from Special Additional Duty (SAD) on raw materials, parts and accessories for manufacture of medical devices, falling under headings 9018 to 9022 w.e.f. January 19, 2016.
- Basic customs duty on certain specified medical devices has been increased from 5% to 7.5% to boost domestic manufacturing



- SAD of 4% has been re-imposed for specified medical devices.
- Under the 'Credit Linked Capital Subsidy Scheme (CLCSS)' by Ministry of Micro, Small and Medium Enterprises for technology up-gradation, micro and small pharmaceutical companies have been provided subsidies. 165 MSME units have been benefited from CLCSS.

Major Investments & FDI Inflows

FDI Inflows: The Drugs and Pharmaceuticals industry has witnessed USD 2.93 billion equity inflows during April 2014 to December 2016.

Year	No. of units benefitted	Subsidy released under CLCSS
2014-15	110	967.00
2015-16 (as of Feb 2016)	55	489.00

- FDI equity inflow from Apr 2016 to Sept 2016 was USD 640.71 million.

Major foreign investments in the sector since April 2014 are in the below table:

Name of Foreign Collaborator	Country	Name of Indian Company	Amount of FDI Inflows (USD M)
Abbot Asia Holdings Ltd	United Kingdom	Abbott Healthcare Pvt Ltd	447.48
Mylan Group B.V, Netherlands	Netherlands	Mylan Laboratories Ltd	372.63
Hospira Pte Limited	Singapore	Hospira Healthcare India Pvt Ltd	301.61
Glaxo Smithkline Pte Ltd	Singapore	Glaxo Smithkline Pharmaceuticals Ltd	228.39
Jubilant Pharma Limited	Singapore	Jubilant Generics Limited	174.07
Sanofi Pasteur Merieux	France	Shantha Biotechnics Limited	123.82
Fresenius Kabi (Singapore) Pte Ltd	Singapore & Germany	Fresenius Kabi Oncology Ltd	118.25
Bluewater Investment Ltd	Mauritius	Aptuit Laurus Private Ltd.	63.49
Meiji Seika Pharma Co Ltd	Japan	Medreich Ltd	55.48
Dashtag	United Kingdom	Fulford (India) Limited	29.89



Cluster Development Programme for Pharma Sector (CDP-PS)

Launched on June 17, 2015, the scheme is being implemented on a Public Private Partnership format through a one time grant-in-aid, which will be released in phases for creation of Common Facility Centers (CFC).

Infrastructure Development

Indian Drugs and Pharmaceuticals Limited (IDPL), a Central Public Sector Enterprise under Department of Pharmaceuticals, has modernized the tablet manufacturing section of its Gurgaon Plant, which was commissioned with an investment of INR 3 crore. This has enabled the PSU to mass manufacture new products in the field of diabetes, oncology, nephrology and cardiology at affordable prices.

Other Initiatives

- As on December 15, 2016, ceiling price of 853 formulations are under price control. The fixation of ceiling prices has resulted in a total saving of INR 2547 crore since May 2014.
- 683 Jan Aushadi stores are operational, as on December 31, 2016, to provide generic medicines to masses at cheaper price.

Ease of Doing Business initiatives

- Pharma Jan Samadhan, a customer grievances redressal system was launched in March, 2015, to address consumer complaints.

Around 820 cases of overcharging involving INR 3992 crore is currently being processed.

- Pharma Data Bank, an integrated pharmaceutical database management system was launched on June 25, 2015, to facilitate online filling of mandatory returns as prescribed in Drugs (Prices Control) Order, 2013. The database also provides a facility for submitting Form-I application for price approval of 'new drug' under DPCO, 2013.
- Pharma Sahi Daam, a mobile application launched in August 2016, provides real-time information to consumers on prices of Scheduled/Non-scheduled medicines.

Skill Development

To keep pace with the growing demand for highly-skilled R&D professionals the following skill development initiatives have been undertaken:

Transformation of **National Institutes of Pharmaceutical Education & Research (NIPERS) as Innovation hubs**

- 11 NIPERs were approved till 2015. 3 new NIPERs at Chhatisgarh, Maharashtra and Rajasthan were announced in Budget 2016-17.
- In 2015-16, INR 95.63 crore was disbursed for NIPERs. AICTE issued an Advisory on honouring NIPER Degrees by all AICTE Institutions.

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