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Govt launches PLI Scheme for manufacturing of medical devices with Rs 3420 Cr

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Approval accorded under Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of Medical Devices



The medical device sector in India suffers from a considerable cost of manufacturing disability vis-à-vis competing economies, inter alia, on account of lack of adequate infrastructure, domestic supply chain and logistics, high cost of finance, inadequate availability of power, limited design capabilities, low focus on research and development (R&D) and skill development etc.

With an objective to boost domestic manufacturing, attract large investment in the medical device sector, the Department of Pharmaceuticals has launched a Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of Medical Devices to ensure a level playing field for the domestic manufacturers of medical devices with a total financial outlay of Rs 3,420 crore for the period 2020-21 to 2027-28.

The applications under four different Target Segments including 'Cancer care/Radiotherapy Medical Devices', 'Radiology & Imaging Medical Devices (both ionising & non-ionising radiation products) and Nuclear Imaging Devices', 'Anaesthetics & Cardio-Respiratory Medical Devices including Catheters of Cardio-Respiratory Category & Renal Care Medical Devices' and 'All Implants including Implantable Electronic Devices' were invited.

The Government has approved applications of Siemens Healthcare, Allengers Medical Systems, Allengers OEM, Wipro GE Healthcare, Nipro India Corporation, Sahajanand Medical Technologies, Innvolution Healthcare and Integris Health.

The setting up of these plants will lead to a total committed investment of Rs 729.63 crore by the companies and employment generation of about 2,304. The commercial production is projected to commence from April 1, 2022 and the disbursal of production linked incentive by the Government over the five years period would be up to a maximum of Rs 121.00 crore per applicant per target segment. The setting of these plants will make the country self-reliant to a large extent in the specified target segments in the Medical Devices Sector. The remaining pending applications are proposed to be taken up for approval by end of February, 2021.