Special Incentives for In Vitro Diagnostic (IVD) Medical Devices’ manufacturing in India

Production Linked Incentive Scheme 2.0
Financial Incentives to the tune of USD 2 Bn

Applications Close on 31st July, 2021
The India Story

- Jumped from 142\textsuperscript{nd} to 63\textsuperscript{rd} rank on World Bank’s Ease of Doing Business
- FDI rose by 96\% in the Medical Devices sector in FY19-20 from FY 18-19
- Corporate income tax is the lowest in South Asia at 17\%

IVD in India

**Market Size & Growth**

$\$2.06\text{ Bn}$

- 2020
- CAGR ~7.5\%
- 2027

**Key Growth Drivers**

- Increase in budget allocation to health and wellbeing from USD 12,939 Mn to USD 30,664 Mn an increase of 137\% per cent
- The increasing prevalence of chronic diseases such as Cancer, Cardiovascular and respiratory diseases
- India’s population is set to touch 1450 million by 2028, making it world’s most populous nation and a substantial potential market for IVDs

PLI Scheme 2.0 - Snapshot

INR 15,000 Cr (~USD 2.1 Bn) Financial Outlay

FY21-FY29 Tenure of the scheme

INR 1,200 Cr (USD 164 Mn) Maximum Incentive

What Group you fall in

**Group A**
- INR 5,000 Cr+ (USD 685 Mn+)
- Global manufacturing revenue*
- ₹ 1,200 Cr ($164 Mn)
- ₹ 11,000 Cr ($1,506 Mn)

**Group B**
- INR 500-5,000 Cr (USD 68.5-685 Mn)
- Global manufacturing revenue*
- ₹ 60 Cr ($8m)
- ₹ 250 Cr ($34 Mn)
- ₹ 300 Cr ($41 Mn)

**Group C**
- <INR 500 Cr (<USD 68.5 Mn)
- Global manufacturing revenue*
- ₹ 50 Cr ($7 Mn)
- ₹ 1,750 Cr ($240 Mn)
- ₹ 500 Cr ($68.5 Mn)

What Counts as Investments: On or After 1st April 2020

- Plant, Machinery, Equipment and Associated Utilities
- Research & Development Expenditure
- Transfer of Technology Agreements
- Product Registration
- Building**

Revenues from any other source for instance R&D services, rental incomes, etc., shall be excluded for calculating the GMR.
# Not an entitlement
X Cumulative of Pharma and IVD

**Conditions Apply**
Incentives You Get

**Net incremental Sales of Eligible Product x Rate of Incentive**

- ‘Net’ means adjusting for sales return of eligible product.
- ‘Incremental sales’ means sales during a given Financial Year minus the baseline sales of that product in 2019-20.
- ‘Rate of incentive’ on incremental sales (over Base Year) of eligible product

**How Evaluation Happens**

**Group A/B/C**

- Gross manufacturing revenue from in vitro diagnostic medical devices in FY2019-20
- Number of manufacturing plants in India having manufacturing license from CDSCO/SLA*

- Gross manufacturing investment of applicant/group company in India in 10 years during FY2011-20

*either USFDA / EDQM / UK MHRA / PMDA / Health Canada / TGA as on 01.04.2021.*
BECOME A GLOBAL CHAMPION NOW

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Write to us at : medicaldevices@investindia.org.in