

PHARMACEUTICALS Sector Profile



Govt. of Uttarakhand

Department of Medical Health & Family Welfare

Disclaimer: The content in the profile is being vetted by the department and is liable to change



WELCOME!

In Uttarakhand, we have been successful in creating an investor friendly environment. The State has immense potential and favourable conditions to attract investments in various sectors mainly Tourism & Wellness, Organic Farming, Food Processing, Horticulture, Electricity, Solar Energy, Automobile, Pharmaceutical & Sericulture sectors. Uttarakhand is also welcoming new ideas and innovations by creating appropriate ecosystem for nurturing Start-Ups. The state has done a commendable job in creating a symbiotic atmosphere of confidence and enterprise.

Uttarakhand beckons all investors to come, invest and excel.

Trivendra Singh Rawat
Chief Minister, Uttarakhand



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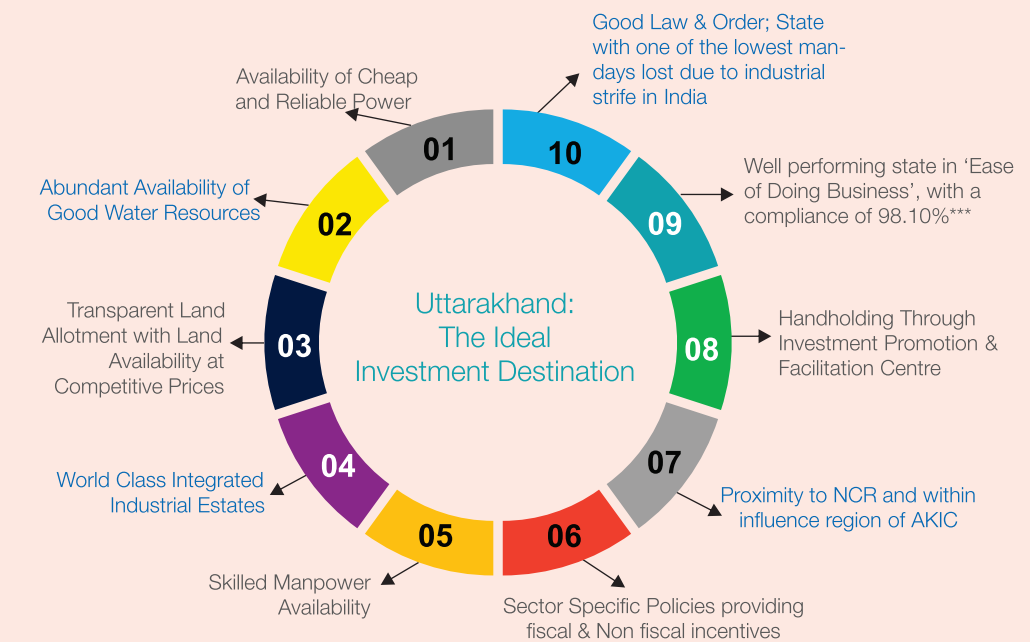


Uttarakhand Overview (1/4)

- The State of Uttarakhand was formed on 9th November 2000 as the 27th State of India, when it was carved out of northern Uttar Pradesh
- The State is close to the National Capital Region (NCR) and has excellent connectivity with its neighbouring states
- With levels of literacy rate* (78.80%) higher than the national average and the presence of institutes of international repute, the State has abundant availability of quality human resources
- GSDP of the state stood at INR 2, 17,609 Million with a growth rate of 11.23% (FY 2017-18)*
- The state offers a wide range of benefits in terms of interest incentives, financial assistance, subsidies and concessions
- The secondary sector in the state contributes around 50% to the Gross State Domestic Product (GSDP: 2017-18), much higher than the national average**

Acknowledged for Ease of Doing Business & Peace of Doing Business...

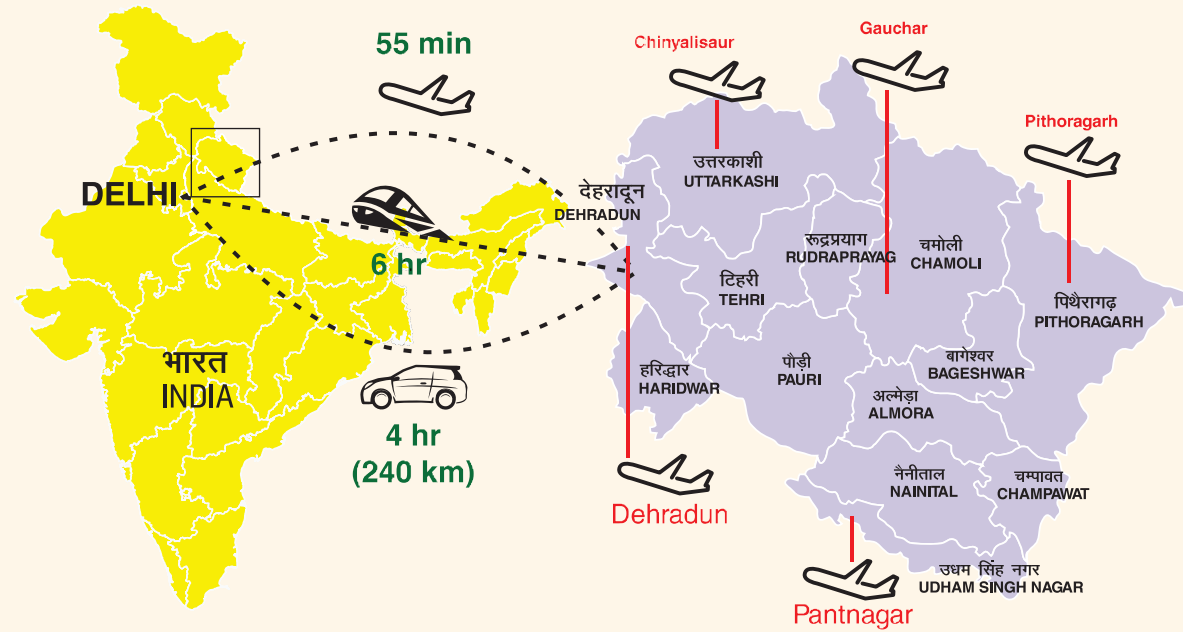
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Sources: *Uttarakhand at a glance 2016, DES, GoUK
** Directorate of Economics & Statistics, GoUK
*** Evaluation of BRAP 2017 Reform Evidence, DIPP

Uttarakhand Overview (2/4)

Connectivity - Uttarakhand



General Characteristics	Population ('000) 10086	Area (Sq. Km) 53,483	Water bodies Ganga, Yamuna, Bhagirathi and others
Economic Indicators	GSDP (Million INR) 2,17,609 (FY 2017-18)	GSDP Growth Rate 11.23% (FY 2017-18)	Per Capita Income (INR) 1,77,356 (FY 2017-18)
Technical Institutes	Higher Education Institutes 159	Industrial Training Institutes (ITI) 179	Polytechnic Institutes 70

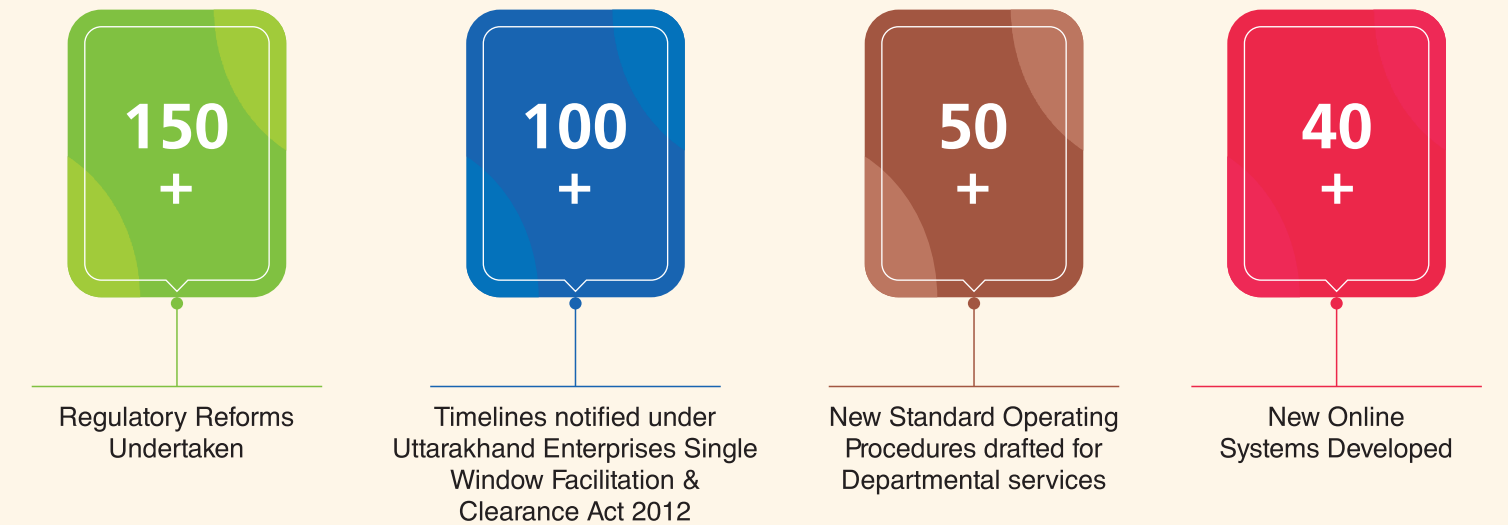
Sources: Uttarakhand at a glance 2016, DES, GoUK



Uttarakhand Overview (3/4)

Ease of Doing Business

Under the 'Ease of Doing Business' initiative, the State has implemented a web based Single Window Clearance System - www.investuttarakhand.com, allowing investors to avail the necessary State Government approvals to establish and start their business operations through a single platform without any physical touch point with the approving / licensing authority.



Hassle Free Setup and Operations in The State



Uttarakhand Overview (4/4)

Investor Facilitation

- The Government of Uttarakhand has laid huge emphasis on business facilitation by creating an enabling environment for industries to set up and start their operations in the State
- The State government houses a dedicated '*Investment Promotion & Facilitation Centre (IPFC)*' which acts as a centralized one-stop-shop for the investors / businesses and provides complete handholding support in a structured, focused and comprehensive manner. IFC will focus on investment promotion, facilitation, direct engagement and consultation with investors / Stakeholders and ensures investment realization and sustainable industrialization in the state
- '*Uttarakhand Right to Service Act, 2011*' & '*The Uttarakhand Enterprises Single Window Facilitation and Clearance Act, 2012*' were enacted to provide necessary time bound licenses, permissions and approvals for the setting up of commercial establishments in the state. The State has ensured robust legal resolution mechanisms to ensure time bound delivery of government services with more than 100 investor related services already notified under both the acts separately and is in the process of adding more such services of multiple sectors shortly

Credited by Industry Associations

Story of 'Make in Uttarakhand' which started in 2003 is a classic example of what manufacturing can deliver to a region's economy in terms of both economic growth and employment generation

-CII Report 'Making Uttarakhand Competitive, June 2016'

CII

NCAER Assessment based on "Perception of good business climate" ranks Uttarakhand as the Least Corrupt state in India

NCAER N-SIPI Index Survey ; Five states – Uttarakhand, Gujarat, Assam, Andhra Pradesh and Himachal Pradesh – had more than 90% respondents say they faced no problem in getting land

NCAER

Uttarakhand has emerged as the top state in the country in terms of growth in the industry and service sectors in the last ten years.

Uttarakhand has also figured as the second best performing state in terms of project implementation, improving investment scenario in the state

ASSOCHAM

India – Pharmaceuticals Sector

Indian Pharma Sector – Overview

- India is leading player in global generics market with a 20 percent share in supplies by volume and strong network of 10,500+ manufacturing units and 3,000 pharma companies.
- Indian pharmaceutical market increased by 7.4 per cent from 2016 and is valued at USD 19.15 billion in FY17 and is expected to reach USD 28.94 billion by 2022 experiencing a CAGR of 8.6 percent.
- It supplies 50 to 60 percent of global demand for many vaccines (including ARVs)*
- India supplies 60 percent of global ARV drugs and 30 percent of the annual UNICEF requirement³.
- Government of India allows 100 percent Foreign direct Investment (FDI) in Greenfield pharma and 74 percent in Brownfield pharma under automatic route.
- Indian vaccines are exported to 150 countries and more than 500 different Active Pharmaceutical Ingredients (APIs) are manufactured in India. The pharmaceutical export value was USD 14.1 Billion in 2017, and is forecast to rise to USD 20.54 Billion by 2022.
- Indian pharmaceutical companies account for 30% of the US's generic drug imports with exports to the US and other regulated western markets accounting for over 50% of the country's global medicine exports.
- India has the largest number (over 200) of US Food and Drug Administration (FDA)-approved pharmaceutical units outside the US
- India has the second highest number of US FDA approved facilities and labour costs in Indian have been lower than other manufacturing hubs by up to 40 percent⁷

Source: * FICCI report on 2018 India pharma sector
IBEF – 2018 Pharmaceuticals report
\$POBOS McKinsey's proprietary pharma operations benchmarking

Uttarakhand Overview (4/4)

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India – Pharmaceuticals Sector

Indian Pharma Sector – Emerging Opportunities

Active Pharmaceuticals Ingredients (API)

- India became the third largest global generic API merchant market in 2016, with a 7.2 per cent market share
- The Indian pharmaceutical industry accounts for the 2nd largest number of Abbreviated New Drug Applications (ANDAs), is the world's leader in Drug Master Files(DMFs) applications with the US

Contract research & Mfg. Services

- Fragmented market with more than 1,000 players
- CRAMS industry is estimated to reach US\$ 18 billion in 2018 and expected to witness a strong growth at a CAGR of 18-20 per cent between 2013-18

Pharmaceutical Industry

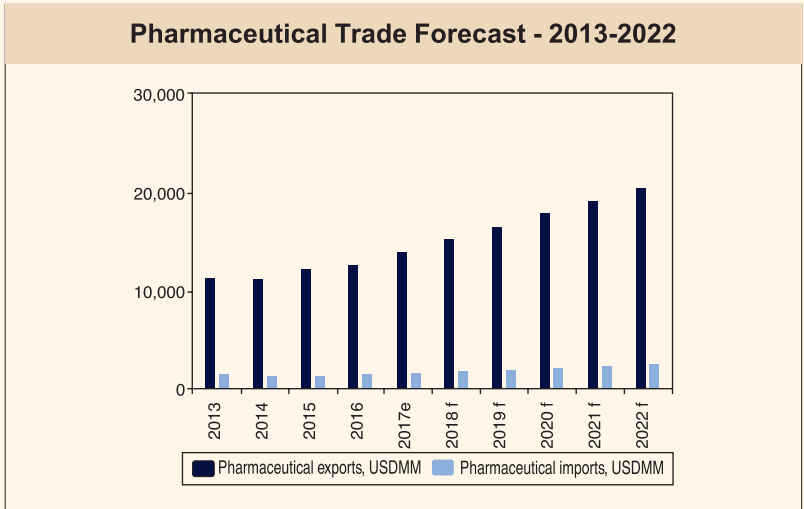
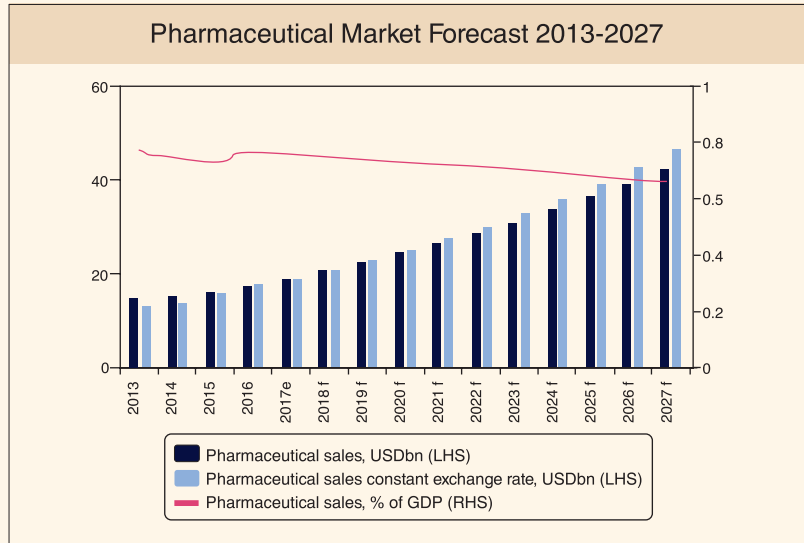
Formulations

- Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value. Drug formulation* exports from India reached US\$ 7.25 billion during April – November 2017
- Domestic market size currently valued at US\$ 11.2 billion

Bio-similar

- The government plans to allocate US\$ 70 million for local players to develop Bio-similars.
- The domestic market is expected to reach US\$ 40 billion by 2030

Indian Pharma Sector – growth Forecasts



Source: IBEF – 2018 Pharmaceuticals report, FICCI
– Report on Pharmaceuticals sector, 2018

Uttarakhand – India`s Emerging Pharma Hub

Uttarakhand State overview

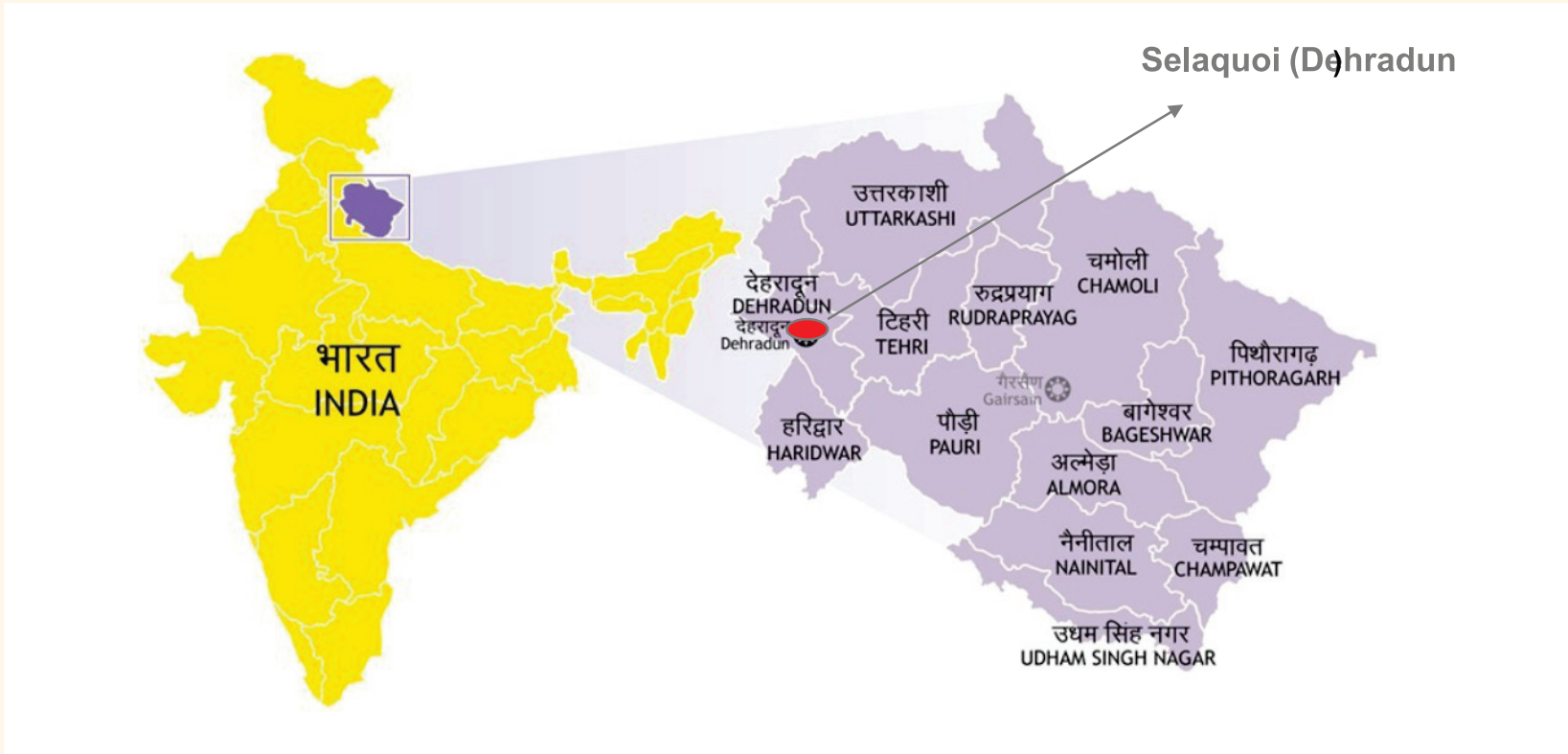
- There are more than 300 pharmaceutical units engaged in manufacturing in Uttarakhand, majorly located in Selaquoi, Haridwar and Udham Singh Nagar
- Currently Pharmaceutical sector employs more than 1,00,000+ people in Uttarakhand.
- Currently, the Pharmaceuticals Industry of Uttarakhand is catering to around 20% of country's domestic requirement & Uttarakhand state is on a track of becoming global Pharma hub.
- With Uttarakhand State's focus on pharmaceutical and infrastructure investments, pharma majors have made their base in Uttarakhand
- In order to facilitate Pharmaceutical industries in the State, with well-developed infrastructure established at Pharma City Selaqui Industrial Area, Dehradun. Spread across 50 acres, with a capital investment of INR 12059.62 Lakhs. It is providing employment to more than 1200 people.
- Abundant skilled manpower is available in the State. The Uttarakhand Skill Development Mission trains students for employment under Pharmaceutical Sector with special courses and industry collaborations

Key Investment Opportunities

- API/Bulk Drug Manufacturing Unit
- Food & drug testing and Contract research Lab
- Biosimilars manufacturing Unit
- Vaccines manufacturing Unit
- Nutraceuticals Manufacturing Unit
- Lifesciences reagent manufacturing Unit focused on research Labs

*Medical Health and Family Welfare, Uttarakahnd

Uttarakhand – Pharma Cluster



Pharma City, Selaquoi Industrial Area, Dehradun

Sr. No.	Particular	Details
1	Name of Industrial Estate	Pharma City, Selaqui Industrial Area, Dehradun
2	Location	Located 25 Km from Dehradun. 225 Km from National Capital Delhi.
3	Total Area	50 Acres
4	Area Available for Allotment (Industrial)	30 Acres
5	Area Allotted	30 Acres
6	Connectivity	Nearest Rail Yard: 25 Km Nearest National Highway: Located on Dehradun-Chakrata National Highway Nearest Domestic Airport: Jolly Grant 55 Km Nearest International Airport: Delhi 275 Km

*IBEF Report – May 2018

Policies, Schemes & Incentives (1/6)

Incentives offered under Govt. of India sponsored schemes

Pradhan Mantri Bhartiya Janaushadhi Pariyojana' (PMBJP)

- Covers 700 medicines and 154+ surgical & consumables
- Around 4000 PMBJP Kendras are currently working n 34+ cities
- Incentives @ 15% of sales limited to INR 5 Lakh per month
- Initial financial support of INR 2.5 Lakh to wards Furniture, free medicine and related peripherals

Cluster Development Programme for Pharma Sector (CDP-PS)

- The scheme is for setting up of new cluster as well as Upgradation of existing cluster.
- However, the purpose of the grant is for activities of common facilities.
- Up to INR 20 crore per cluster or 70% of the cost of project whichever is less (Gol
- grant will be 90% for CFCs for difficult and backward regions

Pharmaceutical Promotion Development Scheme (PPDS)

- Mega events viz. India Pharma and India Medical Expo and other International events organized jointly by Department of Pharmaceuticals.
- Grant-in-aid will be worked out based on the estimates furnished and the parameters like expenditure incurred in the past by organizers etc. with the concurrence of IFD/Department of Expenditure etc.

Scheme for Schedule M Compliance for SSI Pharma Units Pharma

- SSI units can avail benefits of Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up-gradation of Micro, Small and Medium Enterprises by the Ministry of
- MSME (CLCS Scheme for financial assistance is available for 179 products) Subsidy @15% of the investment in plant and machine to SSI units.

Source – Invest India Portal, Ministry of family health and family welfare
<http://pharmaceuticals.gov.in/schemes>

Policies, Schemes & Incentives (2/6)

Industrial Development Scheme 2017

Central Capital Investment

Central Capital Investment Incentive for access to credit (CCIIAC) @ 30% of the investment in plant and machinery with an upper limit of INR 5.00 crore

Central Comprehensive Insurance Incentive

Reimbursement of 100% insurance premium on insurance of building and Plant & Machinery for a maximum period of 5 years from the date of commencement of commercial production/ operation

Note: Units which have commenced production on or after 01st of April, 2017 will be allowed to register with DIPP on or before 30th of September, 2018

Policies, Schemes & Incentives (3/6)

Uttarakhand MSME Policy

- Pharmaceuticals Sector is covered under MSME industrial policy
- Pharmaceutical Units are eligible for electricity tariff on industrial rate

Categorization of industries for the purpose of quantum of incentives

Category	Included Region
Category A	Whole Districts of Pithoragrah, Uttarkashi, Chamoli, Champawat, Rudraprayag and Bageshwar
Category B	<ul style="list-style-type: none">• Whole District of Almora• All hilly development blocks of District Pauri Garhwal, Tehri Garhwal (Excluding regions under category B+)• All hilly development blocks of District Nainital and Dehradun (Excluding regions under category B+)
Category B ⁺	<ul style="list-style-type: none">• Kotdwar, Sigaddi and adjoining plain regions of Dugadda development block of district Pauri Garhwal• Dhalwala, Muni Ki Reti, Tapovan and adjoining plain regions of Fakot development block of District Tehri Garhwal• Kotabagh development block of District Nainital• Plain regions of Kalsi development block of District Dehradun
Category C	<ul style="list-style-type: none">• Regions located above 650 mtrs from sea level in Raipur, Sahaspur, Vikasnagar and Doiwala development blocks of District Dehradun• Ramnagar and Haldwani development blocks of District Nainital
Category D	<ul style="list-style-type: none">• Whole Districts of Haridwar and UdhamSingh Nagar• Remaining area of District Dehradun and Nainital (which are not included in category 'B', 'B+' and 'C')

Policies, Schemes & Incentives (4/6)

Uttarakhand MSME Policy

Interest Subsidy	Category A: 10%(Max 8 lacs) Category B, B+: 8% (Max 6 lacs) Category C: 6% (Max 4 lacs) Category D: 5% (Max 3 lacs) <small>*Per year/ unit</small>	Capital Subsidy	Category A: 40%(Max 40 lacs) Category B, B+: 35% (Max 35 lacs) Category C: 30% (Max 30 lacs) Category D: 15% (Max 15 lacs)	Transport Subsidy	% of Annual Turnover (Per year/ unit) or Inbound/ Outbound Logistics Cost whichever is less Category A: 7% Category B: 5% Category B+: 5% (Max 5 lacs)
Stamp Duty	Category A, B, B+, C: 100% Category D: 50%	SGST Concession*	Category A: 100% for the first 5 yrs and 90% thereafter Category B, B+: 100% for the first 5 yrs and 75% thereafter	Power Bill Rebate	Category A: Sanctioned Load upto 100 KVA: 100% for 5 yrs and 75% thereafter; If Load>100 KVA: 60% Category B, B+: Sanctioned Load upto 100 KVA: 100% for 5 yrs and 60% thereafter; If Load>100 KVA: 50%
Internet Charges	50% Reimbursement on internet usage charges for all categories	Mandi Charges	Category A, B: 100% exemption on Mandi charges	Excise Duty	Category A, B: 75% reimbursement on State Excise Duty, Additional Excise Duty, Bottling fees and other charges as under State Excise Policy

**The SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed from the date of commencement of production of the unit*

Reimbursement of cost incurred for carrying out standardization and quality certification of products by accredited institutions at national and international level by means of ISI marking, registration of copyright, trade marking etc. - 75% (maximum Rs. 1 lacs)

Detailed central schemes and policies are available at <https://www.doiuk.org/policies.php>

Policies, Schemes & Incentives (5/6)

Heavy Industry Investment and Employment Promotion Policy 2018

Interest Subsidy	Interest subsidy @ 5% to a maximum of upto INR 3 lakhs will be applicable for term loans availed from scheduled commercial bank or financial institutions
Stamp Duty Exemption ETP Subsidy	50% exemption on Stamp duty 30% upto a maximum of INR 20 Lakhs
Non Fiscal Incentives	
Payment provision for land obtained from SIIDCUL:	1. 50% at the time of allotment and balance 50% within 2 years in two equal instalments 2. 100% at the time of allotment will be eligible for 5 % rebate



Policies, Schemes & Incentives (6/6)

Mega Industrial and Investment Policy

Pharmaceutical Indutries are included in the policy

SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed

Categorization of industries for the purpose of quantum of incentives

Category	Units Included
Large Projects	Investments of INR 50 Cr.to 75 Cr.
Mega Projects	Investments of INR 75 Cr.to 200 Cr.
Ultra Mega Projects	Investments above INR 200 Cr.

Coverage:

New & Existing Projects undergoing expansion (falling within notified Industrial Estates / declared non-agriculture land under section 143: Large projects (50 Cr to 75 Cr), Mega Projects (75 Cr to 200 Cr), Ultra Mega Projects (Above 200 Cr)

Interest Subsidy	7% for 5 years Investment – Interest Large – 25L Max Mega – 35L Max Ultra Mega – 50L Max	SGST Concession*	Large: 30% Mega / Ultra Mega: 50%	Stamp Duty	50% Exemption
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ETP Subsidy	Extra Employment Subsidy	Land Registration Fees	Power Assistance	Land Rates Rebate
30% (up to 50 lacs)	@ 500 P.M. per Male @700 P.M. per Female	Land registration fee @1/- per 1000/-	Rebate of 1/- per unit on the power bill and 100% rebate on electric duty for 7 years	Rebate of 15%, 25% and 30% on SIIDCUL prevailing land rate for Large, Mega and Ultra Mega Projects respectively

Detailed central schemes and policies are available at <https://www.doiuk.org/policies.php>

Indicative Approvals Required – 1/2

Registration / NOCs / Licenses Required For Setting Up Of Units



















S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1	Land allotment in departmental industrial estates	Directorate of Industries
2	Application for Land / Plot Allotment	SIIDCUL
3	Application for new connection LT / HT line – non domestic / industrial	Uttarakhand Power Corporation Limited
4	Application for Water Connection	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited
5	Application for Water Connection	Uttarakhand Jal Sansthan
6	Application for building plan approval	State Industrial Development Authority
7	Application for Completion cum Occupancy Certificate	State Industrial Development Authority
8	Consent to Establish under Water (Prevention and Control of Pollution) Act,1974	Uttarakhand Environment Protection and Pollution Control Board
9	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Uttarakhand Environment Protection and Pollution Control Board
10	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981& Authorization under The Hazardous and Other Wastes (Managementand Trans boundary Movement) Rules, 2016	Uttarakhand Environment Protection and Pollution Control Board

Indicative Approvals Required – 2/2

Registration / NOCs / Licenses Required For Setting Up Of Units

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
11	Application for Pre-Establishment Fire NOC (National Building Code, 2005)	Uttarakhand Fire and Emergency Services
12	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Uttarakhand Fire and Emergency Services
13	Site Plan Approval under Factories Act, 1948	Department of Labour
14	Registration of Factories under Factories Act, 1948	Department of Labour
15	Registration under Uttarakhand Dookan Aur Vaniya Adhistan Adhinyam, 1962	Department of Labour
16	License under Contract Labour Act, (Regulation and Abolition), 1970	Department of Labour
17	Registration under GST (Uttarakhand Goods and Services Tax Rules, 2017)	Department of Commercial Tax

List of Leading Players

 India Glycols Limited	 Biological E-Limited	 M/s Coral Laboratories Ltd	 Wheezal (Homoeopathy) Pharma	 Uni Medico Labs
 Avantor Performance Material India Ltd.	 Super Max Laboratories	 Sun care Pharmaceuticals Pvt. Ltd.	 Himalaya Meditek (P) Ltd.	 Jubilant Generics Ltd.
 East African (India Overseas)	 Verve Human Care Laboratories	 Hema Laboratories Pvt. Ltd.	 HAB Pharmaceuticals & Research Ltd.	 Premier Nutricare Pvt. Ltd.
 Karnani Pharmaceuticals (P) Ltd.	 Kalindi Medicure Pvt. Ltd.	 Translumina Therapeutics		

Key Contacts

Investment Facilitation Centre

Address	Directorate of Industries Industrial Area, Patel Nagar, Dehradun, Uttarakhand
Website	www.investuttarakhand.com
Toll Free	18002701213

Name of the Department

Address	Directorate of Health Services Village Danda Lakhond, Sahastradhara Road, Dehradun
Website	https://www.ukhfws.org/
Email ID	dg.health@gmail.com
Phone	+91-135-2608942

Notes

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Designed by sanket

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