

Business Standard

Govt launches Rs 500 crore scheme to strengthen medical devices industry

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Union Chemicals and Fertilisers Minister JP Nadda on Friday launched a Rs 500 crore scheme to strengthen India's medical devices industry, focusing on critical areas such as manufacturing key components and accessories, skill development, support for clinical studies, development of common infrastructure, and industry promotion.

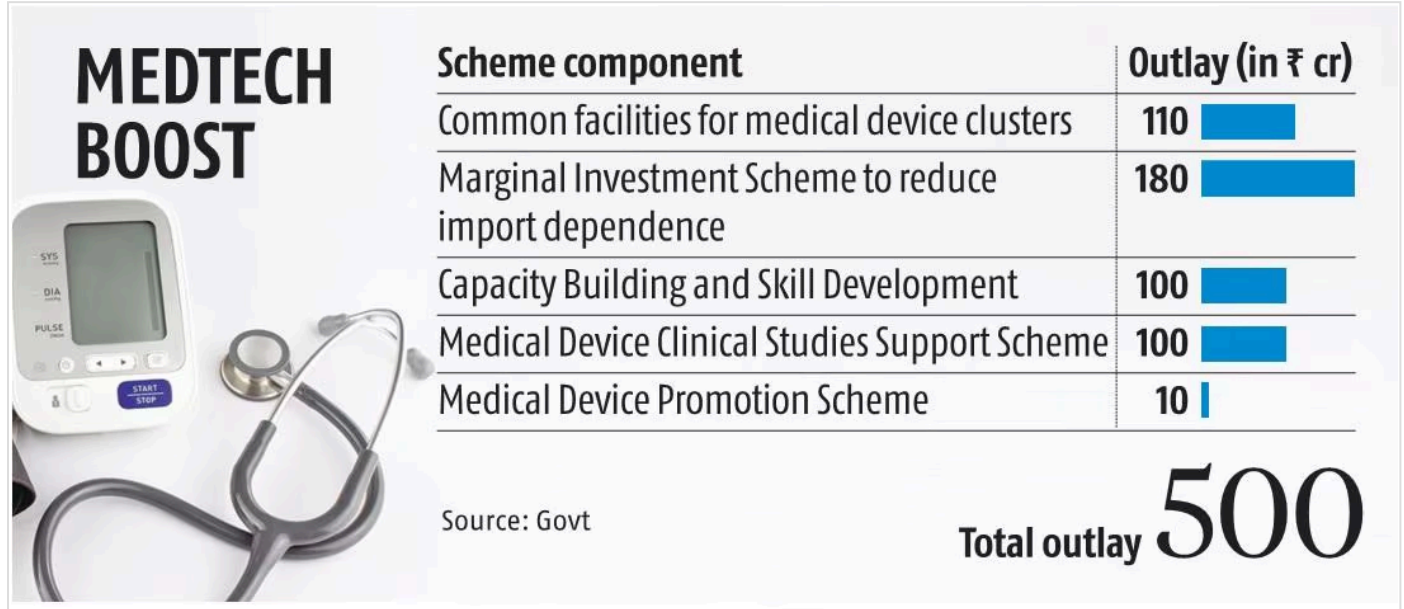
This initial outlay of Rs 500 crore will be for three years, up to financial year 2026-27 (FY27), according to a government communication.

The overall scheme consists of five components, including common facilities for medical device clusters, capacity building and skill development, a marginal investment scheme for reducing import dependence, clinical studies support, and a medical device promotion scheme.

Under the scheme, Rs 110 crore has been allocated to strengthen infrastructure through the creation of common facilities such as research and development (R&D)

labs, design and testing centres, and animal labs for around 20 medical device clusters in India. This will also include the enhancement of testing facilities.

“Grants of up to Rs 20 crore for common facilities and Rs 5 crore for testing facilities will be provided,” the chemicals and fertilisers ministry said in a statement.



Similarly, Rs 180 crore has been outlined for a marginal investment scheme to deepen the value chain by incentivising the production of key components and raw materials used in the manufacturing of medical devices, thereby reducing import dependence.

This sub-scheme offers a one-time capital subsidy of 10-20 per cent, with a maximum cap of Rs 10 crore per project.

The government will also provide a support scheme worth Rs 100 crore for clinical studies of medical devices, enabling developers and manufacturers to apply for financial assistance for animal studies and, if successful, for human trials to validate MedTech products.

While Rs 100 crore has been earmarked for skill development in the sector, an additional Rs 10 crore will be used for a promotion scheme for the medical device industry.

Describing the scheme as a game changer for the industry, Nadda said it will not only benefit the industry but also represent a significant step towards making India self-reliant.

“The government is committed to strengthening the medical devices industry through focused interventions that yield substantial and transformational outcomes,” he added.

With a market size of \$14 billion, the Indian medical devices sector is the fourth largest in Asia and ranks among the top 20 global medical device markets. The sector is expected to grow to \$30 billion by 2030.

Commenting on the industry’s reaction, Himanshu Baid, managing director of Poly Medicare, said these measures will accelerate sectoral growth, reduce import reliance, and enhance India's position as a leading exporter of medical devices.

“This comprehensive approach will not only benefit the industry but also strengthen the country's healthcare infrastructure,” he added.

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