



PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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DoP sends proposal to launch PTUAS scheme to planning commission for final nod

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Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=56206§ionid=>

The Department of Pharmaceuticals (DoP) has sent the proposal to launch the Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS) to the Planning Commission for its final nod. The scheme is being launched to assist the medium pharma enterprises in the country for the technological upgradation of their units to comply with WHO-GMP, US FDA and other international norms.

Senior DoP officials, dealing with the scheme, said that the files regarding the scheme is pending with the planning commission and once the planning commission accords its permission, the scheme will be launched. The scheme is expected to be a boon to the medium pharma units who are looking to upgrade their units to comply with WHO-GMP, US FDA and other international norms but are unable to do so due to financial constraints. Under the proposed PTUAS scheme, the DoP will provide an interest subsidy of five per cent on loans availed for such purposes, amounting upto a project cost or loan amount of Rs 10 crore.

In fact, the PTUAS scheme was to come into effect from July 1 this year. But, the DoP will not be able to launch the scheme as per the plan due to the delay in getting the permission from the planning commission. The total financial outlay for the scheme will also be decided by the planning commission, the official said.

The PTUAS is to be made operational for the pharma medium enterprises (ME) initially for a period of two years and to be extended for a further period of two years at the discretion of the government.

The interest will be reimbursed by the DoP through its nodal agency, SIDBI or IDBI. For this part of the interest, the ME units will have to approach the nodal agency and an MoU/tripartite agreement has to be signed by them with the nodal agency and the lending banker (scheduled banks).

Under the scheme, technology up-gradation would primarily aim at complying with the Good Manufacturing Practices (GMP) as per WHO GMP/ other international GMP norms and requirements of premises, plant and equipment for pharmaceutical products for this purpose. The list of well established and improved technologies include quite a few important components of equipments that are relevant and essential for upgradation of MEs so as to comply with WHO GMP/ other international norms.

The list of eligible machinery will be upgraded by the ministry on a periodic basis by a Technical Committee which will be set up by the ministry.

Under the scheme, only new machinery will be permitted. Benchmarking of the cost of machinery will be done by a committee. This committee shall also look into all possible disagreements between lending

institutions, units and SIDBI regarding eligibility and the cost of equipments/machinery.

A medium enterprise can undertake one or more activities under technology upgradation. However, multiple activities can be undertaken only in an integral manner, i.e., by way of forward or backward integration. For formulation activities packing in various forms shall be considered as integral activities. The upgradation includes laboratory (both instrumentation and microbiological), pollution treatment devices, controls, training, documentation, information technology, energy generation (DG), energy saving equipments and automation in production activities.

PTUAS will be totally independent of other similar schemes. ME units are permitted to avail of benefits of other schemes, in addition to PTUAS unless specifically provided otherwise.

The lending period is restricted to five years with a moratorium of one year, the interest incentive would be available during the currency of loan subject to a maximum period of six years. The unit should be in operation during the period of availment of incentives and if the unit closes down/becomes NPA, the unit would not be eligible for interest incentive.