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DoP to remove impediments in CLCSS scheme to make it more industry friendly

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<http://www.pharmabiz.com/article/detnews.asp?articleid=54559§ionid=>

In view of the growing grouse about several unfriendly features of the Credit Linked Capital Subsidy Scheme (CLCSS), the Department of Pharmaceuticals (DoP) will once again tweak the scheme to make it further industry-friendly so that more companies can avail of the scheme which was introduced by the ministry of small and medium enterprises for the technology upgradation of small and medium industries in the country.

Industry sources said that senior officials in the DoP have assured the SSIs that the department will not be found wanting on the issue and it will look into the issue with an open mind to iron out the deficiencies of the scheme so that all the needy units are able to benefit from the scheme to upgrade their units in compliance with the Good Manufacturing Practices (GMP) norms set by the government.

Sources said that the DoP will also take up the issue with the banks like SIDBI and IDBI Bank which have been appointed by the government as the nodal agencies for the scheme to disburse the loans.

The CLCSS scheme was introduced by the government to financially assist the small and medium units to upgrade their units as per GMP norms. But, there were few takers for the CLCSS scheme due to several complicated procedures which the SSI units found it difficult to follow. Subsequently, the scheme was withdrawn by the Planning Commission citing the reason of poor response.

After the failure of the CLCSS scheme and in view of the outcry for financial assistance from the SSIs for upgrading their units, the DoP mooted another scheme called Pharmaceutical Technology Upgradation Fund (PTUF). But, the Rs 560-crore PTUF scheme met with a premature death as the planning commission turned down the scheme on the ground that since the government has already started a scheme called CLCSS for the purpose of technology upgradation of SSI units, there was no need to launch another scheme for the same purpose.

Instead of introducing the PTUF scheme, the planning commission asked the DoP to tweak the CLCSS to make it more industry-friendly. After several rounds of meeting with concerned ministries, the DoP finally came out with a tweaked CLCSS scheme last year. But even after all these exercises, the SSIs are finding it difficult to get the required financial assistance from the government through this scheme as several features of the scheme are still not industry friendly, sources said.

Ever since the government introduced the Schedule M norms way back in 2005, the industry has been crying coarse for some financial assistance from the government to upgrade their units to meet the stringent Schedule M norms. As the government dilly-dallied on the issue for several years, hundreds of small drug manufacturers across the country closed their units as they could not comply with the stringent Schedule M norms as it involves a huge amount which was beyond the capacity of the SSI units.