



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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### **DoP to set up new technology upgradation assistance scheme to assist medium scale units**

Direct link to the News/Story:-

<http://www.pharmabiz.com/article/detnews.asp?articleid=54133&sectionid=>

Aiming to equip the medium pharma industries with world class production capabilities, the department of pharmaceuticals (DoP) has made a proposal for setting up a pharmaceutical technology upgradation assistance scheme to fund the medium pharma industries for the technological upgradation of their manufacturing facilities in compliance with the current good manufacturing practices (cGMP).

To discuss the modus operandi of the scheme, the DoP has called a meeting on February 19 in which major pharma associations have also been invited. The proposal is exclusively for the medium industries and small industries will not be able to take benefit of the scheme.

By implementing such a scheme, the DoP wanted to strengthen the medium pharma industries in the country. The scheme will be useful to the medium industries to equip them with world class production capabilities. However, the scheme will not be available to the small pharma companies as the DoP has already implemented a scheme, the Credit Linked Capital Subsidy Scheme (CLCSS). To widen the scope for the small pharma companies, the government has increased the number of machineries manifold from 42 to 180, Devendra Chaudhary, joint secretary DoP, said.

This is DoP's second attempt to implement a scheme like this. Earlier around two years back, the DoP had proposed a Rs 560-crore pharmaceutical technology upgradation fund (PTUF) to assist the small and medium drug manufacturing units for the technological upgradation of their manufacturing facilities in compliance with the good manufacturing practices (GMP). But, the scheme was turned down by the planning commission in March last year on the plea that the government has already started a scheme, called CLCSS, launched by the ministry of small scale industries for the technology upgradation of small and medium industries.

The DoP's new proposal may create a flutter among the small companies as the CLCSS scheme has so far failed to enthuse the small pharma companies as there are several drawbacks in the scheme at its present form. The small industry still finds the DoP's PTUF scheme a much better proposal than the CLCSS scheme. While turning down the DoP's proposal for the PTUF, the planning commission had asked the DoP to tweak the scheme to make it beneficial to the small industries. Though the number of machineries under the scheme has been increased manifold, the small industries have so far shown a cold shoulder to the scheme.