

**Frequently Asked Questions (FAQs)- Assistance to Pharmaceutical Industry for
Common Facilities (API-CF)**

1. In the Assistance to Pharmaceutical Industry for Cluster Facility (APICF), can group companies be treated as separate Pharma units to meet criteria of minimum 5 Pharma Units.

Yes, group companies shall be considered as single company to meet the minimum criteria of 5 pharma unit.

Further, as per clause 8.1.3 (iv) of the scheme guidelines “SPV members shall be legally independent entities without any related party relationship with each other as described under Accounting Standard (AS) 18 of the Companies (AS) Rules 2006”.

2. What is the limit of incentive under Assistance to Pharmaceutical Industry for Common Facilities (API-CF)?

In terms of clause 8.1.4 of the scheme guidelines, “The limit of incentive (under APICF) will be 70% of the approved project cost or Rs.20 crore, whichever is less, as per approval of SSC. In case of Himalayan States and States in the North East Region, the grant in aid would be Rs.20 crore per cluster Or 90% of the project cost of the Common Infrastructure Facilities (CIF), whichever is less

3. Under Assistance to Pharmaceutical Industry for Cluster Facility (APICF), what is the shareholding requirement of members of SPV, can companies have different % of shareholding.

As per eligibility criteria at 8.1.3 of scheme guidelines, “Pharma enterprises shall hold at least 51% equity of the SPV”.

In terms of 8.1.2. “There shall be a minimum of 5 pharma units as members of (SPV). The SPV should be a separate legal entity registered under the Companies Act or Registration of Societies Act.”

There is no individual break up requirement of shareholding among the units.

4. Is there a necessity to form SPV, while applying for in-principle approval or the details of Pharma units may be indicated in the initial application and SPV may be formed after in-principle approval?

Industry members can come together and submit a proposal for forming into a SPV under API-CF which will be taken for scrutiny and in-principal approval of

SSC.

After in-principal approval of SSC, Industry can form a Legal entity as 'SPV'.

5. How to form a Special Purpose Vehicle (SPV)?

The constitution of SPV is detailed under 8.1.2. of scheme guidelines. Pharmaceutical manufacturing units in a cluster who have come together to form a Special Purpose Vehicle (SPV) to execute the project of developing common facility. There shall be a minimum of 5 pharma units as members of SPV). The SPV should be a separate legal entity registered under the companies Act or Registration of Societies Act.

6. What is meaning of Proposed equity contribution?

If different companies under SPV, propose different equity, the same will be eligible under the scheme (w.r.t equity contribution and number of units forming SPV) subject to meeting other parameters.

7. Is there any restriction between SPV members for their "proposed equity contribution"?

There is no restriction; the overall eligibility criteria should be met.

8. Is there any difference in the number of compliances between a Company and Society formed under the SPI scheme.

The difference as such is that Company shall be meeting the basic requirements as required by a company.

9. What is role of SIDBI as PMC in SPI .

Project Management Consultant, engaged by the Department, is expected to act as a bridge between the Department / Scheme Steering Committee (SSC) and the applicants / beneficiaries and will help for the expeditious implementation of the projects in a systematic, professional and transparent manner. Its responsibilities include Preliminary examination of the proposals, and preparation of evaluation reports that will be placed before the SSC for final selection of proposals, besides, developing an online portal to receive the applications and maintain the MIS of the required details of all the applicants.