

**Frequently Asked Questions (FAQs)- Pharmaceutical Technology Upgradation Assistance Scheme**

**1. We are a manufacturer and exporter of pharma products. We are interested in availing the scheme of PTUAS under SPI, DOP, Govt. of India. Kindly provide and clarify that initially to whom we have to approach and submit our application online? it is to SIDBI or lending institutions for capital subsidy.**

Any pharma MSME unit with proven track record to upgrade technology to meet WHO-GMP or Schedule M Standards can apply under the PTUAS scheme. The unit can approach any scheduled commercial bank both in public and private sector for the loan. Only those applications for which loan has been approved by Lending Institution within 90 days preceding the application date to PMC will be taken up for benefit under the scheme.

Application for the subsidy under the scheme should be submitted in the portal

**2. Kindly provide the name of the institution for disbursement of loans for capital subsidy under PTUAS scheme and who are going to sanction loan amount.**

Sanction and disbursement of the loan shall be from Scheduled Commercial Banks from whom the unit desires to get financial assistance. Processing of subsidy shall be undertaken by SIDBI based on the application received in the portal. Sanction and release of subsidy is under the purview of the Empowered Committee of DoP

**3. A WHO-GMP compliant - SME - Export Oriented Unit (EOU), engaged in the manufacturing of cephalosporin antibiotics is looking forward to enter the European market by obtaining EU-GMP. Please advise whether capital investments for upgradation of an existing WHO-GMP compliant plant to higher standards of WHO GMP or EU-GMP or USFDA eligible for assistance under PTUAS scheme.**

The objective of the scheme is “ To facilitate Micro, Small and Medium Pharma Enterprises (MSME) of proven track record to upgrade their technology to meet **WHO-GMP or Schedule M standards**” (para 8.2.1 of page 18 the scheme guidelines).

Upgradation of existing WHO GMP plant for higher standards of WHO GMP or EU GMP or USFDA is not included in the eligibility criteria at present.

**4. What is the limit of incentive under PTUAS**

As per 8.2.3 of page 18 of the scheme guidelines,

“Up to maximum of **5%** per annum (6% in case of units owned and managed by SC/STs) of interest subvention for loan and loan component eligible under the scheme taken to the upper limit of Rs. 10 cr. for a maximum period of 3 years on reducing balance for sanctioned loans by any scheduled commercial banks/financial institutions, both in the Public and the Private Sector.

**Or**

Credit linked Capital subsidy of 10% on loan component eligible under the scheme. Maximum limit of loan will be Rs. 10.00 crore.”

**5. A Private Limited Company with two existing manufacturing units, out of which, one unit (Unit-1) is WHO GMP Certified, is planning to upgrade its second unit (Unit-2) to Schedule M. Can this be covered under PTUAS? Same enterprise is planning to set up a new unit i.e., Unit-3 with Schedule M / WHO GMP standard. Can both of these be covered under PTUAS?**

Unit 2 can be covered under PTUAS subject to the proposal and investment meeting the criteria under the scheme and subject to SSC approval.

New unit proposed, Unit 3 may not be covered under PTUAS as the requirement of loan component may not be within the prescribed limit of 10Cr as per scheme guidelines. Moreover, the scheme is primarily to facilitate Micro, Small and Medium Pharma Enterprises (MSME) of proven track record to upgrade their technology.

**6. On a term loan of Rs.8 Crore sanctioned from its lender, if the cost of eligible loan component (machinery and other eligible activities as per scheme guidelines) works out to 6 Crore. What should be the capital subsidy amount if the applicant opts for capital subsidy and for interest subvention, what subvention shall be calculated on which amount.**

Incentive under the scheme as per 8.2.3, page 18 of the scheme guidelines is “ Up to maximum of **5%** per annum (6% in case of units owned and managed by SC/STs) of interest subvention for loan component eligible under the scheme taken to the upper limit of Rs. 10 cr.

**Or**

“Credit linked Capital subsidy of 10% on loan component eligible under the scheme with Maximum limit of loan being Rs. 10.00 crore”.

In this case, for calculation of Capital Subsidy or interest subvention, the eligible loan component (machinery and other eligible activities as per scheme guidelines), the cost being Rs.6 crore, both subvention and capital subsidy will be computed on Rs.6 crore.

**7. 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.