

AGENDA FOR 109th UAC MEETING (VSEZ UNITS) SCHEDULED AT 1100 A.M ON 25.09.2019 AT 11.00 A.M UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER,VSEZ, SHRI A.RAM MOHAN REDDY, IFS, IN THE CONFERENCE HALL OF ADMINISTRATIVE BUILDING, DUVVADA

Agenda item No.1.

Ratification of the minutes of the UAC meeting for VSEZ units held on 27.08.2019

Agenda item No.2

Proposal for cancellation of LoA of M/s.Worthington Nitin Cylinders Pvt.Ltd., due to security breach because of non-operation: -reg.

M/s.Worthington Nitin Cylinders Pvt.Ltd was issued LoA dt.25.04.2006 for manufacture and export of cylinders, CNG compressor packing unit, CNG Dispenser, Fire protection systems, Firefighting equipment for exports.

The Unit commenced operations w.e.f.1.4.2008. The unit has stopped their operations since Feb. 2015 citing global recession.

The unit completed their second block period of 5 years by 31.3.2018.

The unit's cumulative NFE performance for the said block period ending 31.3.2018 was evaluated and found to be negative. The unit was penalized for Rs.10.00 lakh on account of negative NFE, which the unit has not paid, so far.

Further, the unit also defaulted lease rentals to the tune of Rs.37.28 lakhs as on 30.6.2019.

Earlier, the unit vide their letter dt.1.10.2018 requested for renewal of their LoA for a short period upto December, 2018 in order to clear their material lying in the unit stating to get over the financial crisis and to clear the outstanding dues.

The request of the unit to renew the LoA for the purpose of clearing their stock has not been agreed to by this office and advised the unit to clear the dues immediately vide this office letters 29.10.2018 and 12.04.2019 giving time till 30.4.2019. Action for cancellation of LoA will be initiated and lease agreement in respect of the land will be cancelled and dues will be adjusted by seizing the unit under relevant rules.

The issue was also placed in the UAC meeting held on 27.5.2019 for cancellation of the LoA due to the above reasons and on the assurance given by the representative of the unit that the unit would clear the dues by 12.6.2019, it was agreed by UAC to extend the LoA upto December, 2019 to clear the processed goods lying in the unit and to resume the operations.

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However, the unit failed to clear the dues. Office of DC, VSEZ has vide letter dt.24.7.2019 given a final notice and opportunity to the unit to enable them clear the pending dues. In response, the unit requested for 3 more months time upto 15.10.2019 to clear the dues.

It is pertinent to bring to the notice of UAC that there have been rise in the incidents of theft from the unit's premises due to abandoning of goods in the premises of the unit and it has become menace to the VSEZ security personnel and the Zone administration as the unit is not taking enough measures for safeguarding their goods even after repeatedly asking them to take enough security measures in this regard.

The unit has not paid the penalty amount of Rs.10.00 lakh on account of negative NFE and also the dues to the Rs.37,28,083/- on account of lease rentals, water charges etc.,.

The unit has been informed over phone to attend the UAC meeting on 25.09.2019.

In view of the security threat posed to the VSEZ as whole due to frequent attempts of theft from the premises of M/s.Worthington cylinders and non-action of the unit even after repeated caution to the unit to safeguard their unit, Zone Administration is constrained to take action for Cancellation of the LoA of the unit from the date of its expiry and to collect the dues from the unit as per SEZ Act/Rules and other relevant rules is placed before UAC for taking a decision on the matter.

Agenda item No.3

Request of M/s.Reddy's Laboratories Ltd., Formulation unit VII, Plot No. P1 to P9 vide their letter dt.21.08.2019 for inclusion of New product in their LoA - reg.

The unit was issued LoA dt.29.09.2009 for manufacture of pharmaceutical tablets, capsules, injections and commenced production w.e.f.22.4.2010. The unit intends to add new product "eribulin Mesylate Injection 1 mg/2ml under ITCHS 30049049 in their LoA. As per the write up given by the unit the above drug is used for cancer treatment.

The unit submitted process chart for manufacture of the above drug. The unit submitted photo-copy of Licence dt.27.06.2019 from Drug Control Administration, Govt.of A.P. for the purpose of Examination, Test or Analysis at their unit and is valid for 3 years from the date of its issue.

The request of the unit is placed before UAC to consider inclusion of new product in their LoA under broad banding in terms of Rule 19(2) of SEZ Rules, 2006.