

UAC – VSEZ Units –(21.05.2021)

AGENDA FOR 128TH UNIT APPROVAL COMMITTEE MEETING IN RESPECT OF THE VSEZ UNITS TO BE HELD ON 21.05.2021 AT VISAKHAPATNAM

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AGENDA FOR THE 128TH UAC MEETING (VSEZ UNITS) SCHEDULED AT 1100 AM ON 21.05.2021 UNDER THE CHAIRMANSHIP OF DEVELOPMENT COMMISSIONER, VSEZ, SHRI A. RAMA 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 20.04.2021.

Agenda item No.2

Request of M/s. Dr. Reddy' Laboratories Limited, FTO -IX, Duvvada, VSEZ, inclusion of additional product under Broad banding.

The unit vide letter dt.07.05.2021 requested this office to inclusion of following products:

| S.No. | Item of manufacture | Injectable | Annual Capacity Approx.Nos | Probable ITC (HS) |
|-------|---|------------|----------------------------|-------------------|
| 1 | Remdesivir Injection 100mg/ml | Vial | 350000 | 30049099 |
| 2 | Remdesivir Injection 500mg/5ml (100 mg /MI) | Vial | 700000 | 30049099 |

The unit was earlier issued permission for some more products under broad banding by office of DC, VSEZ. Now the unit requesting for manufacture of above products as per L.D is CT/11/HZ/21/000425 dt.30.04.2021 along with FORM CT-11, subject to the conditions mention in it, copy of the same may please be perused.

The unit further intimated that the adding of this new product, there will be no change in Annual capacity or capacity enhancement and NFE.

The unit has submitted process chart of manufacture of the above drugs.

In view of the above, the pandemic situation and exigency raised by the unit, O/o DC, VSEZ considered the request for manufacture and export of the above product under broad banding vide letter dt.07.05.2021, subject to ratification by UAC later.

The matter is placed before UAC for consideration and ratification.

Agenda item No.3

Request of M/s.Gland Pharma Ltd., (Unit-II) manufacturing anti-cancer drugs for export – for inclusion of New product in their LoA- reg

The unit was issued LoA dt.26.03.2009 for manufacture of anti-cancer drugs for export. The unit commenced production w.e.f.24.04.2012. The unit intends to add the following new product in their LoA under broad banding in terms of Rule 19(2) of SEZ Rules 2006:

| S.No. | Name of the Product | Units | Annual Capacity |
|-------|-----------------------------|-------|-----------------|
| 1 | Eribulin Mesylate injection | Vials | 1,28,177 |

The unit has not given ITC HS code for the above product.

The unit has informed that the Projection NFE will be increased by Rs. 5 crores approximately per annum upon inclusion of the above product.

The unit has submitted process chart of manufacture of the above drug.

The unit has submitted photo-copy of Test Licence No. HMF07-14051/404/2021 DD-DDCA dt.17.03.2021 from Drug Control Administration, Govt. A.P. for the purpose of Examination, Test for chemical and instrumental analysis and not for any commercial use and shall be used for Bio/ clinical studies to the grant of BE/CT permission from the DCG (I) office.

The unit also submitted Form-29 in respect of both the products wherein it is mention that the Licence is valid for 3 years from the date of its issue.

The request of the unit for inclusion of new product in their existing Loa unde broad banding in terms 19(2) of SEZ Rules is placed before UAC for consideration.

Agenda item no.4

Request of M/s. Constell manufacturing Pvt. Ltd., inclusion of manufacturing activity of making jewelley by sourcing raw material – reg.

M/s. Constell Manufacturing Pvt. Ltd., has requested for inclusion of manufacturing activity of making jewelley by sourcing material. The unit was issued LoA dt.27.08.2020 for manufacturing services for “Laser cutting & Polishing of Synthetic or Laboratory grown diamonds”.

Now, due to customer's requirement and demand, the unit intends to undertake the manufacturing of jewellery by sourcing the raw material i.e. articles of jewellery/gold/silver/platinum/smaller diamonds below 0.02cts of their own manufacturing and exporting the finished jewelry. It is intimated by the unit that the diamonds will continue to be supplied free of cost by the overseas customers.

The H.S Codes of the metal and articles of Jewellery such as posts and nuts, Locks, screws, hooks, chains, jump rings balls, center heads etc. and polished diamonds, which are required to be sourced by them on their own either through import or locally for manufacturing of Jewellery are given below:

| S.No. | Description | HSN Code |
|-------|---|--|
| 1 | Precious Metal (Gold) | 71081200 |
| 2 | Precious Metal (Silver) & Silver- Others | 71069190 71069290 |
| 3 | Precious Metal (Platinum) & Platinum Jewellery Un- studded | 71101900 71131950 |
| 4 | Gold Jewellery studded with other precious stones, with other precious metal, Parts thereof | 71131940 71131960 71131990 |
| 5 | Silver Jewellery studded with other precious stones, Parts thereof | 71131130 71131190 |
| 6 | Rough Diamonds (ROM) Rough Diamonds Polished Diamonds Rough Synthetic Diamonds – Lab Grown Rough Diamonds Polished Synthetic Diamonds – Lab Grown Polished Diamonds | 71021000 71023100 71023910 71042010 71049010 |

The H.S. Codes of the exported articles of jewellery, platinum, gold and silver to overseas customers are given below:

| S.No. | Description | HSN Code |
|-------|---|----------------------------------|
| 1 | Precious Metal (Gold) | 71081200 |
| 2 | Gold Jewellery Un-studded Diamond Studded Gold Jewellery | 71131910 71131930 |
| 3 | Precious Metal (Silver)& Silver- Others | 71069190 71069290 |
| 4 | Diamond Studded Silver Jewellery | 71131120 |
| 5 | Precious Metal (Platinum) & Platinum Jewellery Un-studded | 71101900 71131950 |
| 6 | Gold Jewellery studded with other precious stones, with other precious metal, Parts thereof | 71131940 71131960 71131990 |
| 7 | Silver Jewellery studded with other Precious stones, Parts thereof | 71131130 71131190 |

It is submitted by the unit that during the export of Jewellery, Shipping bill and Invoice presented to Customs shall contain description of item, its purity, weight of the precious metal (gold /Silver/platinum), details of articles of jewellery used in manufacturing of jewellery, total weight and value of precious metal (gold/silver/platinum), weight and value of the diamonds used in manufacture, FOB value, Net realizable value including the processing / service charges towards cutting and polishing and the cost of the metal/articles of jewelry used in the manufacturing of jewellery in foreign exchange.

The unit has submitted year-wise projections on inflow and outflow along with the details of additional employment generation and foreign exchange earnings.

NFE projections for next five years is as below:

| | Amounts INR | | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| Earnings Projections | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| I) Revenue | 22,114,669 | 29,486,225 | 32,434,848 | 35,678,332 | 39,246,165 |
| II) Expenses | 19,837,422, | 24,480,465 | 26,592,431 | 28,903,938 | 31,550,858 |
| Net Profit (I-II) | 22,77,247 | 50,05,760 | 58,42,417 | 67,74,394 | 76,95,308 |

The request of the unit is placed before UAC for consideration.