

Minutes of the 39th (thirty-ninth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 30-12-2016, at 1230 hours, under the Chairmanship of Shri Upendra Vasishth, ndc Zonal Development Commissioner, Kandla Special Economic Zone, (in the chamber of the Zonal Development Commissioner's Office), at 1-NBCC House, Opp. Panjrapole BRTS, Ahmedabad-380 015.

List of participants is annexed as Annexure-I

39-A) Other proposals:-

39-A-01) Proposal of M/s. Jai Pharma Ltd., a unit in Zydus Pharma SEZ, for change of name due to Scheme of Amalgamation of it with M/s. Mylan Laboratories Limited.

Shri Jagannath Acharya, GM, Accounts & Finance, of the applicant company appeared before the Committee and briefly explained their current proposal, made subsequent to approval of the Scheme of Amalgamation, of the existing company M/s. Jai Pharma Limited, with M/s. Mylan Laboratories Limited vide Order dated 05-08-2016 of the Hon'ble High Court of Bombay in Company Scheme Petition No. 168 of 2016, read with Order 12-07-2016 of the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh (original jurisdiction) in Company Petition No. 49 of 2016 connected with Company Application No. 1819 of 2015 under the provisions of Sections 391 to 394 of the Companies Act, 1956.

Brief of the case is as under:-

- Earlier, M/s. Famy Care Limited, an approved SEZ unit in Zydus - Pharma.-SEZ, had occupied 03 (three) plots numbering 20, 21 & 23, in the SEZ and were engaged in manufacturing and trading of female contraceptives, male contraceptives, other pharmaceutical products, unconventional source of energy viz. wind mills and Financial investments.
- M/s Famy Care Ltd. had filed the Company Petition No. 210 of 2015, and No. 211 of 2015, before the Hon'ble High Court of Mumbai seeking approval of the "Scheme of Arrangement" for demerger of the company into two different entities viz. M/s Jai Pharma Ltd and M/s Famy Care Ltd. in respect of entire female contraceptive business.
- Earlier, the Approval Committee for Zydus-Pharmaceutical-SEZ in its 29th meeting held on 31-07-2015 had decided that w.e.f. 1st August, 2015, M/s. Jai Pharma Limited shall operate as a resulting/distinct entity in the SEZ, and all subsequent corresponding procedural formalities shall be affected including the operations on the SEZ Online System (SOS) and separate Letter of Approval to be issued to M/s. Jai Pharma Limited.
- This was ordered on 31-07-2015 in view of the application of the said SEZ unit made on account of order of Hon'ble High Court of Mumbai dated 24-04-2015 in Company Petition No.210 of 2015 and 211 of 2015

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- As per the order dated 31-07-2015 of Committee and order of Hon'ble High Court of Bombay said scheme of arrangement, Plot No. 20 & 21 was registered in the name of M/s Jai Pharma Ltd., with all plant & machinery.

Now, M/s/. Jai Pharma Limited vide their letter dated 15-12-2016 has requested to accord approval for change in the implementing agency from existing Company to Mylan and to pass necessary orders for transfer of the SEZ Registration and LOA in favour of M/s. Mylan Laboratories Limited to enable M/s. Mylan to take over the business of the company and further to allow them to procure and use of packing material, manufacturing and packing documents where name of the Jai Pharma Limited will be used for the period of one year for smooth transition of business to M/s. Mylan Laboratories Limited.

The Approval Committee has directed the applicant to explain the reasons for creating new company in the name of M/s. Jai Pharma Limited earlier and reasons why now fresh LOA is insisted in the name of M/s. Mylan Laboratories Limited.

- The Approval Committee was explained by the authorised signatory of the applicant that earlier newly formed company M/s. Jai Pharma Limited was engaged in the business of entire female contraceptive business which was demerged from M/s. Famy Care Limited and now since M/s. Jai Pharma Limited (subsidiary company of M/s. Mylan Laboratories Limited) has been amalgamated with M/s. Mylan Laboratories Limited, they have applied for change in the name of their SEZ unit from M/s. Jai Pharma Limited to M/s. Mylan Laboratories Limited.

He further informed to the Committee that Company Petition No.49 of 2016 was filed by M/s. Mylan Laboratories Limited before the Hon'ble High Court of Telangana and the State of Andhra Pradesh and the Hon'ble Court vide Order 12-07-2016 has sanction scheme of amalgamation and at Para 3 has also ordered as under.

“That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities of the transferee company...”

He also submitted before the Approval Committee that M/s. Mylan Laboratories Limited has taken all assets and liabilities of M/s. Jai Phamra Limited and also applied to Drug Controlling Authority of several countries for change in the name and till they obtain all

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approvals, they may be allowed to use materials including packing material, manufacturing and packing documents in the name, style, forms/format of the demerged company (M/s. Jai Pharma Limited).

- The applicant was asked by the Committee to give cutoff date for the changeover/transition and making the change fully operational. The representative of M/s. Jai Pharma Limited had given the cutoff date as 1st January, 2017.

The Committee decided that w.e.f. 1st January, 2017, M/s. Mylan Laboratories Limited shall operate as a resulting/distinct entity in the SEZ, and all subsequent corresponding procedural formalities shall be affected including the operations on the SEZ Online System (SOS) and separate Letter of Approval will be issued to M/s. Mylan Laboratories Limited.

The Committee also decided and directed the applicant to execute an under taking to the effect that the transferee company M/s. Mylan Laboratories Limited undertakes to take over the assets and liabilities of the existing SEZ unit M/s. Jai Pharma Limited, Plot No.20 and 21, Pharmaceutical SEZ (developed by M/s Zydus Infrastructure Private Limited). Including liabilities of Government dues if any arising in future for past working period of M/s. Jai Pharma Limited.

- The Approval Committee also decided that procurement and use of packing material and export in such packing material in the name of old unit M/s. Jai Pharma Limited would be allowed till they obtain approvals/registration from Drug Controlling Authorities of several countries, or upto 360 days whichever is earlier.

The Committee after due diligence and deliberation approved the request for the scheme of amalgamation as approved by the Hon'ble High Court of Telangana and Andhra Pradesh and High Court of Bombay subject to fulfillment all terms and conditions of the SEZ Rules, 2006, including execution of fresh Bond-cum-LUT by the resulting company i.e. M/s. Mylan Laboratories Limited, and further adhering to approvals/compliance of all mandatory/statutory from concerned Regulatory authorities

39-A-02) Monitoring of performance of SEZ unit in Zydus-Pharma-SEZ - M/s. Intas Pharmaceuticals Ltd., in respect of performance upto the monitoring year 2015-16.

Earlier, the Approval Committee for Zydus-Pharma-SEZ, in its 35th meeting held on 28-03-2016 had noted and reviewed the Annual Performance Report (APR) of M/s. Intas Pharmaceuticals Ltd upto the monitoring year 2014-15 for a period of 59 months. However, the Approval Committee had directed the unit to furnish split APR for a period of five (05) years and/or sixty (60) months. The said unit vide their letter dated 16-12-2016 has submitted split APR i.e. for the period from 01-04-2015 to 30-04-2015 for one month and for the period



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from 01-05-2015 to 31-03-2016 for eleven months, and have reported that it is not possible for them to submit APR for the period from 04-04-2015 to 06-05-2015 (five years period completes on 06-05-2015). Therefore, they have submitted APR data for April, 2015 and for remaining 11 months of the fiscal year 2015-16.

The Approval Committee has noted the facts and circumstances that the split APR filed for fiscal year 2015-16 (one month, which is little less than five years i.e. by six days only), and the said has achieved positive NFE for the entire block of five years. However, the Approval Committee also directed the office of the Development Commissioner to get the split APR examined and scrutinized by the specially appointed Chartered Accountant and put-up before this Committee if any discrepancies is pointed in the split APR.


39-A-03) Request for approval of additional services in respect of the unit in Zydus-Pharma-SEZ.

M/s. Alidac Pharmaceuticals Ltd., a unit in Zydus-Pharma-SEZ has requested to include the services of "Payment or remuneration to non-executive Directors" (payment of sitting fees and commission) to the list of default specified services. The Approval Committee heard the explanations & justifications offered by Shri Jagdish Mehta, Sr. GM (Finance) and Company Secretary who had requested for approval of the said service.

The Approval Committee after due deliberation and diligence had come to conclusion that the services sought for approval and addition to the default list is purely personal in nature and infringes the fourth proviso under Rule-27 (3) of the SEZ Rules, 2006, quote "**PROVIDED FURTHER that any goods for the personal use of, or consumption by officials, workmen, staff, owners or any other person in relation to a unit or developer, shall not be eligible for exemptions drawback and concessions or any other benefit in accordance with the provisions of section 7 or 26.**" unquote

In view of the aforesaid provisions of the SEZ Act, and Rules, the Approval Committee decided to reject the request of SEZ unit viz. M/s. Alidac Pharmaceuticals Ltd., for inclusion of "Payment or remuneration to non-executive Directors" (payment of sitting fees and commission) to the default list of services.

(Action: JDC(i/c), KASEZ)


(Upendra Vasishth)
Chairman of Approval Committee,
& Development Commissioner,
Kandla Special Economic Zone.

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ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc Development Commissioner, KASEZ.	Chairman
02.	Shri Anand Jagtiani, JDC (i/c), KASEZ City Office, Ahmedabad.	Nominee for the Director – SEZ, DOC, MOC&I.
03.	Shri Rajesh Kumar, Deputy Commissioner, Central Excise, Division-IV, Ahmedabad-II	Nominee of the Commissioner of Central Excise, Ahmedabad-II.
04.	Shri D. H. Amin, GM, DIC, Ahmedabad.	Member
06.	Shri N. N. Amru, FTDO, O/O Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Shri Kailash Bahuguna, CEO, Zydus Infrastructure Pvt. Ltd.,	Representative of the Developer – Zydus.

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