



Kayvanna Shah

JB SEZ

Rs. 1160-crore unique

India's first ever pharmaceutical hub is coming up at Panoli near Bharuch in Gujarat as a Special Economic Zone. JB SEZ, a joint venture of promoters of JB Chemicals and others, is an ambitious Rs. 1160-crore project likely to be completed by March 2012. It seeks to attract top pharmaceutical companies in the country to set up their units in a hassle-free environment amidst fine landscaping, modern amenities and world class infrastructure. The response is very healthy.

India's first ever advanced pharma hub is coming up at the Special Economic Zone (SEZ) in Gujarat's Panoli district. A joint venture between HBS Realtors, JB Mody Group and IL&FS India Realty Fund, JB SEZ, the 1160-crore pharma SEZ is expected to be completed by March 2012. The SEZ aims to attract top pharmaceutical companies in the country to set up their units in a hassle-free environment amidst fine landscaping and modern amenities.

The SEZ is dedicated to the manufacturing of pharmaceutical finished formulations, APIs and their intermediates and service activities related to research and development and contract manufacturing. JB SEZ's vision is to develop a pharma hub offering world-class facilities thereby creating an industry benchmark of sorts.

"It is not only a landmark development for Gujarat but also a milestone for many industrial companies which are on the road to becoming part of the country's finest pharma valley," says Mr. Kayvanna Shah, CEO, JB SEZ.

The SEZ has already received approvals and clearances, especially the notification from the Ministry of Commerce & Industries (MoCI), environmental clearance from the Ministry of Environment & Forests (MOEF) and master layout plan approved by the Industries Commissionerate. Of the total investment, Rs. 160 crore will be used for development of roads and other infrastructure while the remaining Rs. 1,000 crore will be used for other facilities such as power, water, effluent treatment plant etc.

Spread over 312 acres of land, the SEZ has small, medium and large parcels of land as well as premium manufacturing units with easy accessibility of skilled labor force and adequate raw material supply. Designed to be self-sufficient, the project also includes a projects-cum-marketing office, customs house, bank, truck terminal, concrete roads and fine landscaping to cater to the needs of the pharma companies. The SEZ also aims to develop an integrated township to cater to the requirements of the industrial units in the region with residential units, hospitals, educational institutes and recreational facilities.

One of the biggest USPs of the pharma specific SEZ project is that it is strategically located in the heart of fully developed GIDC. As far as logistics and connectivity is concerned, the SEZ is located very close to Panoli station and 6 km from Ankleshwar. It is also close to the upcoming

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pharma hub fast coming up

Delhi-Mumbai Freight Corridor and is situated adjacent on the Mumbai-Ahmedabad highway (NH-8). Two airports notably Vadodara and Ahmedabad are located at 80 km and 220 km respectively from the site. Dahej (60 kms) and Hazira (85 Kms) are the nearest located ports.

Mr. Shah says, "This is a unique opportunity for pharmaceutical companies as they will have the facility of single window clearance for central and state level approvals with in-house customs clearance for export and import cargo and 100 per cent Income Tax exemption on export income for SEZ units".

"There is more", he points out. The SEZ units will be permitted external commercial borrowings up to \$500 million in a year without any maturity restrictions through recognized banking channels while domestic sales will be allowed on payment of full duty subject to import policy in force. They will have the facility to retain 100 per cent foreign exchange receipts in Exchange Earners' Foreign Currency Account. There will be no cap on foreign investment for small scale sector reserved items while exemption will be permitted from industrial licensing requirements for items reserved for the SSI sector. With no import license required, the units will have the facility to realize and repatriate export proceeds within 12 months.

Other benefits include facilities to set up off-shore banking units in SEZs, profits allowed to be repatriated without any dividend-balancing requirement, exemption from central excise, service tax central sales tax, exemption from customs duties on import of capital goods, raw materials, consumables, and spares, exemption from duties on import/procurement of goods for the development, operation and maintenance of SEZ, benefit to carry forward losses for 8 years, thus providing tax shelter on losses incurred in the initial years and flexibility to deploy expatriate staff. Capital gains arising on transfer of assets (machinery, plant, building, land or any rights in buildings or land) on shifting of the industrial undertaking from an urban area to the SEZ would be exempt from capital gains tax and procurement of technical services or import of technology would be exempt from the Research and Development Cess.

"The SEZ aims to generate 5000 direct and 15,000 indirect jobs, targeting exports from the pharma units of about Rs. 3000 crore per annum", informs Mr. Shah, adding, "Job work on behalf of domestic exporters for direct export is al-

lowed and subcontracting, both domestic and international, is permitted. Moreover, 100 per cent FDI is permitted to SEZ franchisee in providing basic telephone services in SEZs".

With different sizes of land parcels available, ranging from 2.5 acres up to 30-35 acres, for setting up manufacturing plants, the built-up specialty manufacturing units with areas up to 30,000 to 40,000 sq ft are available on a package deal which includes land and building.

Core utilities and general infrastructure are already established with one unit holder set to commence operations. "We plan to set up a formulation plant here based on the



USFDA's GMP guidelines and are quite satisfied with the facilities at the JB SEZ", smiles Mr. Vinod Jadhav, managing director of the Pune-based Sava Medica Limited.

Simultaneously with the development of commercial infrastructure at the JB SEZ, Mr. Shah's agenda includes setting up within the SEZ social infrastructure comprising residential units, educational institutes, healthcare facilities, recreational centres, hospitality etc. which shall compliment the units in the zone. He informs, "Presently, we have received necessary clearances and approvals from the Board of Approvals, New Delhi to create a township in the non-processing area. We expect to commence construction and offer these facilities in the next financial year, which would be on par with the ones placed in the processing zone".

"We are committed to developing a sustainable and clean and green environment as part of our social responsibility", says Mr. Shah, adding, "we shall ensure that the SEZ is lit by solar lighting. Reservoirs, rain water harvesting and recycling of waste water are also planned as part of the conservation and renewable energy programme."

"The ultimate purpose is to establish a SEZ that is second to none in the world", gushes Mr. Shah. ■

