

Minutes of the 23rd (twenty-third) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 02-05-2014, at 1100 hours, under the Chairmanship of Shri Mahendra Jain, IAS, Development Commissioner, Kandla Special Economic Zone, in the conference room of DC's Office, Dahej – SEZ, Ahmedabad.

List of participants is annexed as Annexure-I

A) Other proposals:-

23-A-01) Request of M/s. Famy Care Ltd., a unit in Zydus Pharmaceutical SEZ, Ahmedabad for broad banding/ inclusion of additional items for manufacture:-

Shri Jagannath Acharya, Deputy GM (FCA) of the unit appeared before the Committee for personal interview and explained their request for inclusion of additional items for manufacture in their SEZ unit. The unit is at present engaged in the manufacture of hormonal pharma products and has completed the first 5 years of production after commencement of commercial production and showing a positive NFE. The items requested for inclusion/addition are as under:

- a) **Cofixime dry powder;**
- b) **Nitroglycerine;**
- c) **Dihydroergotamine mesylate;**
- d) **Metaxalone;**
- e) **Budesonide;**
- f) **Mometasone Furoate Monohydrate;**
and
- g) **Sucralfate oral suspension.**

The Committee after due diligence and deliberation agreed to approve the inclusion/ broad banding of the above items, subject to standard terms and conditions, of the SEZ Rules, 2006,

23-A-02) Request of the Developer and units in Zydus – Pharmaceutical – SEZ for approval of default list of taxable services, and addition of new services required in SEZ:-

Representative Shri Jagannath Acharya from M/s. Famy Care Ltd., and Shri K. Bahuguna, CEO of the Developer appeared before the Committee and explained the requirement of the below mentioned additional list of services for claiming exemption from Service Tax for their authorized operations in SEZ. In all, a total of 9 SEZ units from Zydus Pharmaceutical SEZ requested for the additional list of services.

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The list of services requested for inclusion is as under:

Sr. No.	Name of the Service sought exemption
1	Air Travel Agent Services
2	Authorised Service Stations for motor vehicles servicing or repairs
3	Business Auxialiary Services
4	Business Support Services
5	Brand Promotion Services
6	Cable Operators Services
7	Club's or Association's Membership Services
8	Commercial Use of Exemption of any Event Service
9	Credit Card, Debit Card, Charge Card or other Payment Cards related Services
10	Dredging Services
11	Dry Cleaning Service
12	Electricity Exchange Services
13	Event Management Services
14	Foreign Exchange Broker Service
15	Forward Contract Services
16	Franchise Services
17	Health Services
18	Hotel, Inn, Club and Guest House Services
19	Insurance Auxilliary Services concerning General Insurance Business
20	Internet Café's Services
21	Mailing List Compilation and Mailing Services
22	Management or Business Constultant Services
23	Mandap Keeper Services
24	Medical Records Maintainence Services
25	Photography Services
26	Rail Travel Agent
27	Real Estate Agent's Services
28	Restaurant Services
29	Sale of Space or Time for Advertisement
30	Steamer Agents Services
31	Tour Operator's Service
32	Travel Agent (other than air or rail) Service
33	Travel by Air Services
34	Health Services Undertaken by Hospitals or Medical establishments

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The Committee perused the above list of services and heard the explanations from the representative. It was observed by the Committee that majority of the services requested by the units of Zydus – SEZ are broadly incorporated in the default list of (60) services published by the Department of Commerce but, since the service provider to the pharma units of SEZ are registered with a different service, they have requested for the same.

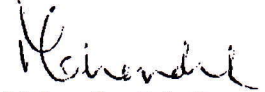
Thereafter, the representatives from Zydus were asked to explain the requirement of services which are exclusively required for the authorized operation of the units in a Sector Specific Pharmaceutical SEZ and not included in the default list of (60) services. In response, the representatives elaborated the requirement of the following services required exclusively for a pharma unit.

- Air Travel Agent Service at serial no. 1 of the above list of services is approved by the Committee as the representative explained that their employees have to travel abroad for marketing. While approving the service the Committee decided that the exemption shall be limited to a list of employees. Accordingly all the units based in Zydus SEZ shall provide a list of employees who have been endorsed by their respective managements for travel with respect to the authorized operations of the SEZ units.
- Dry Cleaning Service at serial no. 11 of the above list is approved by the Committee as the requirement of sterilized clothing is a must as per the Good Manufacturing Practices by various Pharm Regulatory Authority.
- Health Service at serial no. 17 of the above unit is approved by the Committee, as health check-ups and certification by qualified Doctor is mandatory requirement as per Good Manufacturing Practices. The services will be allowed exemption only if they are conducted inside the SEZ premises. Further, the service provider shall certify in the Bill that the health check up has been conducted as per the parameters of GMP.
- Forward Contract Services at serial no. 15 approved by the Committee as the pharma units avail such services for better profitability by securing the foreign exchange rates in advance.
- Hotel, Inn, Club and Guest House Services at serial no. 18 approved by the Committee as it was explained by the representative that they have to undergo pharma audits and inspections conducted by various Pharma Regulatory Authorities, technical support from officials of the suppliers for installation of machinery/materials purchased from abroad and the

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SEZ unit has to provide lodging and boarding facilities to all such foreign officials. The Committee approved the services only for providing stay facilities to officials of Regulatory Authorities and Officials from overseas supplier of goods.

- Medical Records maintenance service at serial no. 24 approved by the Committee as it was explained by the representative that they have to safe keep the products during Research as per the norms set by Pharma Regulatory Authority.



(Mahendra Jain)

Chairman of Approval Committee,
& Development Commissioner,
Kandla Special Economic Zone.

ANNEXURE-I

The following members were present:-

01.	Shri Mahendra Jain, IAS, Development Commissioner, KASEZ.	Chairman
02.	Shri J. S. Negi, Additional Commissioner of Service Tax, Ahmedabad.	Special Invitee
03.	Shri Krishan Kumar, Joint Development Commissioner, KASEZ.	Nominee for the Director – SEZ, DOC, MOC&I.
04.	Shri D. H. Amin, GM, DIC, Ahmedabad.	Member
05.	Shri Abhimaniu Sharma, Deputy DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Smt Arjit Sagar, Assistant Commissioner of Central Excise, Division – IV.	Nominee for the Commissioner of Central Excise, Ahmedabad-II.
07.	Shri Kailash Bahuguna, COO –SEZ, Zydus Infrastructure Pvt. Ltd.,	Representative of Developer – Zydus.