

Minutes of the 25th (twenty-fifth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 27-01-2015, at 1500 hours, under the Chairmanship of Shri Vijay N. Shewale, 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:-

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

Shri Jagannath Acharya, Deputy GM (FCA) of the unit appeared before the Committee for personal interview and explained their request for inclusion of the below mentioned items which are used in the manufacture of Hormonal Pharma Products in their SEZ unit. The representative explained they need to export the below mentioned items to the customers based in US and Europe (in small quantities as samples) to enable their prospective buyers to ascertain/test the quality and standards of the raw materials, finished products intended for export to them. The representative also informed that they would be earning foreign exchange on export of the below mentioned goods. 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) **Impurities (raw materials in dosage form); and**
- b) **Working standard (consisting of HPLC Column used in the analysis alongwith raw materials;**

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,

25-A-02) Request of the M/s. Zydus Technologies Ltd., unit in Zydus – Pharmaceutical – SEZ for approval of default list of taxable services, and addition of new services required in SEZ:-

Representative Shri Sandip Patel of the company 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. The list of services requested for inclusion is as under:



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Sr. No.	Name of the Service sought exemption
1	Air Travel Agent Services
2	Business Support Services
3	Internet telecommunication Services
4	Management or Business Consultant Services
5	Dry Cleaning
6	Restaurant Services
7	Services of providing accommodation in Hotel, Inn, Guest House etc.
8	Business Auxiliary Services
9	Event management
10	Tour operator services, and,
11	Authorized Service stations for motor vehicles servicing or repairs.

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 unit of Zydus – SEZ are broadly incorporated in the default list of (60) services published by the Department of Commerce and later on increased to (66). Further, some of the services had also been approved as default services for the Pharma SEZ viz. M/s. Zydus Infrastructure Pvt. Ltd. – SEZ in the 23rd meeting of the Approval Committee held on 02.05.2014. Since most of the services were included, the Committee took the following decisions after the representative elaborated the requirement of the services:

- **Air Travel Agent Service:** The service has already been approved as a service for the authorised operations of all the units in the Pharmaceutical SEZ of M/s. Zydus Infrastructure Pvt. Ltd., during the 23rd meeting of the Approval Committee held on 02.05.2014. Hence, no approval was required for the same.
- **Business Support Service:** The service has already been incorporated in the default list of services issued by the department of Commerce, New Delhi. Hence, no approval was required for the same.
- **Internet Telecommunication Services:** The services of Internet Communication Services have already been incorporated in the Default of list of Services issued by the Department of Commerce, New Delhi. Hence no approval/ decision required for the same.
- **Management or Business Consultant Services:** The Committed decided to call for details regarding their specific requirement for the said services of

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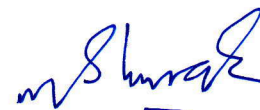
Management or Business Consultant. Based on such explanations, the matter could be referred to Board of Approval for necessary action and approval.

- **Dry Cleaning Service:** The service has already been approved as a service for the authorised operations of all the units in the Pharmaceutical SEZ of M/s. Zydus Infrastructure Pvt. Ltd., during the 23rd meeting of the Approval Committee held on 02.05.2014. Hence, no approval was required for the same.
- **Restaurant Services:** The representative of the unit explained that they require exemption from the services whenever they organise meetings or seminars inside the unit for serving refreshments etc. After hearing the representative, the Committee decided that since, the services of "Outdoor Catering Services" has been incorporated in the default list of services by the Department of Commerce, New Delhi, the services of 'Restaurant' does not warrant any approval as it is broadly covered under the purposes explained by the unit.
- **Hotel, Inn, Club and Guest House Services:** The same services have already been approved as a service for the authorised operations of all the units in the Pharmaceutical SEZ of M/s. Zydus Infrastructure Pvt. Ltd., during the 23rd meeting of the Approval Committee held on 02.05.2014. Hence, no approval was required for the same.
- **Business Auxiliary Services:** After hearing the explanations put forth by the representative, the Committee decided that the same services of 'Business Auxiliary' cannot be approved as it is not a specific service, it covers a wide range of services. Hence, it was decided by the Committee that the unit shall submit a detailed explanations of the specific service they required for their authorised activity in the SEZ, thereafter, the Approval Committee will review the same in its next meeting and accord a appropriate decision.
- **Event Management:** The representative explained that they require exemption from the services as they organize various meetings, training sessions and seminars for the employees of their unit. The Committee decided that with the inclusion and existence of services viz. "Convention Services" & Commercial Training & Coaching Services" in the default list issued by the Department of Commerce, New Delhi, which largely covers the type of services explained by the representative, the approval of services concerning "Event Management" is not required.
- **Tour Operators Services:** The representative explained that they require exemption from the services to enable their senior managerial staff avail

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Service Tax free packages when they travel abroad for official purposes. The Committee decided that for packages/tours undertaken outside the jurisdiction of the country, no service tax is required to be paid, moreover, the approval of services viz. "Air Travel Agent" provides exemption for the tickets purchased which is remains a main part of the tour expense whereas, other packages for such tours get disqualified in terms of the proviso to Sub-rule (3) of Rule 27 of the SEZ Rules, 2006. Hence, the Committee denied approval of the said services.

- **Authorised Service Stations for Motor Vehicles Servicing or Repairs:** After hearing the representative, it was decided by the Committee that the said services cannot be approved in terms of the proviso to Sub-rule (3) of Rule 27 of the SEZ Rules, 2006.



(Vijay N. Shewale)
Chairman of Approval Committee,
& Development Commissioner,
Kandla Special Economic Zone.

ANNEXURE-I

The following members were present:-

01.	Shri Vijay N. Shewale, Development Commissioner, KASEZ.	Chairman
02.	Shri Krishan Kumar, Joint Development Commissioner, KASEZ.	Nominee for the Director – SEZ, DOC, MOC&I – by VC.
03.	Shri Gadhvi, GM, DIC, Ahmedabad.	Member
04.	Shri Alok Dwivedi, Assistant DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Shri Kailash Bahuguna, COO –SEZ, Zydus Infrastructure Pvt. Ltd.,	Representative of Developer – Zydus.