

Minutes of the 27th (twenty-seventh) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 23-04-2015, at 1100 hours, under the Chairmanship of Shri Upendra Vasishth, Development Commissioner, Kandla Special Economic Zone, in the conference room of the Developer (ZIPL), Matoda, Sanand, Ahmedabad.

List of participants is annexed as Annexure-I

A) Other proposals:-

25-A-02) Requests of units in Zydus – Pharmaceutical – SEZ for approval of additional services required for authorised operations in SEZ:-

Representatives from the Units Shri Rajesh Chhatrala of M/s. Zydus Hospira Oncology Pvt. Ltd., Shri Jagannathacharya of M/s. Famy Care Pvt. Ltd., Shri Jagdish Mehta of M/s. Zydus BSV Pvt. Ltd. and Shri Sandip Patel of M/s. Zydus Technologies Pvt. Ltd., appeared before the Committee and explained their requirement of the below mentioned services to enable them claim exemption from Service Tax for their authorized operations in the SEZ.

The list of services requested for inclusion is as under:

Sr. No.	Name of the Service sought exemption
1	Management or business consultant services;
2	Restaurant Services;
3	Business Auxiliary Services;
4	Event Management;
5	Tour Operator Services;
6	Credit card, debit card, charge card or other payment cards related services;
7	Insurance auxiliary services concerning general insurance business;
8	Mandap Keeper's services;
9	Photography Services.

The Committee perused the above list of services and heard the explanations along with the justifications from the representatives of the SEZ. The Committee took the following decisions after the representative elaborated the requirement of the services:

- **Management or business consultant Services:** The representatives explained before the Committee that since they frequently seek services of Management and Business consultants for the development of business etc. they require approval of the said services as the service providers fall under the same category. The Committee approved this service for Zydus-Pharma-SEZ, for obtaining professional and expertise services in the field of finance,

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pollution matters, health and safety measures, employees training, HR consultancy, logistics, maintenance of records.

- **Restaurant Services:** The representatives of the units explained that they require the exemption from the services at the time of organizing meetings or seminars inside the units as the refreshments etc. served in such meetings and seminars by the caterers are registered under the category of “Restaurant Services”. After hearing the representatives, 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.
- **Business Auxiliary Services:** The representatives explained that they require the exemption from the services for facilitating their authorised operations. After hearing the explanations put forth by the representatives, the Committee decided that the same services of ‘Business Auxiliary’ cannot be approved as it is not a specific service but, covers a wide area/spectrum of services hence, the Committee asked the unit holders to submit a detailed explanations of the specific service they required for their authorised activities in the SEZ. Based on such explanations, the matter will be review in the next meeting and accord appropriate decision.
- **Event Management; and Mandap Keeper’s services:** 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 to approve these services for Zydus-Pharma-SEZ.
- **Tour Operators Services:** The representative explained that they require exemption from the services to enable their senior managerial staff avail 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 remains a major part of the tour expenses 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, and directed the units not to prefer further requests.



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- **Credit card, debit card, charge card or other payment cards related services:** The representatives explained before the Committee that during the visits undertaken by their employees they utilize their Credit/Debit Cards for various payments. In order to avail tax free services, they require exemption of the said services. The Committee after hearing the explanations put forth by the representatives decided that the same services of “Credit card, debit card, charge card or other payment cards related services ‘Business Auxiliary” cannot be approved. The Committee asked the unit holders to submit detailed explanations of the activities that warrant exemption from the said services. Based on such explanations, the matter will be review in the next meeting and accord appropriate decision approved this service for Zydus-Pharma-SEZ.
- **Insurance auxiliary services concerning general insurance business:** The representatives explained that they require the exemption of services as they Committee approved this service for Zydus-Pharma-SEZ. The Committee asked the unit holders to submit detailed explanations of the activities that warrant exemption from the said services. Based on such explanations, the matter will be review in the next meeting and accord appropriate decision approved this service for Zydus-Pharma-SEZ.
- **Photography services:** The representatives of the units explained that they require the services for taking photographs of various research and scientific developments undertaken in the units, activities which require approvals of various regulatory authorities etc. The Committee approved the service for Zydus-Pharma-SEZ.



(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, Development Commissioner, KASEZ.	Chairman
02.	Shri Krishan Kumar, Joint Development Commissioner, KASEZ.	Nominee for the Director – SEZ, DOC, MOC&I – by VC.
03.	Shri Alok Dwivedi, Assistant DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
04.	Shri G. M. Chaudhary, Assistant Commissioner of Central Excise.	Nomine of the Commissioner of Central Excise, Ahmedabad- II
06.	Shri Kailash Bahuguna, COO –SEZ, Zydus Infrastructure Pvt. Ltd.,	Representative of Developer – Zydus.