

Minutes of the 45th (forty-fifth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 05-07-2018, at 16:00 hours, under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Zonal DC's office, at KASEZ City Office, Ahmedabad.

List of participants is annexed as Annexure-I

A) Other proposals:-

45-A-01) Monitoring of Performance of SEZ units in Zydus - Pharma-SEZ, in respect of performance up to the monitoring year 2016-17.

This Approval Committee had granted valid approvals for 12 (twelve) entrepreneurs/units in Sector specific SEZ for Pharmaceuticals product, Village Matoda, Taluka Sanand, Dist. Ahmedabad out of which 08 (eight) units have started their commercial operations/production as on 31-03-2017, and 01 (one) unit is having trading activity. In terms of provisions of Rule 22 of the Special Economic Zones Rules, 2006, these operational SEZ units are required to submit their respective Annual Performance Reports (APR) in prescribed format i.e. Form-I to the Development Commissioner and the same needs to be placed before the Approval Committee for consideration. The units have to submit their APRs duly scrutinized and certified by Chartered Accountant appointed by the unit. Performance of the units is to be monitored by the Office of the Development Commissioner. The Office of the Development Commissioner has appointed independent Chartered Accountant for detailed scrutiny of these APRs. Chartered Accountant appointed for the purpose has scrutinized these APRs.

The Approval Committee has reviewed the CA certified and internally scrutinized APRs of 09 (nine) SEZ units as on 31-03-2017 i.e. up to monitoring year 2016-17 for each of block of 5 years (60 months), and the net result is as under:-

Sr. No.	Name of the SEZ unit	Date of commencement of operation	Months of operation for 1 st Block	Months of operation for 2 nd Block	Cumulative NFE earned (Rs. in lakhs)
A					
SEZ units completed operations for 05 (five) years and more :-					
01)	Alidac Pharmaceuticals Ltd. (formerly Zydus BSV Pharma Pvt. Ltd.).	12-08-2011	60	07	8168.58
02)	Intas Pharmaceuticals Ltd.	07-05-2010	60 (already reviewed)	23	140274.14
03)	Piramal Enterprises Limited (Plot No. 18)	01-04-2009	60 (already reviewed)	36	31385.15
04)	Piramal Enterprises Limited (Plot No. 19) (formerly Oxygen Bio	20-05-2009	60 (already reviewed)	34	14344.01

Minutes of the 45th (forty-fifth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 05-07-2018, at 16:00 hours, under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Zonal DC's office, at KASEZ City Office, Ahmedabad.

	Research Pvt. Ltd.)				
05) *	Fisher Bio Pharma Services (India) Pvt. Ltd.	15-10-2008	60	42	14999.99
06)	Mylan Laboratories Ltd., (formerly Jai Pharma Ltd., and Famy Care Limited) – manufacturing	05-05-2009	60 (already reviewed)	35	65613.30
	Mylan Laboratories Ltd., (formerly Jai Pharma Ltd., and Famy Care Limited) – Trading	05-04-2010	60 (already reviewed)	24	886.94
07.	Amneal Pharmaceuticals Pvt. Ltd.,	06-06-2013	46	-	29104.72
08.	Zydus Hospira Oncology Pvt. Ltd.,	18-05-2009	60	35	177915.12
B	SEZ unit completed operations for less than 01 (one) year:-				
9.	Cadila Healthcare Limited	04-06-2016	11	-	(-) 527.58

There is one case of negative NFE, however the SEZ unit has not completed the required time wherein penal action is required in fact it is less than one year and review was also not required in terms of SEZ Rules, 2006.

*It was noted that the Annual Performance Reports filed by M/s. Fisher Bio Pharma Services (India) Pvt. Ltd., M/s. Alidac Pharmaceuticals Ltd. (formerly Zydus BSV Pharma Pvt. Ltd.), and Zydus Hospira Oncology Pvt. Ltd., of previous block was not reviewed by the Approval Committee.

45-A-02) Submission of Quarterly and Half Yearly Performance Report by the Developer – M/s. Zydus Infrastructure Pvt. Ltd. Pharma – SEZ, Ahmedabad, monitoring of the same, in terms of Rule-12 (6) of the SEZ Rules, 2006.

The Approval Committee has gone through Quarterly and Half Yearly performance Reports filed by the SEZ Developer M/s. Zydus Infrastructure Pvt. Ltd., viz QPRs for period ending June, 2016, September, 2016, December, 2016, March, 2017, June, 2017, September, 2017, December, 2017, and March, 2018, and HPRs for period ending 1) September, 2016, and March, 2017 (1st half and 2nd half of 2016-17); and for period ending 2) September, 2017, and March, 2018 (1st half and 2nd half of 2017-18) duly certified by the independent Chartered Engineer regarding utilization of the duty free materials procured/imported. The Approval

Minutes of the 45th (forty-fifth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 05-07-2018, at 16:00 hours, under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Zonal DC's office, at KASEZ City Office, Ahmedabad.

Committee has perused the same and taken on record regarding utilization of duty free materials procured/imported for Authorized Operations in SEZ.

**45-A-03) Request for consideration of additional services – by
M/s. Amneal Pharmaceuticals Pvt. Ltd., Zydus-Pharma-SEZ.**

Shri Satyajit Naik, AGM – Indirect Tax, appeared before the Approval Committee and explained their request for inclusion of Renting of Immovable Property Service in approved list of services issued to them vide DC's office letter dated 23.03.2016 with retrospective effect i.e. from 23.03.2016, as the refund claim filed by the unit was rejected by Central Excise Authority on the ground that the Renting of Immovable Property Service was not covered under the list of services approved by Unit Approval Committee. The refund claim was filed for Renting of Immovable Property Services availed at Corporate Office location registered under Input Service Distributor (ISD) registration and subsequently the said credit was distributed through ISD Invoice to SEZ unit based on Turnover ratio on pro-rata basis.

During the course of discussion the Approval Committee had asked the authorized representative of the company M/s. Amneal Pharmaceuticals Pvt. Ltd., to establish/prove regarding admissibility/applicability of the sought item of Renting of Immovable Property Service' as authorized operations in SEZ. Shri Naik, explained that the company has multi-location manufacturing units in the DTA, EOU, and SEZ for which certain works are done/pooled from their Corporate Office and the same is registered under Input Service Distributor (ISD) registration and subsequently the said credit is distributed through ISD Invoice to SEZ unit based on Turnover ratio on pro-rata basis. And thus they were seeking approval for Renting of Immovable Property Service and credit for the said services is to be distributed in favour of the SEZ unit.

The Approval Committee was not satisfied with the explanations and justifications offered by the applicant, and informed them that exemption for any of the services required for Authorized Operations shall be available to those services which are consumed/used within the SEZ, and no approval for procurement of service 'Rental of immovable property for office outside the Special Economic Zone/FTWZ can be given, this as per the clarification given by the Government on the subject matter vide Department of Commerce Instruction No. 49, dated 12-03-2010 issued from F. No. D-12/4/2010-SEZ. Thus the request for approval of Renting of Immovable Property Service, is hereby rejected by the Approval Committee



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

Minutes of the 45th (forty-fifth) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 05-07-2018, at 16:00 hours, under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Zonal DC's office, at KASEZ City Office, Ahmedabad.

The following members were present:-

ANNEXURE-I

01.	Shri Upendra Vasishth, ndc Development Commissioner, KASEZ.	Chairman
02.	Shri Shashank Shende, JDC, Ahmedabad cluster	Nominee for the Director – SEZ, DOC, MOC&I.
03.	Shri R. K. Vasava, GM, DIC, Ahmedabad.	Member
04.	Shri B. Jeyanth Malaiyandi, Assistant Commissioner, Division-III, CGST.	Nominee of the Commissioner of Central GST, Ahmedabad North.
05.	Shri Bhavesh Thaker, Associate Manager, Zydus Infrastructure Pvt. Ltd.,	Representative of the Developer – Zydus.