

Minutes of the 37th (thirty-seventh) meeting of the Approval Committee for sector specific Pharmaceuticals – Special Economic Zone developed by M/s. Zydus Infrastructure Pvt. Ltd., held on 30-05-2016, at 1200 hours, under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the Conference room of the Developer (Zydus), Ahmedabad.

List of participants is annexed as Annexure-I

A) **Other proposals:-**

37-A-01) **Proposal of M/s. Intas Pharmaceuticals Ltd., unit in Zydus - Pharma-SEZ for approval of additional taxable services to the .**

Shri K. D. Dholakia, DGM (Indirect Taxation) and Shri Hemang Vaishnav – Asst. Manager (Indirect Taxation) of the applicant company had appeared late before the Committee and briefly explained their proposal for approval of additional taxable services as listed below, which are in addition to the already approved default list of 66 + 5 + 4 + 3 services:-

Sr. No.	Description of taxable services
01.	Business Auxiliary Service (covering reimbursement of marketing, sales promotion, product registration expenses, etc. to foreign distributor).
02.	Remuneration/commission to Directors (for service provided by Director to a company)
03.	Remittance to foreign branches to meet their routine operational expenditure including staff salaries (towards services provided by foreign branches to IPL in India, i.e. import of service by IPL).
04.	Payment of salary & reimbursement of expenses to foreign employees (towards services provided by foreign employees to IPL in India i.e. import of service by IPL).
05.	Fees paid for renewal of marketing authorizations obtained abroad.

The Unit approval Committee observed that the unit had earlier applied for approval of the four services (at sr. no. 2 to 5) of the above mentioned five services. It was also observed by the UAC that the UAC in its meeting held on 22.02.2016 had **already approved the service mentioned at Sr.no, 5 of the table given above.** Further, the Unit Approval Committee in its meeting held on 22.2.2016 **decided not to approve the services mentioned at Sr. No. 2 to 4 of the above table.** The Committee further observed that once a particular issue is decided in by the Committee earlier, it is not open to further deliberations and re-consideration especially in view of the lack of any suitable provisions in the SEZ Act, 2005 or the rules framed thereunder. Hence, the Unit approval Committee declined to deliberate again on the issue of approval of the services listed at Sr. No. 2 to 5 of the table given above.

In respect of the application of the applicant for approval of the service viz. Business Auxiliary Service (reimbursement of marketing, sales promotion, product registration expense to foreign distributor), the Approval Committee has observed that such services can be utilized for both the SEZ unit as well as the DTA unit of the applicant. Accordingly, the Approval Committee ruled that said service is approved subject to the condition that such approval is only in respect to the quantum of the service being utilized by the SEZ unit only.

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37-A-02) Monitoring of Half Performance Report of SEZ under the SEZ Rules developed by M/s.Zydus Infrastructure Pvt.Ltd.

The Committee has gone through Half Yearly performance report filed by the SEZ Developer M/s. Zydus Infrastructure Pvt. Ltd. for the half year ending March, 2016 (2nd half of 2015-16), and noted that there no procurement and utilization of the duty free material. The Committee has perused the same and taken on record.

37-T-01) Table agenda for monitoring of performance of SEZ units in Zydus-Pharma-SEZ in respect of performance upto the monitoring year 2014-15:

The Approval Committee has reviewed the CA certified and audited APRs of 04 (four) SEZ units as on 31-03-2015 i.e. up to monitoring year 2014-15, in its 35th meeting held on 28-03-2016. Two (02) more SEZ units both M/s. Piramal Enterprises Ltd, at Plot Nos. 18 and 19 respectively have complied with discrepancies pointed out by the internal CA and have filed respective revised and split APRs to complete five (05) years block, and the net result is as under. There is no case of negative NFE in these two (02) units wherein penal action is required in Zydus – Pharma-SEZ, Matoda, Ahmedabad:-

Sr. No.	Name of the SEZ unit	Date of commencement of operation	Months of operations.	Cumulative NFE earned (Rs. In lakhs)
A)	SEZ units completed 05 (five) years and above :-			
01.	Piramal Enterprises Ltd., Plot No. 18 (Ex- Oxygen)	04-01-2009	60 (as on 03-01-2014)	13380.03
02	Piramal Enterprises Ltd., Plot No. 19 (Ex-Piramal)	20-05-2009	60 (as on 19-05-2014)	5933.77



(Upendra Vasishth ndc)
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, ndc Development Commissioner, KASEZ.	Chairman
02.	Shri Anand Jagtiani, JDC(i/c), KASEZ City Office, Ahmedabad.	Nominee for the Director – SEZ, DOC, MOC&I.
03.	Shri D. H. Amin, GM, DIC, Ahmedabad.	Member
04.	Shri G. M. Chauhan, Assistant Commissioner of Central Excise, Ahmedabad.	Nominee of the Commissioner of Central Excise, Ahmedabad-II.
05.	Shri N. G. Rever, FTDC, O/O Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Shri Kailash Bahuguna, CEO, Zydus Infrastructure Pvt. Ltd.,	Representative of the Developer – Zydus.