

Minutes of the 19th (nineteenth) meeting of the Approval Committee for the Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 24-08-2015, at 1030 hours, under the Chairmanship of Shri Upendra Vasishth, ndc Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of the Developer-GIFT-SEZ, Gandhinagar.

List of participants is annexed as Annexure-I

A) **Fresh proposals:-**

19-A-01) **Proposal of M/s. ICICI Bank Ltd., Mumbai, for setting-up of IFSC Banking unit in GIFT-SEZ, Gandhinagar.**

Shri Sanjay Jha, AGM, International Banking Group of the applicant Bank (M/s. ICICI Bank Ltd.), appeared before the Approval Committee for personal interview. They explained their proposal for setting-up of an IFSC Banking unit in GIFT-SEZ, Gandhinagar. The proposal is to set up IFSC Banking Unit (IBU) in GIFT-SEZ for the Banking and Other Financial Services as their business outline as per following:-

- Proposed investment is expected to be around Rs. 128.00 crores (equity), with an employment generation of 10 persons;
- Projected value of foreign exchange earnings is expected to be Rs. 870.35 crores with Foreign Exchange outgo of Rs. 22.75 crores, predicting the NFE at Rs. 847.60 crores (97.38%) for five years. The Committee informed that the Foreign Exchange Earnings shall be strictly in accordance with Rule-53 of the SEZ Rules, 2006.
- The Developer, GIFT SEZ, has allotted space/premises inside the Zonal facility Centre to the proposed unit for initiating their proposal.

As the above proposal of business falls and categorizes itself under the mandate/guidelines/regulations framed for the International Financial Services Centre (IFSC), the Regulatory Authorities for the same viz. Reserve Bank of India were invited upon to participate as a Special Invitee for the Approval Committee Meeting. Moreover, being a mandatory requirement for all IFSC Banking Units to obtain prior permission and license from the Reserve Bank of India for establishing and functioning under the Banking Regulation Act, the views of Reserve Bank of India becomes imperative for approval of any proposal under IFSC in GIFT SEZ.

After hearing the proposal from the representative of M/s. ICICI Bank Ltd, the Committee after due diligence and deliberation and on submission of revised Foreign Exchange Balance Sheet (to Form-F), decided to approve the proposal of the applicant M/s. ICICI Bank Ltd., for setting up an IFSC Banking Unit in GIFT SEZ, Gandhinagar. This approval would be subject to the condition that they obtain all mandatory/statutory approvals/permissions from the Reserve Bank of India (RBI), including approval/licence under Section-23 of the Banking Regulation Act, and as required under the IFSC guidelines & regulations, and strictly in accordance with (1) RBI Notification No. G.S.R. 218 (E), dated 02-03-2015, (2) Letter RBI/2014-15/533 DBR.IBD.BC.14570/23.13.004/2014-15 dated 01-04-2015 and (3) Government of India, Ministry of Commerce & Industry's Notification No. S.O. 968 (E) F.No. D.12/25/2009-SEZ dated 08-04-2015. It was further decided by the Approval Committee that the Bank

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will not be able to initiate investments as long as the mandatory as well statutory approvals are not acquired from the regulatory authority. The Bond cum LUT shall also be executed after the necessary approvals and permissions have been accorded by the regulatory authorities.

19-A-02) Proposal of M/s. IDBI Bank Ltd., Mumbai, for setting-up of IFSC Banking unit in GIFT-SEZ, Gandhinagar.

Shri M. A. Kulkarni, GM, and Shri R. Srinivasa S, DGM, International Banking of the applicant Bank (M/s. IDBI Bank Ltd.), appeared before the Approval Committee for personal interview. They explained their proposal for setting-up of an IFSC Banking unit in GIFT-SEZ, Gandhinagar. The proposal is to set up IFSC Banking Unit (IBU) in GIFT-SEZ for Banking and Other Financial Services as their business outline as per following details:-

- Proposed investment is expected to be around Rs. 124.00 crores (equity), with an employment generation of 5 persons;
- Projected value of foreign exchange earnings is expected to be Rs. 653.46 crores with Foreign Exchange outgo of Rs. 441.05 crores, predicting the NFE at Rs. 212.41 crores (32.50%) for five years. The Committee informed that the Foreign Exchange Earnings shall be strictly in accordance with Rule-53 of the SEZ Rules, 2006.
- The Developer, GIFT SEZ, has allotted space/premises inside the Zonal facility Centre to the proposed unit for initiating their proposal.

As the above proposal of business falls and categorizes itself under the mandate/guidelines/regulations framed for the International Financial Services Centre (IFSC), the Regulatory Authorities for the same viz. Reserve Bank of India were invited upon to participate as a Special Invitee for the Approval Committee Meeting. Moreover, being a mandatory requirement for all IFSC Banking Units to obtain prior permission and license from the Reserve Bank of India for establishing and functioning under the Banking Regulation Act, the views of Reserve Bank of India becomes imperative for approval of any proposal under IFSC in GIFT SEZ.

After hearing the proposal from the representative of M/s. IDBI Bank Ltd, the Committee after due diligence and deliberation and on submission of revised Foreign Exchange Balance Sheet (to Form-F), decided to approve the proposal of the applicant M/s. IDBI Bank Ltd., for setting up an IFSC Banking Unit in GIFT SEZ, Gandhinagar. This approval would be subject to the condition that they obtain all mandatory/statutory approvals/permissions from the Reserve Bank of India (RBI), including approval/licence under Section-23 of the Banking Regulation Act, and as required under the IFSC guidelines & regulations, and strictly in accordance with (1) RBI Notification No. G.S.R. 218 (E), dated 02-03-2015, (2) Letter RBI/2014-15/533

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DBR.IBD.BC.14570/23.13.004/2014-15 dated 01-04-2015 and (3) Government of India, Ministry of Commerce & Industry's Notification No. S.O. 968 (E) F.No. D.12/25/2009-SEZ dated 08-04-2015. It was further decided by the Approval Committee that the Bank will not be able to initiate investments as long as the mandatory as well statutory approvals are not acquired from the regulatory authority. The Bond cum LUT shall also be executed after the necessary approvals and permissions have been accorded by the regulatory authorities.

19-A-03) Project proposal of M/s. Sterling Enterprises, Delhi:-

Shri Satish Bhushan, Advisor, and Shri Rahul Gupta, VP, under authority from the applicant company appeared before the Committee for personal interview, and explained about the proposed project. The proposal is to set up a service unit to provide service of "1) trading of derivatives for risk management and speculative purpose; 2) Hedging Operations; 3) Investment counselors & portfolio management; and 4) Representative offices."

- Proposed investment is Rs.4.30 lakh with employment generation for 18 persons;
- Projected FOB value of exports is Rs. 352.00 lakhs, with no outgo of foreign exchange, resulting NFE of Rs. 352.00 lakhs (100%);
- The Developer, GIFT SEZ, has allotted space/premises Unit No. 2 inside the Zonal facility Centre for the proposed project.
- The Approval Committee observed that two proposed services of the applicant company viz. 1) Trading of derivatives for risk management and speculative purpose; 2) Hedging Operations; are not allowed/permitted under the appropriate laws in this regard for individuals and proprietorship firm. Thus, the Approval Committee advised the applicant for modification of the proposal. The applicant agreed for modification of the application i.e. by the way of excluding proposed services namely 1) trading of derivatives for risk management and speculative purpose; and 2) hedging operations from the original application. The applicant has also confirmed that they shall comply with the FEMA regulation as applicable.

Thus, the Committee noted that the applicant is not proposing to set-up unit under the IFSC regulations, and therefore after due diligence and deliberation approved the project proposal with above modification, subject to standard terms and conditions, of the SEZ Rules, 2006.



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

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ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri Anand Jagtiani, JDC (i/c), KASEZ, Ahmedabad.	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi.
03.	Shri Ajay Vij, GM, RBI, Ahmedabad.	Special Invitee
04.	Smt. A. B. Bhatt, GM, DIC, Gandhinagar.	Member
05.	Shri P. B. Meena, Deputy Commissioner, Gandhinagar Division.	Nominee of the Commissioner of Central Excise, Ahmedabad-III.
06.	Shri P. C. Ravindran, Assistant DGFT O/o Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
07.	Shri Avichal Khera, CFO, M/s. GIFT SEZ Ltd.	Representative of the Developer – GIFT – SEZ.