

Minutes of the 21st (twenty-first) meeting of the Approval Committee for the Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 29-10-2015, at 1100 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 and deferred proposals:-**

21-A-01) Proposal of M/s. IDFC Bank Limited, Mumbai, for setting-up of IFSC Banking unit in GIFT-SEZ, Gandhinagar.

Shri Ajay Mahajan, Head – Commercial & Wholesale Bank, and Shri Ashish Kumar, Head – International Financial Institutions Group of the applicant Bank (M/s. IDFC 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. They gave a brief presentation on the formation of the company. M/s. IDFC Bank Limited was formed by de-merger of M/s. IDFC Limited. They received Banking License on 23-07-2015 from RBI, and the Bank was launched on 01-10-2015. M/s. IDFC Bank Ltd., is professionally run with no single or group promoter, the largest shareholder in Government of India with 16.4% alongwith various financial institutions. In the Domestic market they intend to focus on rural banking with least one branch in one district in Central & Western India. The proposal is to set up IFSC Banking Unit (IBU) in GIFT-SEZ to cater to international clients and MNCs for the Banking Services, like, i) Wholesale Banking – Borrowing & lending; ii) Treasury Activities; iii) Trade Finance; and iv) ECA linked finance as their business outline, and brief details of the proposal is as under:-

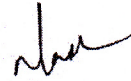
- Proposed equity investment is to be US \$ 20 million as required under IFSC guidelines for IBU operations, with an employment generation of 8 persons;
- Projected value of foreign exchange earnings is expected to be Rs. 2921.15 crores with Foreign Exchange outgo of Rs. 1686.10 crores, predicting the NFE at Rs. 1235.05 crores (42.28%) 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 representatives of M/s. IDFC Bank Ltd., the Committee after due diligence and deliberation decided to approve the proposal of the

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applicant M/s. IDFC 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 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.



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

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 Alok Dwivedi, Assistant DGFT O/o Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Shri Arvind Bansode, Assistant Commissioner, Gandhinagar Division – Central Excise.	Nominee of the Commissioner of Central Excise, Ahmedabad-III.
07.	Shri Dipesh Shah, Vice President, M/s. GIFT SEZ Ltd.	Representative of the Developer – GIFT – SEZ.