

Minutes of 47th (forty-seventh) meeting of the Approval Committee for the Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 22-09-2017 at 11:30 hours under Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Zonal Development Commissioner's office, Kandla-SEZ, Ahmedabad.

List of participants is annexed as Annexure-I

Approved minutes of the previous meeting were confirmed by the Approval Committee.

47-A) Fresh cases for GIFT – Multi Services - SEZ:-

The Approval Committee for GIFT-Multi-services-SEZ (including International Financial Services Centre), Gandhinagar, met at the Zonal Development Commissioner's Office, Kandla-SEZ, Polytechnic, Ahmedabad to consider and decide on the following 02 (two) proposals. As the below mentioned proposals of business fall and categorizes under the mandate/guidelines/regulations framed for the International Financial Services Centre (IFSC), the Regulatory Authority for the same viz. 1) Securities and Exchange Board of India (SEBI); and thus appropriate representative of the said 01 (one) Regulatory Authority was invited upon to participate as a Special Invitee for the meeting of Approval Committee.

After hearing each of the applicants, the Approval Committee after due diligence & deliberation decided the proposals of the applicants respectively as under, for setting up an IFSC - Capital Market Intermediary in GIFT-IFSC-SEZ, Gandhinagar. This approval would be subject to the condition that wherever requires the applicants obtain all mandatory/statutory approvals/permissions from the Securities and Exchange Board of India (SEBI), as required under the IFSC guidelines & regulations and strictly in accordance with (1) Securities and Exchange Board of India (International Financial Service Centre) Guidelines, 2015, dated 27-03-2015, (2) 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, and 3) Notification No. G.S.R. 229 (E), dated 27-03-2015 issued by the Government of India, Ministry of Finance, Department of Financial Services from F. No. 14017/98/2014-Ins.II.

47-A-01) Proposal of M/s. J. Sagar Associates, Mumbai/New Delhi, for setting-up of new unit in GIFT-SEZ, Gandhinagar, for legal services.

Shri Bijal Chhatrapati, Partner of the applicant company appeared before the Approval Committee for personal interview. He explained their proposal for setting-up Legal service – unit in GIFT-SEZ, Gandhinagar. The applicant company is engaged in the business of providing legal service for past several years. The representative confirmed and informed that the proposal is to provide "Legal Services". A brief detail of the proposal is as under:-



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- FOB value for export of services for said project for 05 (five) years period is projected as Rs. 474.11 lakhs, with no outgo of foreign exchange resulting in NFE of Rs. 474.11 lakhs (100%).
- The Developer (GIFT) vide letter dated 05-09-2017 has earmarked, & confirmed the required premises/space in the SEZ for the proposed project.

The Committee after due diligence and deliberation approved the project, subject to standard terms and conditions, of the SEZ Rules, 2006, the approval shall be strictly for providing legal services to the units' set-up in SEZ, Developer and Co-Developer of SEZ as well as overseas clients.

B) Deferred case for GIFT - SEZ:-

47-B-01) Proposal of M/s. KSBL Forex (IFSC) Private Limited, Gandhinagar, for setting-up of IFSC financial services -- capital market intermediary unit in GIFT-SEZ, Gandhinagar.

The Approval Committee noted that none of the Directors/promoters appeared for personal interview for consideration of the proposal at the given date and time. Thus, the Approval Committee decided to defer the proposal for next meeting.

47-C) Other cases for GIFT - SEZ:-

47-C-01) Approval of list of goods & services required for Authorized Operations; request of the Developer M/s. GIFT SEZ Ltd., (GIFT) – Under Section -14 (1) (a) of the SEZ Act,2005, read with Rule – 10 & 12 of the SEZ Rules, 2006.

Shri S. P. Srivastava, AVP (SEZ) of the Developer (GIFT), explained requirement of duty-free goods for authorized operations sought vide their letter dated 18-09-2017. It was stated that these goods are required for carrying out approved and default Authorized Operations as under, which are covered under Instruction No. 50 of the DOC, for their zonal facility building in processing area:-

- 1) Service Trench; and 2) Air conditioning of processing area.

The duty-free goods intended to be procured, are required for basic development, construction, and other related infrastructure work in the notified SEZ. Chairman of the Approval Committee reiterated that the Specified Officer of the SEZ should ensure that procurement of duty free goods is strictly meant for Authorized Operations inside the SEZ.



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Therefore, the Committee after due deliberation and diligence approved the list of goods intended to be procured for the above default Authorized Operations subject to standard terms and conditions of the SEZ Rules, 2006.

47-C-02) Approval of list of goods & services required for Authorized Operations; request of the Co-Developer M/s. Brigade (Gujarat) Projects Pvt. Ltd., GIFT-SEZ – Under Section -14 (1) (a) of the SEZ Act, 2005, read with Rule – 10 & 12 of the SEZ Rules, 2006.

Shri Rajesh Parmar, DGM-Admin. and Shri Pravash Nasker, AGM-Projects representatives of the Co-Developer (Brigade), explained requirement of duty-free goods for authorized operations sought vide their letter dated 12-09-2017. It was stated that these goods are required for carrying out default Authorized Operations as under, which are covered under Instruction No. 50 of the DOC, for their zonal facility building in processing area:-

- 2) Complete construction work office building in processing area
(Building No. 14-A – electrical network/infra work, plumbing, etc.)

The duty-free goods intended to be procured, are required for basic development, construction, and other related infrastructure work in the notified SEZ. Chairman of the Approval Committee reiterated that the Specified Officer of the SEZ should ensure that procurement of duty free goods is strictly meant for Authorized Operations inside the SEZ.

47-D) Other points taken-up for discussion:-

Further, during the course of meeting of Approval Committee, it was brought to the notice of the Approval Committee by the Officers of the Zonal Development Commissioner that the Developer M/s. GIFT SEZ Limited after issuance of Letter of Approval to the units consequent upon approval by the Approval Committee, enters in Leave and License Agreement and that is too for shorter period of 6 to 11 months subject to further renewal.

Sub-Rule (5) of Rule 11 of the Special Economic Zones Rules, 2006 provides as under.

“(5) The land or built up space in the processing area of Free Trade and Warehousing Zone shall be given on lease only to the entrepreneurs holding a valid Letter of Approval issued under rule-19 and the lease period shall not be less than five years but notwithstanding any other condition in the lease deed, the lease rights would cease to exist in case of the expiry or cancellation of the Letter of Approval.”

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As per the provisions of Rule 18 (2) (ii) of the SEZ Rules, 2006, it is clearly provided as under:-

“ (2) (ii) availability of space and other infrastructure support applied for, is confirmed by the Developer in writing, by way of a provisional offer of space: PROVIDED that the Developer shall enter into a lease agreement and give possession of the space in the Special Economic Zone to the entrepreneur only after the issuance of Letter of Approval by the Development Commissioner: PROVIDED FURTHER that a copy of the registered lease Deed shall be furnished to the Development Commissioner concerned within six months from the issuance of the Letter of Approval and failure to do so, the Approval Committee may take action to withdraw the Letter of Approval after giving an opportunity of being heard;”

The Approval Committee has observed that in the aforesaid Rules it has provided that the Developer should enter into Lease Deed with the unit for a minimum period of five years. Neither entering into any Leave and License Agreement nor period of Lease Deed shorter than 5 years is permissible. The Approval Committee has asked Shri S. P. Srivastav, AVP of the Developer Company M/s. GIFT SEZ Limited to submit their stand on the subject issue. Shri Srivastav informed the Approval Committee that since they have constructed only incubation center and other buildings being constructed by the Co-Developers are under progress either at finishing level or under construction and they do not have any permanent building other than incubation center, they are entering into Leave and License Agreement instead of Lease Deed and that is too for shorter period i.e. from six months to eleven months subject to further renewal and also agreed that this stop gap arrangement is not in line with the provisions of Sub-Rule (2) of Rule of the SEZ Rules, 2006 and further assured that all leave and license agreement will be converted into lease deed for five years period. The Approval Committee has directed the Officers of the Zonal Development Commissioner that renewal of the validity of LOA of the SEZ unit shall be processed only if there is lease deed for the period prescribed under the Rule *ibid* is made. The Approval Committee has also directed the Developer M/s. GIFT SEZ Limited to execute lease deed for minimum period of five years immediately and to complete this take within one month. The Approval Committee has also directed the Officers of the Zonal Development Commission to review the situation after one month and to put a note on this subject to the Approval Committee after one month.



(Upendra Vasishth)
Chairman of Approval Committee
& Zonal Development Commissioner
Gujarat SEZs
(HQ: Kandla-SEZ)

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ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone	Chairman (Through video conferencing from HQ Office, Kandla-SEZ, Gandhidham.
02.	Shri Anand Jagtiani, IRS, JDC, GIFT-SEZ.	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi
03.	Shri R. N. Raval, Joint Commissioner, and GM, DIC, Gandhinagar.	Member
04.	Shri J. U. Jadia, Assistant Commissioner, CGST, Gandhinagar.	Nominee of Commissioner of Central Excise & CGST, Gandhinagar.
05.	Shri A. P. Zala, Deputy Collector – land.	Nominee of the District Collector, Gandhinagar.
06.	Shri V. B. Chittar, FTDO, O/o DGFT.	Nominee of the Jt. DGFT, Ahmedabad.
07.	Shri S.P. Sriyastav, AVP-SEZ, M/s. GIFT SEZ Limited, Gandhinagar.	Special Invitee representing the developer - GIFT