

Minutes of 60th (sixtieth) meeting of the Approval Committee for Sector specific SEZ for multi-services developed by M/s. GIFTSEZ Ltd., held on 18-07-2018 at 11:30 hours under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of the Zonal DC Office, Kandla-SEZ, Ahmedabad.

List of participants is annexed as Annexure-I

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

60-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 04 (four) proposals as well as other cases. 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 Authorities for the same are viz.1) Securities and Exchange Board of India (SEBI); and 2) Insurance Regulatory and Development Authority of India (IRDAI) and thus appropriate representative of the said Regulatory Authorities were invited upon to participate as a Special Invitee for the Approval Committee Meeting. Since, it is difficult for special invitee of IRDAI to attend Unit Approval Committee as he was stationed at Hyderabad; his presence is taken through video conferencing. Shri Suresh Mathur, Executive Director attended the meeting through video conferencing between Ahmedabad and Hyderabad, and also interviewed both the IRDAI related applicant.

After hearing each of the applicants, the Approval Committee after due diligence & deliberation decided the proposals of the 04 (four) applicants respectively as under, for setting up an IFSC – 1) Capital Market Intermediary and 2) IFSC Insurance Office in GIFT-IFSC-SEZ, Gandhinagar:-

Sr. No.	Name of the applicant	Regulatory Authority
01.	M/s. Emkay Global Financial Services (IFSC) Private Limited, Gandhinagar	SEBI
02.	M/s. Bharat Re-insurance Brokers Private Limited, Chennai	IRDAI
03.	M/s. National Insurance Company Limited, Kolkata	IRDAI
04.	M/s. SLCPAS Software Private Limited, Gandhinagar.	Normal service unit

This approval would be subject to the condition that the applicants obtains all mandatory/statutory approvals/permissions as required under following notifications and as applicable:-

1) 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;

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2) 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;

3) Foreign Exchange Management (International Financial Services Centre) Regulations, 2015;

4) Insurance Regulatory and Development Authority of India (International Financial Services Centre) Guidelines, 2015, and

5) 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.

60-A-01) Proposal of M/s. Emkay Global Financial Services IFSC Private Limited, Gandhinagar, for setting-up of IFSC financial services – capital market intermediary unit in GIFT-SEZ, Gandhinagar.

Shri Saket Agrawal, Director, and Shri Rajesh Sharma, COO of the applicant company, appeared before the Approval Committee for personal interview. They explained their proposal for setting-up an IFSC financial services unit in GIFT-SEZ, Gandhinagar. The applicant company is engaged in the business of financial service. The representative confirmed and informed that the proposal is to provide “financial services as capital market intermediary in GIFT IFSC in accordance with the SEBI (IFSC) Guidelines, 2015. A brief detail of the proposal is as under:-

- FOB value for export of services for said project for 05 (five) years period is projected as Rs. 1221.02 lakhs, with foreign exchange outgo at Rs. 196.62 lakhs resulting in NFE of Rs. 1001.40 lakhs (82.01%).
- The Co-Developer (Volupia) vide letter dated 15-05-2018 has earmarked the required premises/space in the SEZ for the proposed project, which is also confirmed by the Developer (GIFT).
- The Approval Committee emphasized that the applicant has to furnish a copy of the registered Lease Deed to the Development Commissioner within six months from issuance of the Letter of Approval for the allotted premises in SEZ, as required in terms of Rule-18 (2) (ii) of the SEZ Rules, 2006.
- It was further decided by the Approval Committee that the Company will not be able to commence business activities as long as the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The Bond cum LUT shall also be executed under the SEZ Rules in order to facilitate initial setting-up process.

The Approval Committee after due diligence and deliberation once again approved the current proposal, subject to standard terms and conditions, of the SEZ Rules, 2006 and other stipulated and mandatory norms/requirements of SEBI.

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60-A-02) Proposal of M/s. Bharat Reinsurance Brokers Pvt. Ltd., Chennai for setting-up of IFSC Insurance Office in GIFT-SEZ, Gandhinagar.

Shri Dilip ^{Shukla} Shukla, Director (Reinsurance) of the applicant firm under authority appeared before the Approval Committee and explained their proposal for setting-up of new unit in GIFT-SEZ, Gandhinagar, for providing service activities of "to carry on the business as IFSC unit for Insurance & Reinsurance Broking Services, as per IRDAI (IFSC) Guidelines, 2015". It was stated by applicant that they are into Re-insurance business from 2003. A brief detail of the proposal is as under:-

- The FOB value for said project, for 5 (Five) years period is projected as Rs. 3794.40 lakhs, with foreign exchange outgo of Rs. 156.40 lakhs resulting in NFE of Rs. 3638.00 lakhs (95.88%).
- The Co-Developer (Volupia) vide letter dated 03-07-2018 has earmarked the required premises/space in the SEZ for the proposed project and same was also confirmed by the Developer-GIFT.
- The Approval Committee emphasized that the applicant has to furnish a copy of the registered Lease Deed to the Development Commissioner within six months from issuance of the Letter of Approval for the allotted premises in SEZ, as required in terms of Rule-18 (2) (ii) of the SEZ Rules, 2006.
- It was further decided by the Approval Committee that the Company will not be able to commence business activities as long as the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The Bond cum LUT shall also be executed under the SEZ Rules in order to facilitate initial setting-up process.
- The Committee after due diligence and deliberation approved the project, subject to standard terms and conditions, of the SEZ Rules, 2006, and other stipulated and mandatory norms/requirements of IRDAI.

60-A-03) Proposal of M/s. National Insurance Company Ltd., Kolkata for setting-up of IFSC Insurance Office in GIFT-SEZ, Gandhinagar.

Shri Shankar Krishnan Chief Manager, RI Dept. HO, and Shri Kunal Goyal Admn. Officer of the applicant firm under authority appeared before the Approval Committee and explained their proposal for setting-up of new unit in GIFT-SEZ, Gandhinagar, for providing service activities of "to carry on the business as IFSC unit for Insurance & Reinsurance Services, as per IRDAI (IFSC) Guidelines, 2015". It was stated by applicant that they are into Re-insurance business from 2003. A brief detail of the proposal is as under:-

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- The FOB value for said project, for 5 (Five) years period is projected as Rs. 134500.00 lakhs, with foreign exchange outgo of Rs. 26900.00 lakhs resulting in NFE of Rs. 107600.00 lakhs (80.00%).
- The Co-Developer (Volupia) vide letter dated 13-07-2018 has earmarked the required premises/space in the SEZ for the proposed project and same was also confirmed by the Developer-GIFT.
- The Approval Committee emphasized that the applicant has to furnish a copy of the registered Lease Deed to the Development Commissioner within six months from issuance of the Letter of Approval for the allotted premises in SEZ, as required in terms of Rule-18 (2) (ii) of the SEZ Rules, 2006.
- It was further decided by the Approval Committee that the Company will not be able to commence business activities as long as the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The Bond cum LUT shall also be executed under the SEZ Rules in order to facilitate initial setting-up process.
- The Committee after due diligence and deliberation approved the project, subject to standard terms and conditions, of the SEZ Rules, 2006, and other stipulated and mandatory norms/requirements of IRDAI.

60-A-04) Proposal of M/s. SLCPAS Software Private Limited, Gandhinagar, setting-up of new services related unit in GIFT-SEZ, Gandhinagar.

Shri Rajeshkumar R. Padalia, Director of the applicant company, appeared before the Approval Committee for personal interview. He explained background of the company's business and parent company in USA viz. software development & testing for varied sector like processing industries, oil refinery, chemicals, etc. The current proposal/project in SEZ is for Computer software services including information technology enabled services.. A brief detail of the proposal is as under:-

- FOB value for export of services for said project for 05 (five) years period is projected as Rs. 1959.08 lakhs, with no foreign exchange outgo resulting in NFE of Rs. 1959.08 lakhs (100%).
- The Co-Developer (Volupia) vide letter dated 25-05-2018 has earmarked the required premises/space in the SEZ for the proposed project, which is also now confirmed by the Developer (GIFT).
- The Approval Committee emphasized that the applicant has to furnish a copy of the registered Lease Deed to the Development Commissioner within six months from issuance of the Letter of Approval for the allotted premises in SEZ, as required in terms of Rule-18 (2) (ii) of the SEZ Rules, 2006. The Approval Committee also clearly explained to the applicant that they cannot provide any services to clients in DTA from GIFT Multi Services SEZ, no transaction can be undertaken in Indian Rupees (INR) from SEZ and all services/transactions be should be in free currencies.

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The Approval Committee after due diligence and deliberation approved the project, subject to standard terms and conditions of the SEZ Rules, 2006.

60-B) Other case for GIFT – Multi Services - SEZ:-

60-B-01) Contravention of Letter of Approval (LOA) condition by M/s. Pace Financial (IFSC) Private Limited, Gandhinagar, which had commenced operations prior to Regulatory approval of SEBI.

The Development Commissioner's office had reported to this Approval Committee the alleged contravention of one of the Letter of Approval (LOA) condition by M/s. Pace Financial (IFSC) Private Limited, Gandhinagar, as the approval holder had commenced operations prior to Regulatory approval i.e. on 16-01-2017, whereas the approval/permission from the Regulatory Authority SEBI is received on 23-03-2017. It was reported by M/s. Pace Financial (IFSC) Pvt. Ltd, that they had started operation on 16-01-2017 which was the first trade to test the systems and the same was allowed by SEBI for first 25 members to trade on opening date viz on 16-01-2017.

The Approval Committee considering the facts and circumstance decided to regularize the commencement of operations in SEZ with effect from 16-01-2017, and directed the Development Commissioner's Office to ascertain the status of regulatory approvals/permission in all 25 (twenty-five) members/units after getting data/information from the approved Stock Exchange/SEBI and check the facts regarding commencement of operations on the appointment date of inauguration i.e. 16-01-2017 by these members/units. And in case there is any violation regarding commencement of operations in SEZ prior to the concerned Regulatory approvals/permissions, the same are to be dealt with by the respective Regulatory Authority (in these cases by SEBI) in accordance with the respective Rules and Regulations in this regard.



(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 UpendraVasishth, ndc, Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri Satyadeep Mahapatra, Joint Development Commissioner	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi by VC.
03.	Shri R. N. Raval, GM, DIC, Gandhinagar	Member
04.	Smt K. Lalithaa, Assistant DGFT, O/o Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
05.	Shri Suresh Mathur, Executive Director, IRDAI	Special Invitee, IRDAI, Hyderabad, by video conferencing.
06.	Shri Arvind Kumar, DGM, SEBI, Ahmedabad.	Special Invitee, representing SEBI, Ahmedabad.
07.	Shri Dipesh Shah, Head - SEZ, M/s. GIFT SEZ Limited, Gandhinagar.	Special Invitee, representing the developer – GIFT.