

**Minutes of 65<sup>th</sup>(sixty-fifth) meeting of the Approval Committee for Sector specific SEZ for multi-services developed by M/s. GIFTSEZ Ltd., held on 04-12-2018 at 15:30 hours under the Chairmanship of Dr. Amiya Chandra, ITS, 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.

**65-A) Fresh/deferred cases for GIFT – Multi Services - SEZ:-**

The Approval Committee for GIFT-Multi-services-SEZ (including International Financial Services Centre), Gandhinagar, met at the Development Commissioner's Office, Kandla-SEZ, Polytechnic, Ahmedabad to consider and decide on the following 05 (five) proposals as well as other cases. As the below mentioned proposals of business fall under the mandate/guidelines/regulations framed for the International Financial Services Centre (IFSC), the Regulatory Authorities for the same are viz. 1) Reserve Bank of India (RBI); and 2) Securities and Exchange Board of India (SEBI) and thus appropriate representatives of the said Regulatory Authorities were invited to participate as Special Invitees for the Approval Committee Meeting.

After hearing each of the applicants, the Approval Committee after due diligence and deliberation took up the proposals of the 05 (five) applicants respectively as under, for setting up an IFSC:- 1) IFSC Banking unit (IBU); and 2) Capital Market Intermediary in GIFT-IFSC-SEZ, Gandhinagar:-

Sr. No.	Name of the applicant	Regulatory Authority
01.	Indian Bank, Chennai;	RBI
02.	M/s. Monarch Network Capital IFSC Private Limited, Gandhinagar	SEBI
03.	M/s. Befree Investment Adviser IFSC Private Limited, Gandhinagar	SEBI
04.	M/s. Arjglo Consultancy Services Private Limited., Mumbai.	Normal service unit
05.	M/s. NJ Global Finance IFSC Private Limited, Gandhinagar	SEBI

These approvals would be subject to the condition that each of 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;

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;

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

4) 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.

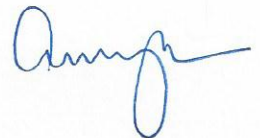
**65-A-01) Proposal of M/s. Indian Bank, Chennai, for setting-up of IFSC Banking unit (IBU) in GIFT-SEZ, Gandhinagar.**

Shri V. Gopal, General Manager, and Shri Sudhir K. Gupta, DGM of the applicant Bank (M/s. Indian Bank), appeared before the Approval Committee for personal interview. They explained the proposal for setting-up an IFSC Banking unit in GIFT-SEZ, Gandhinagar. During the course of discussion and deliberation the Approval Committee sought specific details of foreign exchange inflow and outflow from their business operations from the proposed unit in SEZ to which bank officials gave a break-up chart detailing as below:-

- FOB value for export of services for said project for 05 (five) years period is projected as Rs. 1429.17 crores with foreign exchange outgo of Rs. 1112.03 crores resulting in NFE of Rs.317.14 crores (22.19%).
- The Developer (GIFT) vide letter dated 12-10-2018 has earmarked & confirmed the required premises/space in the SEZ for the proposed project.
- 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 Bank will not be able to commence business activities/operations as long as the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The Bond cum LUT shall be executed under the SEZ Rules in order to facilitate initial setting-up process.

As the above proposal of business falls 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 to 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 unit proposal under IFSC in GIFT SEZ.

After hearing the proposal from the representatives of M/s. Indian Bank the Approval Committee after due diligence and deliberation, decided to approve the



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proposal of the applicant M/s. Indian Bank, 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) 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 commence operations unless all the mandatory as well statutory approvals are not acquired from the concerned regulatory authority.

**65-A-02) Proposal of M/s. Monarch Network Capital IFSC Private Limited, Gandhinagar, for setting-up of IFSC financial services – capital market intermediary unit in GIFT-SEZ, Gandhinagar.**

Shri Vaibhav Shah, Managing Director, and Ms. Jhalak Shah, Executive Compliance 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. During discussions and deliberations the Approval Committee sought clarity and specific details of foreign exchange inflow and outflow from their proposed SEZ unit. The unit officials submitted the same as detailed below. Further since the operations of unit would be mainly related to stock broking services in IFSC in accordance with the SEBI (IFSC) Guidelines, 2015, they would be permitted for the said serviced viz. Stock Brokering only. Necessary approvals/permissions for other services will be sought as and when they intent to start the same. 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. 47.00 lakhs, with foreign exchange outgo at Rs. 27.17 lakhs resulting in NFE of Rs. 19.83 lakhs (42.19%).
- The Co-Developer (ATS Savvy) vide letter dated 12-10-2018 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/operations unless all the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The



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Bond cum LUT shall be executed under the SEZ Rules in order to facilitate initial setting-up process.

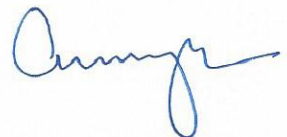
The Approval Committee after due diligence and deliberation approved the current proposal for Stock Broking only, subject to standard terms and conditions, of the SEZ Rules, 2006 and other stipulated and mandatory norms/requirements of SEBI.

**65-A-03) Proposal of M/s. Befree Investment Adviser IFSC Private Limited, Gandhinagar, for setting-up of IFSC financial services – capital market intermediary unit in GIFT-SEZ, Gandhinagar.**

Shri Jignesh Kanabar, Director, 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, and their past experience in the field of financial services. The applicant intended to provide Investment Advisory and Financial Planning services. The representative from the segment Regulator SEBI, Western Region Office, Ahmedabad had reservation on proposed line of activities/services. The SEBI representative submitted that a query has been raised on their application by SEBI and reply is awaited. The representative of applicant company agreed to same. He however submitted that he is presently not having the copy of query letter and reply submitted. Therefore, the Approval Committee decided to defer the case/proposal and asked the applicant to submit details of their application and clarifications and status of application made before the SEBI. The applicant was also asked to submit any documentary evidences about their experiences in financial services.

**65-A-04) Proposal of M/s. Arjlo Consultancy Services Private Limited, Mumbai, for setting-up of new unit in GIFT-SEZ, Gandhinagar.**

Shri Deependra Singh Bhadouria, Director, of the applicant company, appeared before the Approval Committee for personal interview. They explained their proposal for setting-up new unit in GIFT-SEZ, Gandhinagar, and their experience and connections in the field of financial services from London. The applicant intended to provide Consultancy service for business & financial industry (professional services). During discussions and deliberations the Approval Committee found that the representative was not in position to correctly explain the business model of his proposed SEZ. Neither was he in a position to establish his expertise in the proposed business unit in SEZ. The Approval Committee suggested that the applicant may submit documentary evidences establishing expertise of any of the company's directors in the proposed business venture. Therefore, the Approval Committee decided to defer the case/proposal and asked the applicant to furnish proof of their financial services capabilities/experiences in order to prove their credential.



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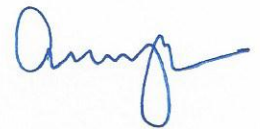
65-B) Deferred case for GIFT –Multi-services - SEZ:-

65-B-01) Proposal of M/s. NJ Global Finance (IFSC) Private Limited, Gandhinagar, for setting-up of IFSC financial services – capital market intermediary unit in GIFT-SEZ, Gandhinagar.

Shri Niraj Choksi, Joint Managing Director, 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 viz Cash segment etc. on BSE/NSE. 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. During discussions and deliberations, the Approval Committee sought from the applicant specific details of foreign exchange inflow and outflow and further they have applied for all allied and related services in IFSC they shall be permitted to provide Financial Services as Capital Market intermediary in IFSC in accordance with the SEBI (IFSC) Guidelines, 2015, for Stock Brokering as a trading member in relation to securities and currency. 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. 41.44 lakhs, with no outgo of foreign exchange resulting in NFE of Rs. 41.44 lakhs (100%).
- The Co-Developer (Volupia) vide PLOA/letter dated 07-12-2017, extended vide letter dated 27-08-2018 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 unless all the mandatory as well statutory approvals are not acquired from the concerned regulatory authority. The Bond cum LUT shall be executed under the SEZ Rules in order to facilitate initial setting-up process.

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



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65-C) Other cases for GIFT –Multi-services - SEZ:-

65-C-01) Submission of Quarterly/Half Year Progress Report by the Co-Developer – M/s. Brigade (Gujarat) Projects Pvt. Ltd., GIFT-Multi-services–SEZ, Gandinagar:-

Shri Rajesh Parmar, Manager-Admin, appeared before the Approval Committee. On query from Approval Committee he was not in position to properly explain about the usage of duty-free goods/materials. He submitted that the utilization/consumption has been certified by an independent Chartered Engineer. The Approval Committee acknowledged on record about the submitted. Therefore, the Approval Committee directed the Specified Officer of the SEZ may also verify the details as per report submitted and the Co-Developer should ensure to have in place ERP/SAP for all such reporting.

65-C-02) 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 Yogesh Bobade, Head - Regulatory of the Developer (GIFT), explained requirement of duty-free goods for authorized operations sought vide their letter dated 26-11-2018, and 29-11-2018. 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 buildings in processing area:-

- Construction of all type of Building in Processing Area;
- Electricals;
- Parking including multi-level car parking (automated/manual);
- Power (including power back-up facilities) for captive use only.

The duty-free goods intended to be procured, are required for basic development, construction, and other related infrastructure work in the notified SEZ. The Approval Committee approved the list of goods as per letter dated 26-11-2018. The Approval Committee on raising query regarding utilization of goods detailed in their letter dated 29-11-2018 the representative of Developer (GIFT) was not readily having the project details where the goods were to be put into use and sought time to submit the same. The Approval Committee deferred the request dated 29-11-2018. And further reiterated that the Specified Officer of the SEZ should ensure that procurement of duty free goods is strictly meant for Authorized Operations, and also the Developer should ensure to have in place ERP/SAP system for all types of transaction.



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**65-C-03) Submission of Quarterly/Half Year Progress Report by the Developer – M/s. GIFT SEZ Ltd., Multi-services–SEZ, Gandinagar:-**

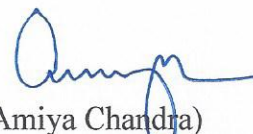
The Approval Committee noted and taken on records the Quarterly Performance Reports and Half Yearly Progress Report for/up to the period ending July, 2018 (April, 2017 to September, 2018) duly certified by an independent Chartered Engineer filed by the Developer to the Development Commissioner, KASEZ. The Approval Committee directed the Specified Officer of the SEZ to ensure duty-free goods/materials are duly accounted, certify/verify consumption and the same are properly used within the stipulated time of one (01) year, and the Developer should ensure to have in place ERP/SAP for all such reporting.

**65-C-04) Request of the Developer – M/s. GIFT SEZ Limited for extension of time for execution of Lease Deed with the approved units in GIFT-SEZ.**

This Approval Committee in its 49<sup>th</sup> meeting held on 01-11-2017 wherein time upto 30-04-2018 was given to all approved units in GIFT – Multi-services-SEZ, Gandhinagar to move out of incubation/temporary premises to permanent premises in the SEZ and enter into Lease Deed for minimum period of five (05) years, which was further extended upto 30-06-2018, by the 56<sup>th</sup> meeting of this Approval Committee held on 27-04-2018, and was again extended upto 30-09-2018, by the 59<sup>th</sup> meeting of this Approval Committee held on 06-07-2018

Shri Yogesh Bobade, Head-Regulatory of the Developer (GIFT), informed the status of the said matter that only 06 (six) approved units are left out to move into permanent premises wherein regulatory norms are to be complied with various agencies. Therefore, they are seeking time upto 31-01-2019 for submission of Registered Lease Deed by approved SEZ units after following all regulatory approvals/norms and other formalities/procedures.

The Approval Committee after deliberation and discussion noted the status of left out cases and the specific reasons. Thereafter, the Approval Committee agreed to request and approved/allowed submission of Registered Lease Deed by approval holders (units) as required under the SEZ Rules, 2006, upto 31-01-2019.



(Dr. Amiya Chandra)  
Chairman of Approval Committee  
& Zonal Development Commissioner  
Gujarat SEZs

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ANNEXURE-I

The following members were present:-

01.	Dr. Amiya Chandra, ITS, Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri Satyadeep Mahapatra, IRS, Joint Development Commissioner	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi.
03.	Shri K. V. Thirumala, Deputy DGFT, O/o Additional DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
04.	Shri Harsh T. Yadav, Deputy Collector – Protocol, Gandhinagar.	Nominee of the District Collector, Gandhinagar.
05.	Shri Neeraj Kumar, Assistant Commissioner, GST.	Nominee of the Commissioner of GST, Gandhinagar.
06.	Smt. S. P. Shukla, Industries Officer, DIC, Gandhinagar.	Nominee of the GM DIC, Gandhinagar.
07.	Smt. Shalini Sachan, AGM, FED, RBI, Ahmedabad.	Special Invitee, representing RBI, Ahmedabad.
06.	Shri Arvind Kumar, DGM, SEBI, Ahmedabad.	Special Invitee, representing SEBI, Ahmedabad.
07.	Shri Yogesh Bobade, Head - Regulatory, M/s. GIFT SEZ Limited, Gandhinagar.	Special Invitee, representing the Developer – GIFT.