

Minutes of 69th (sixty-ninth) meeting of the Approval Committee for Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 24-04-2019 at 10:00 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.

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 02 (two) proposals as well as other cases.

After hearing each of the applicants, the Approval Committee after due diligence and deliberation took up the proposals of the 02 (two) applicants as under for setting up services units in GIFT-IFSC-SEZ, Gandhinagar:-

Sr. No.	Name of the applicant	Regulatory Authority
01.	M/s. SoulFi Tech Private Limited, Gandhinagar	Normal service unit.
02.	M/s. Agricas LLP, Navi Mumbai.	Normal service unit.

69-A) Fresh case for GIFT – Multi Services - SEZ:-

69-A-01) Proposal of M/s. SoulFi tech Private Limited, Gandhinagar, for setting-up of new services unit in GIFT-SEZ, Gandhinagar.

Shri Kuldeepsingh Saini, Director, of the applicant company, appeared before the Approval Committee for personal interview. He explained their proposal for setting-up a new services unit in GIFT-SEZ, Gandhinagar, for IT based application development & software, mobile application, testing and monetization. These services shall be mainly 1) Mobile App development for clients; 2) Revenue from advertisement published on their own mobile applications. They intend to avail Income Tax, Stamp Duty benefits from the SEZ operations. The applicant had informed that he had developed an application for Ramadan - the Muslim Holy month, which was widely accepted by Muslim countries. In this regard the applicant submitted a copy of newspapers article dated 21-06-2015 published in Times of India on the the Ramzan App developed by him. 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. 500.00 lakhs, with outgo of foreign exchange at Rs. 4.81 lakhs (mainly for computers, servers, licenses) resulting in NFE of Rs. 495.19 lakhs (99.04%).
- The Co-Developer (Volupia) vide PLOA/letter dated 07-02-2019 has earmarked the required premises/space in the SEZ for the proposed project, which is also confirmed by the Developer (GIFT).

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- 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 after due diligence and deliberation approved the current proposal, subject to standard terms and conditions, of the SEZ Rules, 2006.

69-B) Other cases for GIFT – Multi Services - SEZ:-

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

Shri Yogesh Bobade, Head – SEZ Regulatory of M/s. GIFT SEZ Limited, representatives of the SEZ Developer briefed about their requirement of goods and services for the following default Authorized Operations which are covered under Instruction No. 50 of the DOC for their zonal facility buildings in processing area:-

- Service Trench;
- Construction of all type of Building in Processing Area;
- Electricals;
- Water Supply;
- 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 on examination of the proposal found that the life expectancy for some the items were on lower side, e.g. “Wooden Art works”. On questioning the representative of the Developer informed that they had taken the stipulated warranty period for the life expectancy.

The Approval Committee directed the developer to mention the mandatory/statutory life span norms for each of the items sought for duty free procurement. On compliance by the Developer, the Approval Committee approved the fresh list of goods as per letters dated 28-03-2019, and 11-04-2019. 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 in the SEZ.



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69-B-02) Monitoring of performance of SEZ units in GIFT – Multi-services - SEZ in respect of performance upto the fiscal year 2017-18.

The Approval Committee examined the proposal put-up by the Development Commissioner's office, summary of export performance of SEZ units in GIFT – Multi-services – SEZ, for the fiscal year 2017-18. The Approval Committee directed the Development Commissioner's office to collate all details of unit-wise APRs and disseminate the said data into the following categories:

- a) Issue Show Cause Notice(s) to all working unit(s) which failed to file the mandatory Annual Performance Report for the fiscal year within the stipulated period as provided in the SEZ Rules, 2006;
- b) Enumerate SEZ unit with reference to Export performance vis-à-vis the Export projections;
- c) Issue congratulatory letter(s) to all SEZ unit(s) with very high level of Export performance vis-à-vis the initial Export projections;
- d) Issue letter(s) to all SEZ unit(s) whose Export performance is not at par in order to seek reasons for the inability to perform well;
- e) Issue of Show Cause Notice to SEZ unit which sought exit and wherein the NFE achieved during the period of operations is Negative, as required under Rules-74 of the SZ Rules, 2006;
- f) Issue caution/warning letters to all SEZ units wherein the export performance are in Negative Net Foreign Exchange earnings (NFE) during first two years, and even zero NFE is to be treated as negative;
- g) The internal auditor/CA appointed by the Development Commissioner's office should amplify/elaborate his observation/test check reports of each unit with regards to points as above.

69-B-03) Request for extension in validity of Letter of Approval (LOA) in respect of SEZ units.

The Approval Committee examined the proposal put-up by the Development Commissioner's office, and directed to get documentary proof/details from all applicants regarding the appropriate applications made to the respective Regulatory Authority (s), and other implementation steps taken to implement the approved project. With these details the DC's Office after proper examination & scrutiny should put-up the respective cases before the Competent Authority for necessary consideration and approval.



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69-C) Deferred case for GIFT – Multi Services - SEZ:-

69-C-01) Proposal of M/s. Agricas LLP, Navi Mumbai, for setting-up of new services unit in GIFT-SEZ, Gandhinagar.

Shri Nilesh Veera, Director, of the applicant company, appeared before the Approval Committee for personal interview. He explained their proposal for setting-up a new services unit in GIFT-SEZ, Gandhinagar, for “Trading, marketing, promotional services for imports/exports of Agricultural natural produce or crop from India and Abroad. The Approval Committee during discussions and deliberations found that the proposal was generic and directed that the proposal should be specific, as on questioning the applicant had informed trading in “Pulses”. The Approval Committee informed the applicant that the agricultural commodities (specifically “Pulses”, etc.) have changing and differential Export and Import Policy of the Government of India, with regard to items and quantitative restrictions, etc.

Therefore, the Approval Committee directed the applicant to prefer afresh specific (item-wise) proposal with all details. Thus, the above proposal is deferred to facilitate applicant fresh specific application. On receipt the said application/proposal is to be referred to Board of Approval for necessary consideration as the items proposed appears to be restricted items.



(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 (through video conference from HQ Office, KASEZ, Gandhidham)
02.	Shri Satyadeep Mahapatra, IRS, Joint Development Commissioner, KASEZ	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi.
03.	Shri Riken S. Shah, GM, DIC, Gandhinagar.	Member
04.	Shri Haroon Bilal, Assistant DGFT, O/o Additional DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
05.	Shri Ashok Nair, Superintendent, GST Division, Gandhinagar.	Nominee of the Commissioner of GST & Central Excise, Gandhinagar.
06.	Shri Yogesh Bobade, Head-SEZ Regualtory, M/s. GIFT SEZ Limited, Gandhinagar.	Special Invitee, representing the Developer – GIFT.