

**Minutes of 71<sup>st</sup> (seventy-first) meeting of the Approval Committee for Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 24-06-2019 at 12:00 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.

**71-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 Development Commissioner's Office, Kandla-SEZ, Polytechnic, Ahmedabad to consider and decide on the following 03 (three) 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 representatives of the Regulatory Authorities for the same viz. 1) Insurance Regulatory and Development Authority of India (IRDAI); and 2) Securities and Exchange Board of India (SEBI) 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 proposal of the 03 (three) applicants as under, for setting up an IFSC – Insurance Office and Capital Market Intermediary units in GIFT-IFSC-SEZ, Gandhinagar:-

Sr. No.	Name of the applicant	Regulatory Authority
01.	M/s. Prowess insurance Brokers Private Limited, Mumbai.	IRDAI
02.	M/s. Avendus Alternate Public Markets IFSC Fund, Gandhinagar.	SEBI
03.	M/s. Avendus Capital Public Markets Alternate Strategies LLP, Mumbai.	SEBI

This approval would be subject to the condition that each of the applicant 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;

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





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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.

**71-A-01) Proposal of M/s. Prowess Insurance Brokers Private Limited, Mumbai for setting-up of IFSC Insurance Office (IIO) in GIFT-SEZ, Gandhinagar.**

Shri K. V. Pathak, Principal Officer, and Ms. Priyanka Poddar, Business Head of the applicant company (M/s. Prowess Insurance Brokers Private Limited), appeared before the Approval Committee for personal interview. They informed that the company is into insurance business, and from the proposed GIFT-SEZ office they shall cater to the African continent countries. The company shall provide insurance services to Indian corporate having infrastructure contract/projects overseas, services like long term political risks cover, risk management, Surety Bond, credit insurance and advisory services. They explained that the projection for the current project is on conservative side; that their main business would be for African continent. On being inquired by IRDA official the applicant submitted that during the last financial year ending 2019 they did business of 95 lakhs. That their reinsurance and life insurance business is NIL, whereas upto September, 2019 their non-life insurance would be around 53 lakhs. 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. 887.05 lakhs with foreign exchange outgo of Rs. 133.03 lakhs resulting in NFE of Rs. 754.02 crores (85.00%).
- The Co-Developer (Volupia) vide letter dated 30-03-2019 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 informed by the Approval Committee that the company 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.
- 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.





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**71-A-02) Proposal of M/s. Avendus Alternate Public Market IFSC Fund, Gandhinagar, for setting-up of IFSC financial services unit in GIFT-SEZ, Gandhinagar.**

Shri Parimal Deuskar, Director-Compliance, of the group company, appeared before the Approval Committee for personal interview. He explained their proposal for setting-up an IFSC financial services unit as a trustee for investment funds in GIFT-SEZ, Gandhinagar. The applicant company is engaged in the business of financial services for past many years from the Domestic Tariff Area, as portfolio managers from HNIs, assets management (AMC) NBFC and for the SEZ projections they have given conservative estimate to begin with and they will be achieving more than the estimates given. The proposed "financial services" in GIFT IFSC shall be 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. 615.25 lakhs, with no outgo of foreign exchange resulting in NFE of Rs. 615.25 lakhs (100%).
- The Co-Developer (Volupia) vide PLOA/letter dated 20-05-2019 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 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, subject to standard terms and conditions, of the SEZ Rules, 2006 and other stipulated and mandatory norms/requirements of SEBI.

**71-A-03) Proposal of M/s. Avendus Capital Public Markets Alternate Strategies LLP, Mumbai for setting-up of IFSC financial services unit in GIFT-SEZ, Gandhinagar.**

Shri Bhautik Ambani, Designated Partner, and Shri Parimal Deuskar, Director-Compliance, of the group company, appeared before the Approval Committee for personal interview. He explained their proposal for setting-up an IFSC financial services unit as a manager for investment funds in GIFT-SEZ, Gandhinagar. The applicant





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company is engaged in the business of financial services for past many years from the Domestic Tariff Area, as portfolio managers from HNIs, assets management (AMC) NBFC and for the SEZ projections they have given conservative estimate to begin with and they will be achieving more than the estimates given. The applicant informed that they will be earning revenue from fees in various forms viz. fixed fees, percentage of income, and combination of both. The proposed "financial services" in GIFT IFSC shall be 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. 6562.50 lakhs, with outgo of foreign exchange at Rs. 1731.52 lakhs, resulting in NFE of Rs. 4830.98 lakhs (73.61%).
- The Co-Developer (Volupia) vide PLOA/letter dated 20-05-2019 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 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, subject to standard terms and conditions, of the SEZ Rules, 2006 and other stipulated and mandatory norms/requirements of SEBI.

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

**71-B-01) Request for extension in validity of LOA in respect IFSC-SEZ units and addition/change of premises in SEZ.**

The office of the Development Commissioner/Developer, GIFT-SEZ, had put-up a list of 20 cases of IFSC-SEZ units seeking extension in validity of Letter of Approval (LOA) beyond two years of issue of original approval with basic reason of non getting approval/clearance for approved operation from the Regulatory Authority, i.e. SEBI. The Chairman of the Approval Committee expressed displeasure regarding undue long time




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taken by Regulatory Authority thereby defeating the purpose of single window concept. Therefore, after due diligence the Approval Committee decided the following:-

- 1) Granted approval for extension in validity of LOA for a further period of six months wherein respective Regulatory approvals are obtained and in place ready to commenced the approved operations;
  - 2) Granted approval for extension in validity of LOA as requested by approval holder, provided they submit copies of applications made to respective Regulatory Authority;
  - 3) Issue Show Cause Notice(s) in all cases wherein the approval holder as the requisite Regulatory approvals in place, have not commenced approved operation and are seeking extension in validity of LOA;
  - 4) Regulatory Authority, viz. SEBI to list out flow-chart/requirement/norms for approval/clearance of IFSC-SEZ units;
  - 5) The Development Commissioner's office in co-ordination with the Developer (GIFT) to collate details of all pending applications with the respective Regulatory Authority, and take-up the matter with the regulatory authorities, viz. IRDAI, SEBI, RBI. The DC's office to line a meeting with the respective regulatory authorities in order to sort out issues/matters hampering the single window concept;
  - 6) The Developer (GIFT) to line up an appropriate system to monitor/track the approvals granted for IFSC-SEZ units.
- One case of M/s. Gogia Capital IFSC Pvt. Ltd., for addition/change of premises with the SEZ from Unit No. 36/s, Aspire-1 to Unit No. 423, Signature Building is approved on the no-objection from the Developer (GIFT).

**71-B-02) 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 management's stand on space management regarding allotment of space/premises for units in lower requirement. He was advised to furnish a comprehensive plan from the management and the reasons for under-utilization of their capacity. QPR/HPR has been taken on record.





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**71-B-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 March, 2019 duly certified by an independent Chartered Engineer filed by the Developer. 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.

**71-B-04) 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 19-06-2019. 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. The procurement of duty-free goods was approved subject to normal terms and condition of SEZ Rules, 2006.

For the services requirement the Approval Committee noticed that the services were broadly covered in the default list of services. They were asked to come-up with proper request of services in this regard.



(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, KASEZ	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi.
03.	Shri Neeraj Kumar, Assistant Commissioner, Gandhinagar Division.	Nominee of the Commissioner of Central GST, Gandhinagar.
04.	Shri Riken S. Shah, GM, DIC, Gandhinagar.	Member
05.	Shri V. Raju Raman, FTDO, O/o Additional/Jt. DGFT, Ahmedabad.	Nominee of the Additional/Jt. DGFT, Ahmedabad.
06.	Shri Vipul Jain, Manager, SEBI, Ahmedabad.	Special Invitee, representing SEBI, Ahmedabad.
07.	Shri Suresh Mathur, Executive Director, IRDAI, Hyderabad.	Special Invitee, representing IRDAI, Hyderabad – by video conferencing.
08.	Shri Dipesh Shah, Head-IFSC-SEZ, M/s. GIFT SEZ Limited, Gandhinagar.	Special Invitee, representing the Developer – GIFT.