

**Minutes of the 20<sup>th</sup> (twentieth) meeting of the Approval Committee for the Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 16-09-2015, at 1030 hours, under the Chairmanship of Shri Upendra Vasishth, ndc Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of the Developer-GIFT-SEZ, Gandhinagar.**

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List of participants is annexed as Annexure-I

**A) Fresh and deferred proposals:-**

**20-A-02) Proposal of M/s. State Bank of India (SBI), Mumbai, for setting-up of IFSC Banking unit in GIFT-SEZ, Gandhinagar.**

Shri K. V. Patnaik, Deputy General Manager, Overseas Expansion & Strategy, Corporate Centre, Mumbai of the applicant Bank (M/s. State Bank of India), appeared before the Approval Committee for personal interview. They explained their proposal for setting-up of an IFSC Banking unit in GIFT-SEZ, Gandhinagar. The proposal is to set up IFSC Banking Unit (IBU) in GIFT-SEZ for the Banking and Other Financial Services as their business outline as per following:-

- Proposed equity investment is to be US \$ 20 million as required under IFSC guidelines for IBU operations, with an employment generation of 6-7 persons;
- Projected value of foreign exchange earnings is expected to be Rs. 142.51 crores with Foreign Exchange outgo of Rs. 24.36 crores, predicting the NFE at Rs. 118.15 crores (82.90%) for five years. The Committee informed that the Foreign Exchange Earnings shall be strictly in accordance with Rule-53 of the SEZ Rules, 2006.
- The Developer, GIFT SEZ, has allotted space/premises inside the Zonal facility Centre to the proposed unit for initiating their proposal.

As the above proposal of business falls and categorizes itself 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 for 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 proposal under IFSC in GIFT SEZ.

After hearing the proposal from the representative of M/s. State Bank of India, the Committee after due diligence and deliberation decided to approve the proposal of the applicant M/s. State Bank of India, 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), including approval/licence under Section-23 of the Banking Regulation Act, and 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



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will not be able to initiate investments as long as the mandatory as well statutory approvals are not acquired from the regulatory authority. The Bond cum LUT shall also be executed after the necessary approvals and permissions have been accorded by the regulatory authorities.

**20-A-02) Proposal of M/s. Reliance AIF Management Company Ltd., Mumbai for setting-up of Financial Services unit in GIFT-SEZ, Gandhinagar.**

Shri Anshul Vyas, AVP – Legal (RCAM), of the applicant company appeared before the Approval Committee for personal interview, and requested for approval/clearance of their proposal for setting-up of Financial Services unit in GIFT-SEZ, Gandhinagar.

Earlier, the case/proposal was put-up before the Approval Committee in its 18<sup>th</sup> meeting held on 31-07-2015, wherein the Committee had decided to refer the matter to the RBI, Mumbai, to get confirmation whether 'AIF (Alternative Investment Fund) shall require approval under the FEMA. The RBI, Central Office, Mumbai, vide letter dated 02-09-2015 has clarified that "*M/s. Reliance AIF Management Company Ltd does not require any approval from RBI under FEMA, 1999 for setting up a unit in IFSC of the GIFT SEZ Gandhinagar, Gujarat. It is added that if the said company wishes to invest in units/instruments issued by AIFs in India, it shall be treated as a non-resident entity and has to do so as per the relevant FEMA regulations, which are in the process of being notified.*"

Further, the representative of the applicant company has informed the Approval Committee that the SEBI has informed and clarified to them, "*there is no prior or in-principle approval requirement from the SEBI, as and when an AIF is proposed to be set up or launched in IFSC in GIFT SEZ, our specific approval/registration may be obtained for such an AIF in accordance with the applicable requirements prescribed under the Regulations/circulars/guidelines/instructions issued by SEBI from time to time in this regard.*"

In view of the above clarifications from the RBI & SEBI, the Approval Committee after due diligence and deliberation approved the project proposal with above modification, subject to standard terms and conditions, of the SEZ Rules, 2006, and compliance with all related mandatory/statutory approvals from the regulatory authorities like the RBI, SEBI and further subject to condition that if the proposed IFSC entity company wishes to invest in units/instruments issued by AIFs in India, it shall be treated as a non-resident entity and has to do as per the relevant FEMA regulations, as applicable.



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**20-A-01) Request of the Co-Developer – M/s. Volupia Developers Pvt. Ltd., in GIFT-SEZ, Gandhinagar for approval of goods and services required for Authorized Operations:-**

Shri Sanjay Parekh, Project Director of the Co-Developer – N/s. Volupia Developers Pvt. Ltd., explained the requirement of goods and services for authorized operations. The Committee took-up the revised list dated 25-08-2015 furnished by the Co-Developer (Volupia) for discussion, which included Ready Mix Concrete. It was stated that the list of goods was for construction of building in the processing area a default Authorized Operation covered under Instruction No. 50 of the DOC. The Committee also noted the requirement of services for the default authorized operations in the SEZ.

The Committee after due deliberation and diligence approved the list of goods for the default Authorized Operations, and default list of services required for authorized operations subject to standard terms and conditions of the SEZ Rules, 2006.



( **Upendra Vasishth** )  
Chairman of Approval Committee,  
& Zonal Development Commissioner,  
Kandla Special Economic Zone.

ANNEXURE-I

The following members were present:-

01.	Shri Upendra Vasishth, ndc Zonal Development Commissioner, KASEZ.	Chairman
02.	Shri Anand Jagtiani, JDC (i/c), KASEZ, Ahmedabad.	Nominee for the Director-SEZ, DOC, MOC&I, New Delhi.
03.	Shri Ajay Vij, GM, RBI, Ahmedabad.	Special Invitee
04.	Smt. A. B. Bhatt, GM, DIC, Gandhinagar.	Member
05.	Shri P. C. Ravindran, Assistant DGFT O/o Jt. DGFT, Ahmedabad.	Nominee of the Jt. DGFT, Ahmedabad.
06.	Shri K. K. Patel, Superintendent, Gandhinagar Division – Central Excise.	Nominee of the Commissioner of Central Excise, Ahmedabad-III.
07.	Shri Dipesh Shah, Vice President, M/s. GIFT SEZ Ltd.	Representative of the Developer – GIFT – SEZ.