

Minutes of the 27th (twenty-seventh) meeting of the Approval Committee for the Sector specific SEZ for multi-services developed by M/s. GIFT SEZ Ltd., held on 15-07-2016 at 10:45 hours under the Chairmanship of Shri Upendra Vasishth, ndc, Zonal Development Commissioner, Kandla Special Economic Zone, in the conference room of Developer i.e. GIFT SEZ Ltd., Gandhinagar.

List of participants is annexed as Annexure-I

A) **Fresh and other cases for GIFT - SEZ:-**

27-A-01) Proposal of M/s. Bank of Baroda Limited, Mumbai, for setting-up of IFSC Banking unit in GIFT-SEZ, Gandhinagar.

Shri A, D, Parulkar, General Manager, of the applicant Bank (M/s. Bank of Baroda Ltd.), appeared before the Approval Committee for personal interview. They explained their proposal for setting-up of an IFSC Banking unit in GIFT-SEZ, Gandhinagar. They gave a brief presentation on the formation of the company. The proposal is to set up IFSC Banking Unit (IBU) in GIFT-SEZ to cater to international clients and MNCs for the Banking Services, for 'Activities that are permitted by RBI for an IBU like accepting deposits, barrowing, lending, etc. Earlier, the applicant had not projected foreign exchange earnings for five year project period, however they have submitted a revised application and brief details of the proposal is as under:-

- Proposed equity investment is to be US \$ 20 million as required under IFSC guidelines for IBU operations, with an employment generation of 11 persons;
- Projected value of foreign exchange earnings is expected to be Rs. 699.30 crores with Foreign Exchange outgo of Rs. 465.24 crores, predicting the NFE at Rs. 234.06 crores (33.47%) 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 representatives of M/s. Bank of Baroda Ltd., the Committee after due diligence and deliberation decided to approve the proposal of the applicant M/s. Bank of Baroda Ltd., 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

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(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 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.

27-A-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 S. P. Srivastava, AVP (SEZ) of the Developer (GIFT), explained the requirement of goods for authorized operations sought vide their letter dated 08-07-2016. It was stated that these goods are required for carrying out default Authorized Operations as under, which are covered under Instruction No. 50 of the DOC, for their zonal facility building in processing area:-

- 1) Air Conditioning of processing area
- 2) Construction of building in processing area.

The duty-free goods intended to be imported and procured are required are for basic development, construction, and other related infrastructure work in the notified SEZ. Chairman of the Approval Committee reiterated that the Specified Officer of the SEZ should ensure that import/procurement of duty free goods are strictly meant for Authorized Operations in the SEZ.

Therefore, the Committee after due deliberation and diligence approved the list of goods intended to be procured for the above default Authorized Operations subject to standard terms and conditions of the SEZ Rules, 2006.

27-A-03) Submission of Half Year Progress Report by the Co-Developer – M/s. Volupia Developers Pvt. Ltd., of GIFT- Multi-services-SEZ, Gandhinagar:-

The Committee noted and taken on records the Half Yearly Progress Report duly certified by an independent Chartered Engineer to the Development Commissioner, KASEZ, for the period ending March, 2016 (October, 2015 to March, 2016 filed by the Co-Developer.

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26-A-04) Deferred case of M/s. Befree Business Resourcing LLP., Junagadh, for setting-up IT/ITES service unit in GIFT-SEZ, Gandhinagar.

Shri Jignesh Nagardas Kanabar, CA and CFO of the applicant firm appeared before the Approval Committee and explained their proposal for setting-up of new unit in GIFT-SEZ, Gandhinagar, for providing IT/ITES services of BPO/KPO to Australian clients. Earlier, the Approval Committee in its 26th meeting held on 17-06-2016 had deferred this proposal for want of Income Tax Returns of promoters/partners for last three (03) years as per the SEZ Rules, 2006. The applicant has submitted the Income Tax returns for two (02) years of partners; the partners were not having taxable income earlier. A brief detail of the proposal is as under:-

- The FOB value for said project, for 5 (Five) years period is projected as Rs.1445.00 lakhs, with foreign exchange outgo of Rs. 50.00 lakhs resulting in NFE of Rs. 1395.00 lakhs (96.54%).
- The Developer, GIFT SEZ vide letter dated 30-05-2016 has earmarked, & confirmed the required premises/space in the SEZ for the proposed project.

The Committee after due diligence and deliberation approved the project with modifications, i.e. for setting-up new unit in GIFT multi-services SEZ, Gandhinagar, for providing IT/ITES Services, KPO/BPO Centre, for operations strictly in terms of Rule-76, and subject to other standard terms and conditions, of the SEZ Rules, 2006, further submission of Income Tax of partners for last 03 (three) years.



(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:-

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| 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. | Smt A. B. Bhatt, GM, DIC, Gandhinagar. | Member |
| 04. | Smt Kavita M. Sheth, Deputy Collector, Gandhinagar. | Nominee of the District Collector, Gandhinagar. |
| 05. | Shri V. H. Bist, Assistant Commissioner, Central Excise, Gandhinagar Division. | Nominee of the Commissioner of Central Excise, Ahmedabad-III. |
| 06. | Shri P. C. Ravindran, Assistant DGFT. | Nominee of the Jt. DGFT, Ahmedabad. |
| 07. | Shri R. A. Kelketta, AGM, Foreign Exchange Department, RBI, Ahmedabad. | Special Invitee representing the RBI, Ahmedabad. |
| 08. | Shri Dipesh Shah, VP (SEZ), M/s. GIFT SEZ Ltd., Gandhinagar. | Special Invitee - representing the Developer – GIFT – SEZ |

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