

Minutes of 114th (hundred-fourteenth) meeting of the Approval Committee for Sector specific SEZ for multi-services developed by M/s. GIFTSEZ Limited held on 04-01-2023 at 11:30 hours under the Chairmanship of Shri Vijay Kumar, ITS, Development Commissioner, GIFT Special Economic Zone via video conferencing.

List of participants is annexed as Annexure-I

114-I) Circulated minutes of the 113th meeting held on 23-12-2022 were **confirmed** by the Approval Committee for GIFT-SEZ.

This Unit Approval Committee (UAC) meeting was organized through hybrid mode i.e., physical as well as video conferencing mode. Before proceeding further following was discussed:

- **The next meeting of UAC shall be held on 18-01-2023 (3rd Wednesday of the month), at 1130 hours.**

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

114-A-01) Proposal of M/s. Pritam Comtrade IFSC Private Limited, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

Shri Kanaiyabhai Vithlani, Shri Dharmesh Vithlani, Directors and Shri Tanmay Vithlani, representatives of the applicant company appeared before the Approval Committee for personal interview through video conferencing. They informed the Approval Committee that their company is presently doing business of bullion trading at Rajkot and Ahmedabad. They now want to be a part of IIBX for expansion of their business initially as a trading member only and gradually they shall expand the business by registering their unit as a clearing and subsequently as a managing member, for which they intend to set-up a branch in GIFT-SEZ. They explained the capital investment projected in their application is for the setting up their office at GIFT CITY and the required investment will be borne by their parent company. They also informed the Committee that they have not yet applied to IIBX /other regulatory bodies. Further, they also informed about an error in their application wherein area is mentioned in square meters in place of square feet. During the meeting, the representative of IFSCA stated that their application shall be routed to them through the IIBX /other regulatory bodies.

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 at Rs. 746.00 lakhs with outgo of foreign exchange at Rs. 255.00 lakhs resulting in NFE of Rs. 491.00 lakhs (65.82%).
- There is capital investment for Rs. 26.00 lakhs for the project. Employment generation for the proposed project is 2 persons (1 man & 1 woman) in a period of 5 years.



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- The Co-Developer (Volupia Developers Pvt. Ltd.) vide letter dated 09-08-2022 has earmarked & confirmed the required premises/space GIFT-SEZ, District Gandhinagar-382355 for the proposed project.

The Approval Committee after deliberation decided to **defer** the aforesaid application till time the applicant complies with the following: -

- 1) Revision of proposed operation/authorized operations which are to be performed from unit in SEZ .viz. to specify the services.
- 2) Application to IIBX/ regulatory bodies.
- 3) Correction in Unit area.

114-A-02) Proposal of M/s. Stakeboat IFSC Trust, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

Shri Srinivas Baratam, and his team, representatives of the applicant company appeared before the Approval Committee for personal interview through video conferencing. They informed the Approval Committee that their Trust raises fund from the Offshore Investors. They now intend to set-up a branch in GIFT-SEZ to cater their fund management services to clients for investment in Manufacturing, Technology, Healthcare & Life Sciences sectors. They shall initiate first time offshore fund to the tune of 50 million US\$ and gradually raise it to 300 million US \$.

They explained that capital investment is not required for their project as they shall be utilizing the Resources of their Fund Management Branch; their Fund Entity is already approved. They explained that the main source of earnings shall be from the fee that their client shall pay for the fund management as well as the profit share from the investment by their client. They also informed the Committee that they have preferred an application to the IFSC Authority on 12-12-2022. During the meeting, the representative of IFSCA confirmed that the application has been received and activities proposed by the applicant are in line with the IFSCA regulatory framework.

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 at Rs. 14,734.00 lakhs with outgo of foreign exchange at Rs. 14,283.00 lakhs resulting in NFE of Rs. 451.00 lakhs (03.06%).
- There is capital investment for Rs. 0.00 lakhs for the project. Employment generation for the proposed project is 2 persons (1 man & 1 woman) in a period of 5 years.
- The Developer (GIFT SEZ Ltd.) vide letter dated 16-09-2022 has earmarked & confirmed the required premises/space GIFT-SEZ, District Gandhinagar-382355 for the proposed project.

The Approval Committee after deliberation **approved** the project, subject to standard terms and conditions of the SEZ Rules, 2006 and subject to furnishing of approval from IFSC Authority/Competent Authority and also compliance of all mandatory/statutory requirements of relevant Acts, Rules and Regulations.

Handwritten signature and date:
10/01/23

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114-A-03) Proposal of M/s. Kody Technolab Private Limited, Ahmedabad for setting-up of IT/ITES services unit in GIFT-SEZ, Gandhinagar.

Shri Manav S Patel, Director of the applicant company appeared before the Approval Committee for personal interview through video conferencing. He informed the Approval Committee that the company is in the business of App development and providing technological support to financial institution viz. Banks and payment Gateways in India and abroad. They now want to cater to global clients for which they intend to set-up a branch in GIFT-SEZ. They elaborated their future expansion plans in GIFT-SEZ wherein they are proposing to get IFSCA approval for the 'Sandbox' in the second phase. Their future project shall generate employment for about 2000 employees. They explained the capital investment projected in their application is for the wages and other expenses like Computers, laptops and other IT-machinery for this project.

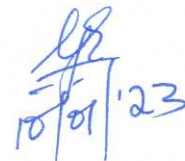
A brief detail of the proposal is as under: -

- FOB value for export of services for said project for 05 (five) years period is projected at Rs. 22,508.92 lakhs with outgo of foreign exchange at Rs. 0.00 lakhs resulting in NFE of Rs. 22,508.92 lakhs (100.00%).
- There is capital investment for Rs. 1,990.93 lakhs for the project. Employment generation for the proposed project is 90 persons (55 men & 35 women) in a period of 5 years.
- The Co-Developer (Brigade) vide letter dated 05-12-2022 has earmarked & confirmed the required premises/space GIFT-SEZ, District Gandhinagar-382355 for the proposed project.

The Approval Committee after deliberation **approved** the project, subject to standard terms and conditions of the SEZ Rules, 2006 and subject to furnishing of approval from Competent Authority/Regulatory and also compliance of all mandatory/statutory requirements of relevant Acts, Rules and Regulations.

114-A-04) Proposal of M/s. Invascent ILSF Manager LLP, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

Shri Hariharnath Buggana, Designated Partner and Shri Sumit Gupta, Principle Officer representatives of the applicant company appeared before the Approval Committee for personal interview through video conferencing. They informed the Approval Committee that their company is providing private equity growth capital for pharma, healthcare, animal health, and med-tech businesses in India. They now want to cater IFSC & Global clients for which they intend to set-up a branch in GIFT-SEZ for Category-2 AIF in mid and small segments. They explained the capital investment projected in their application is for the infrastructure of this project. They have pointed out an error in their application wherein they have misquoted the unit of area as square meter instead of square feet, which the applicant has confirmed the same vide email dated 04-01-2023. They also informed the Committee that they have preferred an application to the IFSC Authority on 13-12-2022. During the meeting, the representative of IFSCA confirmed that the



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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 at Rs. 19734.00 lakhs with outgo of foreign exchange at Rs. 3360.00 lakhs resulting in NFE of Rs. 16374.00 lakhs (82.97%).
- There is capital investment for Rs. 54.00 lakhs for the project. Employment generation for the proposed project is 5 persons (4 men & 1 woman) in a period of 5 years.
- The Co-Developer (Volupia Developers Pvt. Ltd.) vide letter dated 09-06-2022 has earmarked & confirmed the required premises/space GIFT-SEZ, District Gandhinagar-382355 for the proposed project.

The Approval Committee after deliberation **approved** the project, subject to standard terms and conditions of the SEZ Rules, 2006, subject to furnishing of items of specific services required for authorized operations (which the applicant has given vide email dated 04-01-20230), approval from IFSC Authority/Competent Authority, and also compliance of all mandatory/statutory requirements of relevant Acts, Rules and Regulations.

114-A-05) Proposal of M/s. LOLC India Holdings (IFSC) Private Limited, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

Shri Shehan Bartholomeuz, Director and his team of representatives of the applicant company appeared before the Approval Committee for personal interview through video conferencing. He informed the Approval Committee that the company is in the business of financial services that deals with credit, insurance and is a multi-national conglomerate based in Sri Lanka. They now want to cater IFSC & Global clients for which they intend to set-up a branch in GIFT-SEZ. He explained the capital investment projected in their application is for the computers, servers and other IT-infrastructure.

During the meeting, the representative of IFSCA informed the Approval Committee that the items of services projected by the applicant viz. 1) to buy or sell derivatives; 2) to act as an investment company and to undertake investments, including subscribing, holding, or transferring securities or such other instruments as may be permitted by the IFSCA; 3) To carry out permitted core activities as a Finance Company under the IFSCA (Finance Company) Regulations 2021 namely, To Lend in the form of loans, commitments and guarantees, credit enhancement, securitisation, financial lease, and sale and purchase of portfolios, is in line with the IFSC regulatory framework for NBFC (non-banking financial company), and the item proposed as “any other core activity as may be permitted by the IFSCA” is not proper.

A brief detail of the proposal is as under: -


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- FOB value for export of services for said project for 05 (five) years period is projected at Rs. 5546.30 lakhs with outgo of foreign exchange at Rs. 135.22 lakhs resulting in NFE of Rs. 5411.08 lakhs (97.56 %).
- There is capital investment for Rs. 185.65 lakhs for the project. Employment generation for the proposed project is 6 persons (4 men & 2 women) in a period of 5 years.
- The Co-Developer (ATS Savvy) vide letter dated 10-11-2022 has earmarked & confirmed the required premises/space GIFT-SEZ, District Gandhinagar-382355 for the proposed project.

The Approval Committee after deliberation **approved** the project, subject to standard terms and conditions of the SEZ Rules, 2006, subject to furnishing of items of specific services required for authorized operations (which the applicant has given vide email dated 04-01-2023), approval from IFSC Authority/Competent Authority, and also compliance of all mandatory/statutory requirements of relevant Acts, Rules and Regulations.

114-B) Broad-banding/deferred cases for GIFT-Multi Services-SEZ: -

114-B-01) Proposal of M/s. State Bank of India, GIFT Multi-services-SEZ, Gandhinagar for broad-banding of existing letter of approval (LOA) for addition of new items of financial services as allowed under the IFSCA Law in GIFT-SEZ, Gandhinagar.

Shri Pushkara Nand Jha, DGM and his team of representative of the applicant Bank appeared before the Approval Committee in person and explained the request of the IBU - M/s. State Bank of India, for broad-banding of existing letter of approval (LOA) for addition of new items of financial services as allowed under the IFSCA Notification no. IFSC/2020-21/GM/REG004 dated 18-11-2022. During the meeting, the representative of the IFSC Authority informed that there is apparently no need for approval from IFSC Authority/UAC in cases the IBUs were approved by the previous sector Regulatory Authority viz. Reserve Bank of India, and all the previous approval are deemed to have also approved under the IFSCA laws. In similar cases, wherein the IBUs have commenced their authorized operations before the enactment of IFSCA Act, there is no necessity to apply for approval for all services approved under the IFSCA laws, until there is a change in the authorized operations of the unit.

Accordingly matter was **deferred** by the Committee and still if applicant wants to pursue their request they were asked to give detailed justification for the same.

114-B-02-01 Proposal of M/s. Sandhill Aviation IFSC Private Limited, GIFT Multi-services-SEZ, Gandhinagar for extension of LOA in GIFT-SEZ, Gandhinagar.

Shri Rohan Thakkar, representative of the applicant company appeared before the Approval Committee for personal interview through video conferencing and explained the request of the unit M/s. Sandhill Aviation IFSC Private Limited; Gandhinagar for extension of LOA in GIFT-SEZ, Gandhinagar.



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The Approval Committee noted that the LOA dated 20-09-2021 issued to this unit has expired on 19-09-2022, however, unit has not obtained the approval of the regulatory body i.e., IFSCA. The representative of the unit mentioned that his unit has already applied to the IFSCA and in-principle approval granted to infuse Rs. 2.00 lakhs US \$, this was confirmed by the representative of IFSC Authority.

Therefore, in view of the facts presented by the representative of the unit the Approval Committee decided to **approve** the extension in validity of LOA till 19-09-2023.

114-B-02-02) Proposal of M/s. Japee Capital Services IFSC Private Limited, GIFT Multi-services-SEZ, Gandhinagar for extension of LOA in GIFT-SEZ, Gandhinagar.

Shri Akhilesh Kumar Mishra, of the applicant company appeared before the Approval Committee for personal interview through video conferencing and explained the request of the unit M/s. Japee Capital Services IFSC Private Limited; Gandhinagar for extension of LOA in GIFT-SEZ, Gandhinagar.

The Approval Committee noted that the LOA dated 09-06-2020 issued to this unit was expired on 08-06-2021, which was extended for 01 year i.e., up to 08-06-2022 on the request of the unit citing the reasons of COVID-19 spread at that time. However, unit has not obtained the approval of the Regulatory Authority viz. IFSCA. Moreover, Unit has also failed in submission of the lease deed. The representative of the unit explained that as per the guidelines of RBI under the Liberalized Remittance Scheme (LRS) their bank i.e., Bank of India asked their unit for ODI form for remittance purpose, for which they needed the NOC from the SEBI. This process has consumed a lot of their time and finally they have changed their account and switched to Kotak bank. They assured that if an extension in LOA is provided to their unit, they shall commence the authorized operations within 3 months.

Therefore, in view of the facts presented by the representative of the unit, his commitments of above deliberation, the Approval Committee decided to **approve** the extension in validity of LOA till 31-03-2022, subject to condition that no further extension in validity of LOA shall be granted to the SEZ unit.

114-B-03-01) Proposal of M/s. KMS Infinity Globus LLP, GIFT Multi-services SEZ, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

The Approval Committee decided to approve **withdrawal** of the above application as requested by the applicant

114-B-03-02) Proposal of M/s. PBG Smart Accountants LLP, GIFT Multi-services-SEZ, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

The Approval Committee decided to **defer** the aforesaid application and asked the applicant to submit revised application.


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114-B-03-03) Proposal of M/s. Smart Accountants Services One LLP, GIFT Multi-services-SEZ, Gandhinagar for setting-up of financial services unit in GIFT-SEZ, Gandhinagar.

The Approval Committee decided to **defer** the aforesaid application and asked the applicant to submit revised application.

114-B-04) Proposal of M/s. BA Continuum India Private Limited, GIFT-SEZ to consider amendment in LOA of merger Unit-1 and Unit-2 for Income Tax exemption.

Shri Amit Bothra, and his team of representatives of the applicant company, appeared before the Approval Committee and explained the request of the unit M/s. BA Continuum India Private Limited, Gandhinagar to consider amendment in LOA of merger Unit-1 and Unit-2 and for Income Tax exemption, period be considered from the date of start of operation of the second unit i.e., from 18-01-2021 (Unit-II) onwards as presently that is the surviving IFSC unit instead of 25.11.2019 (Unit-I) which had been non-IFSC unit and no income tax exemptions were claimed by them.

The Approval Committee noted that as per Rule-19(2) of the SEZ Rules, 2006 proposals for merger of LOAs of two or more units of the same company or firm, after merger, the Income Tax exemption period shall be considered from the date of start of operation of the first unit. The representative of the Commissioner of Income Tax, member of the Approval Committee informed that such arrangement is not allowed under the Income Tax Act.

Therefore, on the basis of above deliberation, the Approval Committee decided to grant the applicant Personal Hearing before the Development Commissioner.

114-C) Other cases for GIFT-Multi Services-SEZ: -

114-C-01) Request of Co-Developer M/s. International Financial Services Centres Authority for approval of 'works contract' required for Authorized operation –under Section-14(1) (a) of the SEZ Act read with Rule -10 of the SEZ Rules 2006

Shri Dipesh Shah, ED and Shri Upendra Vasishth, OSD/SP of the Co-Developer M/s. International Financial Services Centres Authority, briefed about their requirement of 'works contract' for undertaking authorized operation viz. "Construction of IFSCA Headquarter building – development of 3,00,000 square feet in processing area of GIFT-SEZ as per their letters dated 30-12-2022. It was informed that:

- a. A Co Developer status had been granted by the Government of India to IFSCA which was having development rights for 3,00,000 Sq. ft. (27,870.91



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sq. Mts.) of build up area of IFSCA Headquarters building within GIFT-SEZ processing area.

- b. IFSCA had appointed GIFT-SEZ Ltd., as contractor for Construction of IFSCA Headquarter building – development of 300000 Sq. Ft in the processing area of GIFT-SEZ under a works contract.
- c. Accordingly, permission for construction of the said building under “works contract having service accounting code (SAC) as 995416” was required from the Unit Approval Committee.

They have also informed that the works contract shall be executed by M/s. GIFT SEZ Limited as a contractor and the materials to be procured from the DTA for the works to be performed under the works contract.

After due deliberations, the Approval Committee **approved** the request of ‘works contract’ under Service Accounting Code (SAC) – 995416 for undertaking authorized operation viz. “Construction of IFSCA Headquarter building – development of 3,00,000 square feet in processing area of GIFT-SEZ as was required under Instruction no. 54 dated 30.04.2010 issued by the Ministry of Commerce and Industry and further subject to normal terms and condition of SEZ Act and Rules, 2006.

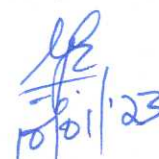
114-C-02) Request of Developer M/s. GIFT SEZ Ltd. for approval of List of Goods and services required for Authorized operation – request of the Developer, M/s. GIFT SEZ Limited under Section-14(1) (a) of the SEZ Act read with Rule -10 and 12 of the SEZ Rules 2006.

Shri Yogesh Bobade, representative of the Developer M/s. GIFT SEZ Limited, briefed about their requirement of goods and services as per their 03 letters dated 16-12-2022, and 17-12-2022 for the following default Authorized Operations which are covered under Instruction No. 50 of the DOC for their buildings and other facilities in processing area: -

- Providing anti termite treatment
- Water treatment Plant
- Waste collection

The duty-free goods intended to be procured are required for basic development of various infrastructure and facilities in their building at GIFT-SEZ, Gandhinagar. The procurement of duty-free goods shall be strictly meant for Authorized Operations.

After due deliberations, the Approval Committee **approved** the request subject to normal terms and condition of SEZ Rules, 2006 and to the entire satisfaction of the Specified Officer of the SEZ.



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ANNEXURE – I

The following members were present in the meeting:

01)	Shri Vijay Kumar, ITS Development Commissioner, GIFT-multi-services-SEZ.	Chairperson
02)	Shri Purushottam Kumar, IRS, Additional Commissioner of Income Tax.	Nominee of the Commissioner of Income Tax, Ahmedabad. – by VC
03)	Shri Satyadeep Mahapatra, IRS, Joint Development Commissioner-SEZ	Nominee of the Director-SEZ, DOC, MOC&I, New Delhi – by VC
04)	Shri Vishnu Kant, ITS, Deputy DGFT O/o. Additional DGFT, Ahmedabad	Nominee of Additional DGFT, Ahmedabad– by VC.
05)	Shri Gautam S., Deputy Commissioner, CGST, Gandhinagar Division.	Nominee of the Commissioner of Central GST, Gandhinagar – by VC
06)	Shri Dipesh Shah, Executive Director, Shri Upendra Vasishth, OSD/SP IFSC Authority, Gandhinagar.	Special Invitees representing the IFSC Authority – by VC
07)	Shri Piyush Gandhi, Sr. VP, M/s. GIFT SEZ Limited.	Special Invitee representing the Developer, M/s. GIFT SEZ Limited.

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10/01/23