



GIFT IFSC
SUSTAINABLE FINANCE

VISION

Towards a Global Hub for Sustainable Finance

“I want GIFT IFSC to be a gateway to global debt and equity capital for sustainable and climate projects.”

**- Hon’ble Prime Minister,
Shri Narendra Modi**



“Services for global capital for sustainable & climate finance in the country will be facilitated in the GIFT City.”

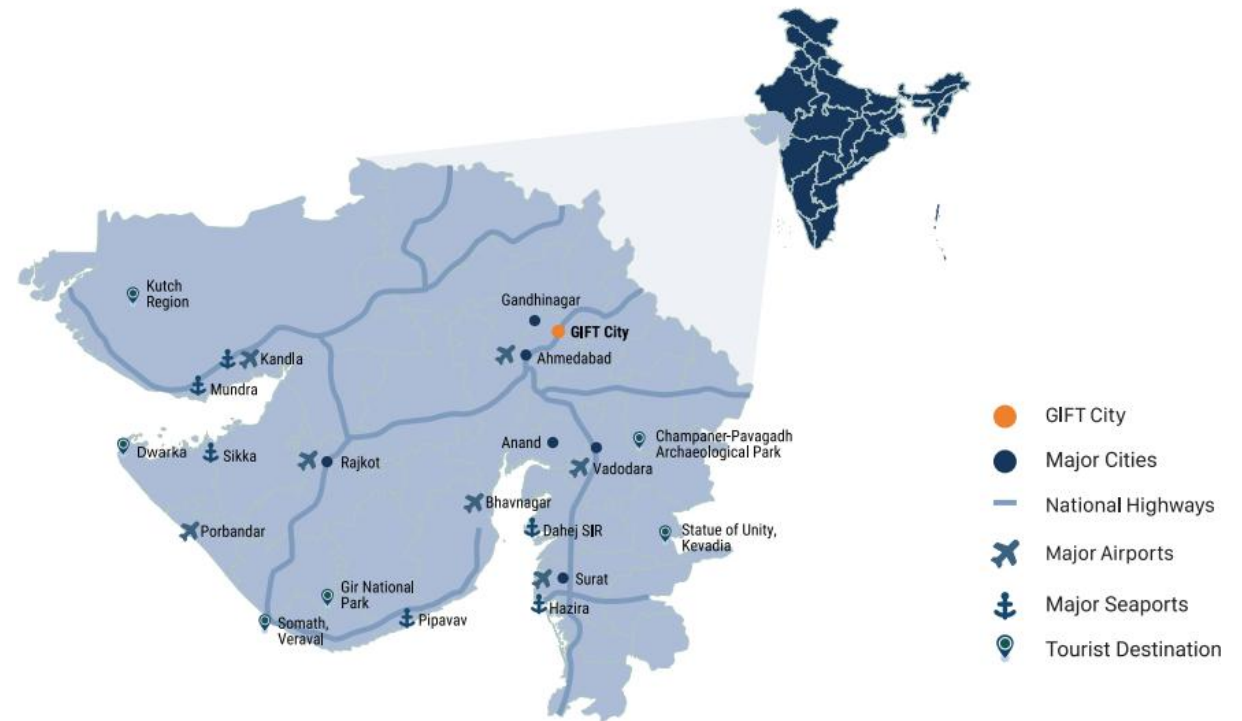
**- Hon’ble Finance Minister,
Smt. Nirmala Sitharaman**

THE NEW INDIA

Land of unlimited opportunities

- India is one of the fastest-growing major economies in the world and has emerged as the **4th largest** economy on nominal GDP terms
- ~50% of installed electricity from renewable sources
- India attracted total FDI inflow of **USD 81.04 Bn** during FY 2024-25
- **67%** of India's population is in the age group 15-64
- Over 1.61 Lakh (1,61,150) startups as of January 31, 2025

INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC) IN GIFT CITY, GUJARAT



GIFT CITY

- GIFT City is a world-class business district envisaged and built to cater to global and domestic business enterprises. GIFT City is not only a flagbearer for smart cities in India but also sets an international benchmark for finance and technology hubs worldwide.
- GIFT CITY is the central pillar of the tri-city approach, located on the banks of the Sabarmati River between Ahmedabad and Gandhinagar, each 30 minutes away from one other. Each city provides a distinct supportive ecosystem.
- Spread across 886 acres (now being expanded to 3,300+ acres), Gujarat International Finance-Tec City (GIFT City) consists of a Multi-Service Special Economic Zone (SEZ), which has been notified as India's maiden International Financial Services Centre (IFSC), and an exclusive Domestic Tariff Area (DTA). An area of 261 acres has been demarcated as SEZ and an additional 625 acres has been demarcated as DTA.
- GIFT City is conceptualized as a vertical city, which hosts state of the art infrastructure such as District Cooling System (DCS), Automated Waste Collection System (AWCS), and Underground Utility Tunnel (UUT). Such high-quality infrastructure has contributed to developing GIFT City as one of the world's leading Smart City.



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

IFSCA has been established under an act of parliament i.e. the International Financial Services Centres Authority Act, 2019. It is headquartered at GIFT City, Gandhinagar in Gujarat.


The IFSCA is a unified regulatory authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. At present, GIFT IFSC is the maiden international financial services centre in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC.

“IFSCA is committed to positioning GIFT IFSC as a leading global hub for sustainable finance. It is envisioned as a gateway through which international capital flows into transformative, climate-resilient projects. Aligned with the Hon’ble Prime Minister’s vision, our mission is to mobilise capital for innovation that will help shape a greener and a more equitable global economy. Through these efforts, we aim to contribute meaningfully to the twin national objectives of achieving a Viksit Bharat by 2047 and net-zero emissions by 2070.”

***Shri K. Rajaraman
Chairperson, IFSCA***

SNAPSHOT OF SUSTAINABLE FINANCE GIFT IFSC

Framework for ESG-Labelled Debt Securities

- 
- Framework under IFSCA (Listing) Regulations, 2024
 - Enables issuance and listing of Green, Social, Sustainability and Sustainability Linked Bonds
 - Total listed labelled securities: \$15.43bn (June 30, 2025)

Sustainable Lending Framework



- Guidance Framework on Sustainable & Sustainability-linked Lending by IBUs and Finance Companies
- Cumulative Lending: \$4.9 bn in 2 years

Framework for Transition Bonds



- Framework issued in 2025
- To support hard-to-abate sectors

ESG Funds



- Framework for launching ESG Schemes in IFSC
- Requires granular initial and ongoing disclosures
- 3 ESG Funds Setup in GIFT IFSC

Sovereign Green Bonds (SGrBs)



- Scheme for Trading and settlement of Sovereign Green Bonds (SGrBs) at IFSC
- To increase foreign participation in India's SGrBs

Sustainability Reporting



- Applicable to listed entities with M-cap over \$50 Mn
- Internationally accepted reporting standards such as GRI, ISSB, TCFD and BRSR

Principles to Mitigate the risks of Greenwashing



- Five key principles for the issuers
- Principles with detailed guidance notes and illustrative examples

ESG Ratings and Data Products Providers (ERDPPs)




- ERDPPs as Capital Market Intermediaries (CMI) under IFSCA (CMI) Regulations, 2025
- Regulatory Framework for ERDPPs

ESG-LABELLED DEBT SECURITIES

Instruments


**Green Bonds**

**Sustainability Bonds**


**Social Bonds**


**Sustainability-linked Bonds**

Recognized Standards

**ICMA Principles**

**EU Standards**

**ASEAN Standards**

**Climate Bonds Standards**

Disclosures

**Green Bonds**

**Social Bonds**

**Sustainability Bonds**

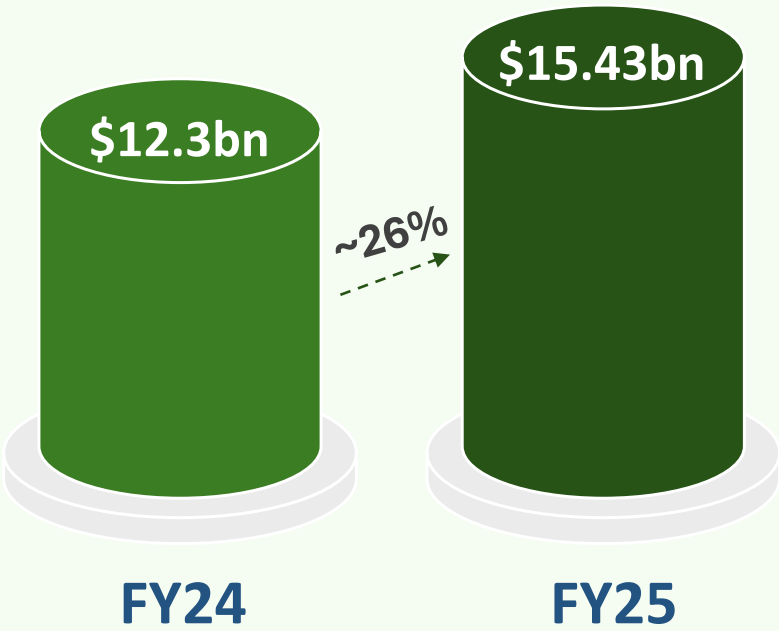
Pre-issuance Disclosure	Annual Disclosures
(i) ESG objectives of the issue (ii) Process for evaluation & Selection of projects/assets (iii) Proposed utilization of the proceeds	(i) Utilization Report (ii) Allocation Report (iii) Impact Report

Sustainability-linked Bonds

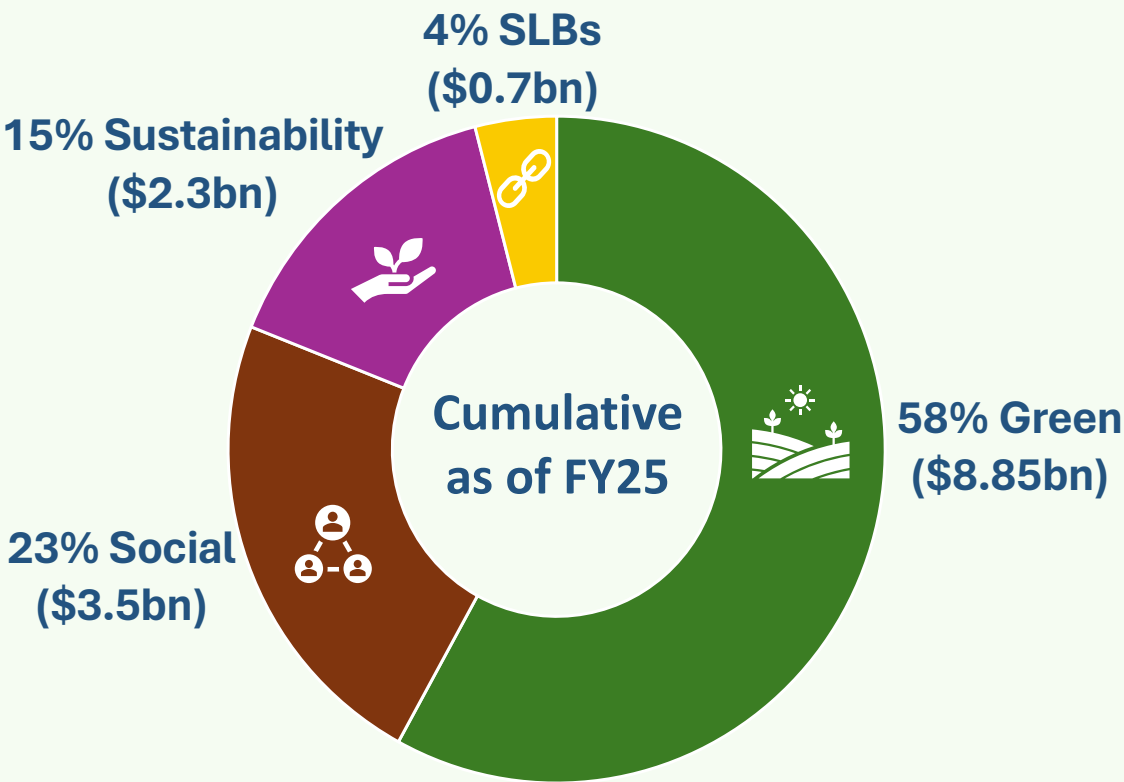
Pre-issuance Disclosure	Annual Disclosures
(i) Aligned with issuer's sustainability strategy (ii) Meets all pre-issuance obligations per international standards	(i) Performance of selected KPIs (ii) External review on SPT performance and impact

Data at a Glance

Cumulative ESG Labelled Debt Listing




Composition of ESG Debt Listings





FRAMEWORK FOR TRANSITION BONDS

1. Entity-Level Requirement

 Issuer must have a credible transition plan, in- line with Paris Agreement with following 6 key elements of credible transition plan:

- | | |
|--|---|
|  1. Paris aligned Pathway |  4. Strong Governance |
|  2. Decarbonization Action Plan |  5. Stakeholder Value Engagement |
|  3. Science-Based Targets |  6. Transparency |





2. Alignment with Recognized Taxonomies / technology roadmaps

- ✓ ASEAN Taxonomy for Sustainable Finance
- ✓ Australian Sustainable Finance Taxonomy
- ✓ Climate Bonds Taxonomy
- ✓ EU taxonomy for Sustainable Activities
- ✓ Singapore-Asia Taxonomy for Sustainable Finance
- ✓ IEA Technology roadmap(s)
- ✓ Technology Roadmap developed by Japan's METI
- ✓ Taxonomy(ies)/technology roadmap(s) as may be specified by Gol

3. Mechanism for External Review:

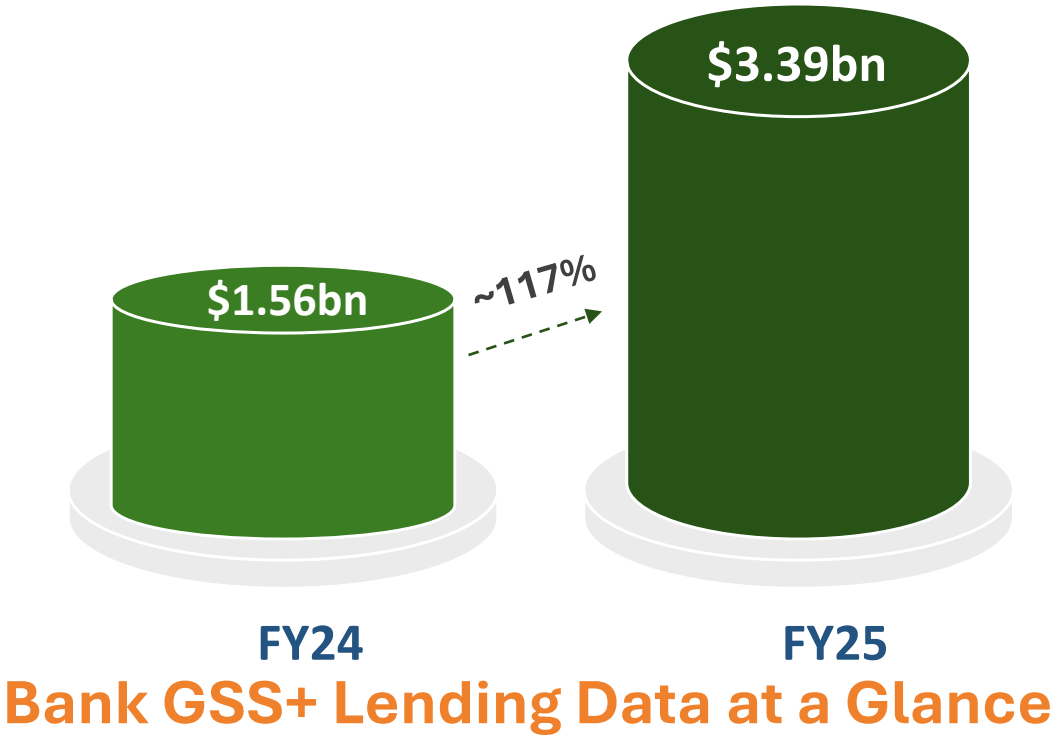
- ✓ Second Party Opinion
- ✓ Verification
- ✓ Certification

4. Disclosure Requirements (Initial & Annual)

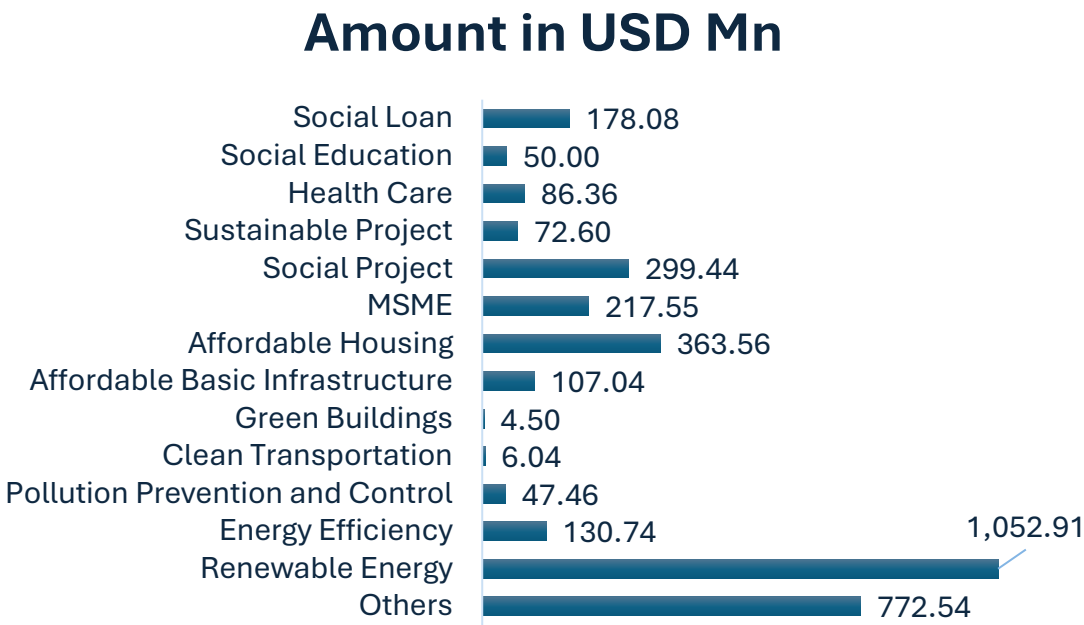
- ✓ Initial and Annual disclosures as per IFSCA (Listing) Regulations, 2024
- ✓ Additional Disclosure Requirements Based on ICMA's Climate Transition Finance Handbook)
 -  Transition Plan & Governance
 -  Business Model Environmental Materiality
 -  Science-Based Climate Transition Strategy
 -  Implementation Transparency

BANK GSS+ LENDING FRAMEWORK

- ✓ IFSCA introduced the Guidance Framework on Sustainable & Sustainability-linked Lending by Financial Institutions in April 2022.
- ✓ Important elements of the Framework:
 - Banks and Finance Companies to develop Board-approved policy on green/ social/ sustainable/ sustainability-linked lending.
 - 5% of incremental lending by Banks & Finance Companies to be directed towards sustainable project.
 - Framework can be aligned with following global standards:
 - i. Green/Social Loan Principles (LMA)
 - ii. Bond Principles (ICMA)
 - iii. Climate Bond Standards (CBI)
 - iv. Sustainability Linked Bond principles by ICMA
 - v. Sustainability Linked Loan Principles jointly developed by Asia Pacific Loan Market Association, LMA and Loan Syndications and Trading Association
 - Bi-annual reporting to IFSCA
- ✓ Cumulative sustainable lending by Banks in IFSC in first two years of implementation is around USD 4.9 Bn.



Bank GSS+ Lending during F.Y. 2024-25





ESG FUNDS

- ✓ A Fund Management Entity (FME) can launch ESG Funds under IFSCA (Fund Management) Regulations, 2025
- ✓ The “**Framework for Disclosures by Fund Management Entities for ESG Schemes**” provides for the following:
 - **Initial disclosures on:**
 - Name of the Scheme
 - Investment Objective
 - Investment Strategy
 - ESG Investment Related process
 - Disclosure of Risks and Risk Management Practices
 - Benchmark
 - **Periodic Disclosure on:**
 - Compliance with the stated ESG-related investment objectives
 - ESG-related performance
 - Actual proportion of the investable corpus / AUM invested as per the stated ESG-related investment objectives
 - Comparison of scheme’s performance vis-à-vis the reference benchmark, if applicable
 - Disclose the efforts, including voting activities, undertaken in engagement with investee companies for Schemes relies on Engagement
 - **Ongoing ESG monitoring**
 - **Performance evaluation of ESG schemes**
- ✓ **3 ESG Funds have been set up in IFSC**
- ✓ A FME managing AUM above USD 3 billion should disclose sustainability-related risks and opportunities in its annual report



Sovereign Green Bonds (SGrBs)

- RBI and IFSCA have jointly facilitated a “Scheme for Trading and settlement of Sovereign Green Bonds (SGrBs) at IFSC” by foreign investors.
- RBI introduced the Scheme on August 29, 2024.
- IFSCA issued operating guidelines on September 24, 2024.
- The Scheme intends to target foreign investors who are not FPIs

ESG Rating and Data Product Providers

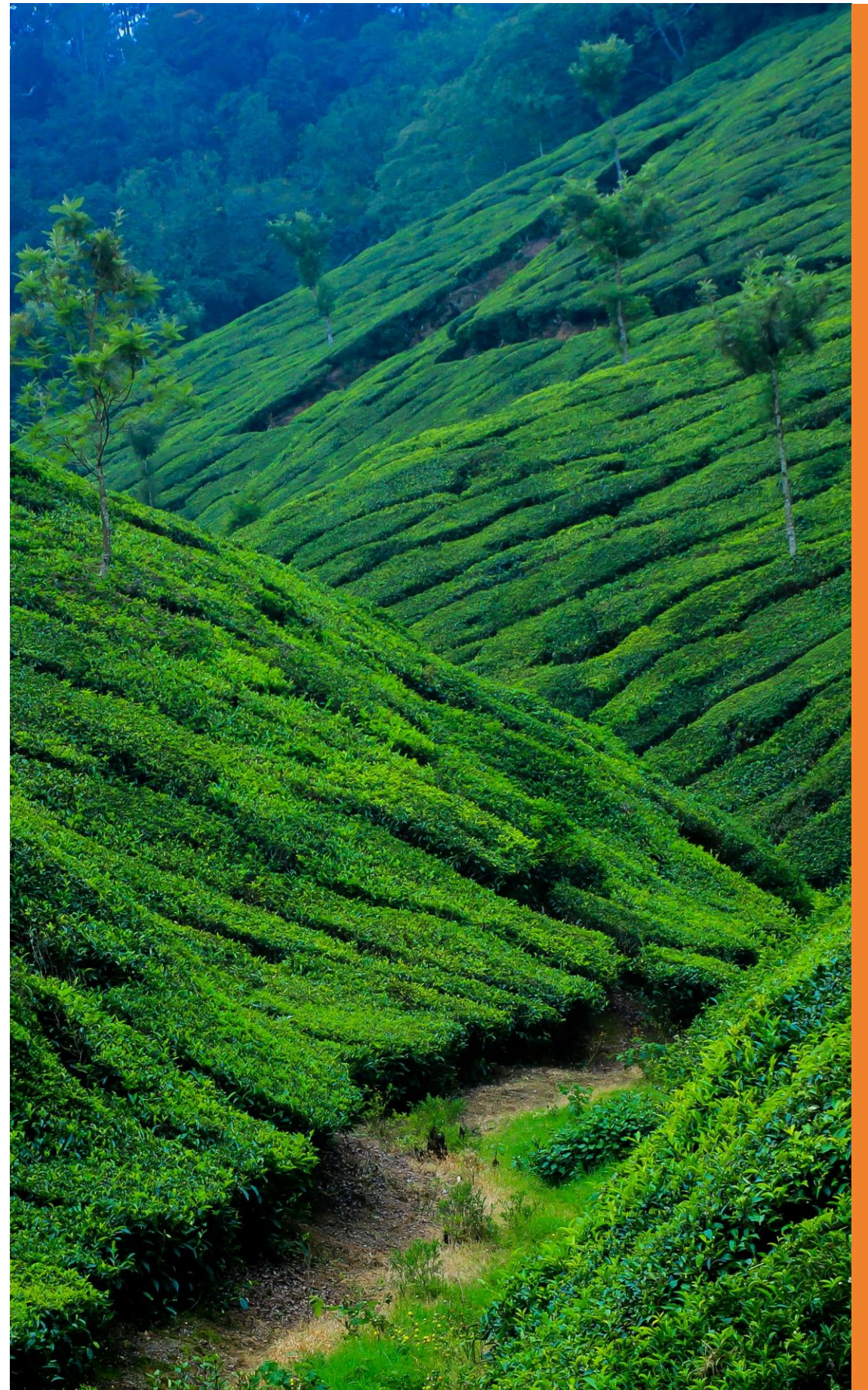
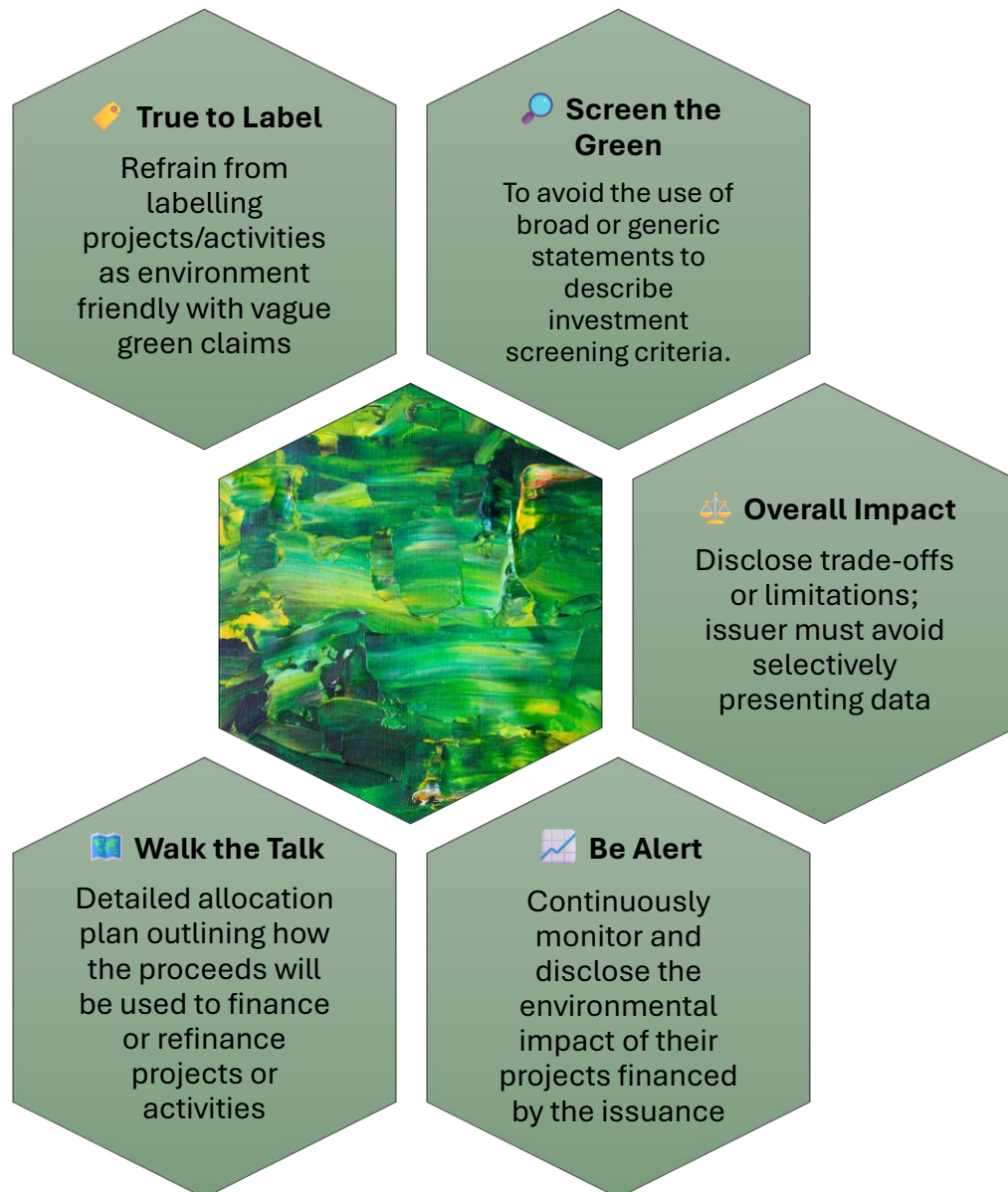
- ERDPPs are considered as Capital Market Intermediaries (CMI) under IFSCA (CMI) Regulations, 2025.
- An ERDPP is required to adhere to a “Code of Conduct”.
- A Registered ERDPP should have an annual audit conducted and it should cover all aspects relating to ERDPPs

Sustainability Reporting

- Mandatory Sustainability Reporting under IFSCA (Listing) Regulations, 2024.
- Listed entities with market cap > USD 50 million must disclose a sustainability report.
- Disclosure to be made to recognised stock exchange(s) within 6 months from the end of financial year.
- Listed entity may follow any of the following internationally accepted standards:
 - ✓ Global Reporting Initiative (GRI)
 - ✓ International Sustainability Standards Board (ISSB)
 - ✓ Task Force on Climate-related Financial Disclosures (TCFD)
 - ✓ Business Responsibility and Sustainability Reporting (BRSR)

Principles to Mitigate the risk of Greenwashing

- ✓ Following the recommendations of the IOSCO and ICMA, IFSCA, on November 21, 2024, issued a principle-based guidelines to address risks of greenwashing in ESG-labelled debt securities.
- ✓ Principles are aligned with global best practices and includes guidance notes and examples.
- ✓ Issuers must adhere to **five key principles**:





IFSCA

Division of Sustainable Finance

 www.ifsca.gov.in/Pages/Contents/Management-Team

Stock Exchanges

India International Exchange (IFSC) Limited

 www.indiainx.com

NSE IFSC Limited

 www.nseindia.com

Registered Entities

Registered Entities Directory (For IBUs and FMEs)

 www.ifsca.gov.in/Directory

Disclaimer:

The information contained in this brochure is to give holistic view on financial services markets in GIFT IFSC. While all efforts have been taken to make this brochure as authentic as possible, please refer the print versions, notified Gazette copies of Acts/Rules/Regulations/Circulars issued by the IFSCA or Government India. The IFSCA shall not be responsible for any loss to any person/entity caused by any defect or inaccuracy inadvertently or otherwise stated in this brochure.

**International Financial Services Centres Authority (IFSCA),
2nd & 3rd Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT
SEZ, GIFT City, Gandhinagar, Gujarat-382 355**

 **+91-79-6180-9800**  **info-desk@ifsca.gov.in**  **www.ifsca.gov.in**