

**Keynote Address by Shri K. Rajaraman, Chairperson, IFSCA at ICAI Event on
“IFSC enabled Global Platform for Indian Enterprise - Direct Listing and
Sustainable finance”**

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- Esteemed Members of ICAI ; Distinguished Industry Leaders; Respected dignitaries, distinguished guests, industry leaders, policymakers, financial luminaries, and dear friends — good morning to one and all!
- It is a great privilege to address you today on the theme related to direct listing and sustainable finance in the historic city of Hyderabad, a thriving hub of innovation, commerce, technology and culture.

Concept: GIFT City, GIFT IFSC and IFSCA

- Before I get into the details, let me give you all a snapshot about the concept and evolution of GIFT City, GIFT IFSC and IFSCA, ideas and measures that are critical to the attainment of the vision of Viksit Bharat by 2047.
 - ✓ GIFT stands for Gujarat International Finance Tec-City and GIFT City is an integrated business hub in Gandhinagar, Gujarat, serving as India's first International Financial Services Centre (IFSC) to promote global financial and IT services with world-class infrastructure and a conducive regulatory environment
 - ✓ GIFT IFSC is India's first designated offshore zone for global financial services, regulated by the International Financial Services Centres Authority (IFSCA), offering offshore-like operations in foreign currency on Indian soil.
 - ✓ The unique advantages are that it enjoys several tax benefits and has best in-class regulations that are benchmarked with international jurisdictions like Dubai, Singapore, London, Hong Kong etc.
 - ✓ IFSCA is the unified regulatory authority in GIFT IFSC since 2020, combining the powers of domestic financial regulators like RBI, SEBI, IRDAI, and PFRDA for the IFSCs, providing the clarity, speed, and certainty that global markets demand. Since the inception of IFSCA, the growth in business activity in GIFT IFSC has been nothing short of spectacular.

Business Growth and Opportunities: GIFT IFSC

- Today, GIFT City is no longer just a vision; it is a living, thriving, vibrant and a rapidly growing financial ecosystem with over **1000+ registered entities**. It is ranked **43rd in the Global Financial Centres Index (GFCI)** as of September 2025, even ahead of cities like Mumbai in this regard.
- Across various financial verticals, GIFT IFSC has achieved significant milestones. Currently, there are more than **30 banks** (approx. half of them international banks) with

an **asset size exceeding USD 100 billion**. The monthly **turnover on IFSC exchanges** clocked roughly **USD 90 billion**, and the cumulative **debt listings** on exchanges stand at around **USD 66 billion**. The fund management ecosystem is also rapidly growing, with **190 + fund management entities and 300 + funds/schemes** registered in the IFSC with total **commitments raised** exceeding **USD 26 billion**.

- The capital markets ecosystem at IFSC includes two International Stock Exchanges, India INX and NSE IFSC. There are **over 160 capital market intermediaries** which include broker-dealers, clearing members, depository participants, investment advisors, investment bankers, custodians, credit rating agencies etc. Fund management have been one of our fastest-growing sectors. The **International Bullion Exchange (IIBX)** provides a transparent electronic trading platform for bullion, democratic pricing, and direct access for Qualified Jewellers to import gold. The exchange aims to establish India as a price influencer in the international gold market.
- Further, with the objective of positioning GIFT IFSC as a world-class FinTech hub, IFSCA promotes innovation through Regulatory and Innovation Sandboxes, enabling entities to test cutting-edge financial solutions. Likewise, IFSCA has made rapid strides in the areas of insurance and reinsurance and niche areas such as aircraft leasing , ship leasing, ancillary services, GCCs, trade finance, foreign universities in IFSC etc.
- Parallely, we are also continuously undertaking measures to enhance ease of doing business through measures like facilitating digital onboarding and streamlined and cost effective cross border payments.
- At IFSCA, our goal is not merely the "**ease of doing business**" but the "**ease of growing business.**" We view regulation as an enabler of growth, and we are committed to providing a competitive tax regime and advancing key policy reforms with the full support of the Government of India.
- To make this vision a reality, large scale efforts are also being made to develop a **state-of-the-art social infrastructure** including modern office space, expansion of the metro network and recreation facilities such as food courts, riverfront etc. A comprehensive infrastructure development, combined with a competitive tax regime, low operational costs, and access to a deep, skilled talent pool, positions GIFT City to become an aspirational smart city akin to London, Dubai, or Singapore in the years to come.

GIFT IFSC: Emerging Gateway of Global Capital

- At this juncture, I wish to shed light on two very important opportunities to raise global capital that GIFT IFSC has to offer i.e. direct listing scheme in IFSC and the rapidly growing sustainable finance ecosystem. Let me go into greater detail for each one of them.

Direct Listing Scheme in IFSC

- A standout feature in the India growth story has been the phenomenal rise of India's thriving and vibrant start-up ecosystem. These start-ups, fuelled by a dynamic pool of talent and innovative ideas, are driving economic growth and employment generation. Sustained and concerted efforts by the Government have led to an exponential increase in the number recognised start-ups, which stands over 2 lakhs. With an objective to offer Indian companies, especially the start-ups in the sunrise and technology sectors an alternative avenue to access global capital beyond the domestic exchanges, the government of India has allowed the direct listing of Indian Companies on the stock exchanges in GIFT IFSC.
- The Direct Listing Scheme provides an overarching framework for the issuance and listing of equity shares of public Indian companies on international exchanges. Prior to this, Indian companies were not allowed to issue or list equity shares abroad. This policy initiative, to enable listing of Indian companies in GIFT IFSC, is expected to reshape the Indian capital market landscape and offer Indian companies, especially start-ups and companies in the sunrise and technology sectors, an alternative avenue to access global capital beyond the domestic exchanges.
- Currently, we are on the verge of witnessing the first direct listing of equity shares on an IFSC exchange, which will allow startups and technology companies, both national and global, to raise foreign currency, eps dollar denominated capital from global investors at better valuations. This provides enhanced visibility and a diversified investor base, thereby tapping into a pool of approximately 35+ million Overseas Indians and global investors.
- Also, the IFSCA (Listing) Regulations, 2024 aim to develop a comprehensive and consistent regulatory framework based on global best practices with a special focus on ease of doing business, has issued a robust regulatory framework in respect of listing of financial products in the IFSC. These regulations have been formulated with the dual objectives of ensuring ease of doing business and protecting the interests of investors in the capital market ecosystem.
- In light of the unique benefits and advantages that GIFT IFSC offers, the Indian financial landscape is poised for a transformative shift with the advent of direct listing of Indian companies in GIFT IFSC. This development not only represents a strategic milestone for India's capital markets but also signals the country's growing ambition to integrate more deeply into the global financial system.

GIFT IFSC: Global Hub for Sustainable Finance

- Now, I wish to emphasise on the opportunities on the green and sustainable finance front.
- To begin with, from a global perspective, the Paris **Agreement**, adopted a decade ago at COP21, is far more than a set of environmental targets; it established a "North Star" for the global economy, aiming to limit temperature rise to well below 2°C, and ideally 1.5°C. Despite recent geopolitical pushbacks and uncertainty in some jurisdictions, the global sustainable finance market reached a phase of pivotal maturity between 2024 and 2025. As of September 2025, **GSS+ bonds reached a record issuance of \$6.5 trillion**, while **ESG Fund Assets Under Management (AUM) hit USD 3.7 trillion**. We must also look at our neighbours; currently, China has become the world's largest market for green lending, a growth driven primarily by state-directed banking policies.
- In this global theatre, India has emerged as a leader in climate action. Our **Panchamrit strategy**, formalised in our Nationally Determined Contributions, sets ambitious benchmarks: 500 GW of non-fossil capacity by 2030, a 50% renewable energy mix, and a 45% reduction in the emissions intensity of our GDP. We are also committed to creating an additional carbon sink of 2.5 to 3 billion tonnes of CO₂. These are not just environmental goals; they are the blueprints for a massive expansion of renewable energy and a fundamental decoupling of economic growth from carbon intensity.
- However, we must be realistic about the capital required to fuel this transition. The Council on Energy Environment and Water (**CEEW**) estimates that **India needs USD 10.1 trillion to achieve net-zero**. According to a report by Climate Policy Initiative (CPI)¹, India's tracked green finance reached an all-time high, around USD 65 Bn (USD 50 Bn for mitigation and USD 15 Bn for adaptation) in F.Y. 2021-22. However, at least three times more investment is required to meet India's climate targets. Finance for mitigation was primarily domestically sourced (83%). Whereas international finance contributed to around 17%. There is an estimated investment shortfall of roughly \$3.5 trillion to reach the 2070 target and considering the limitation of domestic capital, it is imperative that we mobilize global capital, and this is exactly where the IFSCA steps in.

Measures taken by IFSCA

- IFSCA has taken comprehensive policy measures to promote sustainable finance.
- One of our most significant achievements is the **GSS+ Bonds Framework**. As of December 2025, we have seen an overall listing of USD 68 billion, with **USD 16.18 billion specifically in ESG-labelled debt securities**. Notably, the IFSCA introduced a pioneering **framework for Transition Bonds**, one of the first by any financial regulator globally. This allows us to move beyond a binary "green vs. brown" mentality

¹ <https://www.climatepolicyinitiative.org/wp-content/uploads/2024/12/Landscape-of-Green-Finance-in-India.pdf>

and enables "hard-to-abate" sectors like steel, cement, and aviation to fund their decarbonization journeys.

- We are also transforming the banking sector within the IFSC. **Our Guidance Framework on Sustainable and Sustainability-linked Lending**, issued in April 2022, mandates that Banks in the IFSC develop a Board-approved framework for sustainable lending. The banks are required to allocate **at least 5% of their incremental lending toward green or sustainable sectors**. I am pleased to share that as of September 30, 2025, approximately **USD 7.5 billion** in such loans have already been disbursed.
- Transparency and integrity are the cornerstones of our mission. To ensure that **ESG Schemes** in the IFSC are "true to label," we issued a circular in January 2023 requiring **rigorous initial and periodic disclosures**. This has already resulted in the registration of three **ESG Schemes** as of late 2025. Furthermore, to **combat the risk of greenwashing**, our November 2024 circular established five core principles for ESG-labelled debt securities.
- We are also expanding the market depth through **Sovereign Green Bonds (SGrBs)**. By collaborating with the RBI, we have enabled a scheme for the trading and settlement of these bonds in the IFSC, allowing non-resident investors easier access to Indian climate capital flows.
- Additionally, we have established a **regulatory framework for ESG Rating and Data Service Providers** and recently issued a consultation paper to facilitate blended finance and other fund structures through differential distribution in restricted and venture capital schemes.
- Our initiatives are globally aligned, recognizing international standards and taxonomies to ensure that any capital raised from GIFT IFSC is recognized for its integrity. To further encourage this growth, we offer targeted incentives, such as **fee waivers for the first ten ESG Funds** and a **9% withholding tax for debt issuers** on IFSC exchanges.
- We analyze our progress based on five key parameters: Policy Clarity, Taxonomy Adoption, Disclosure Standards, Funds Labelling, and Market Depth. While all parameters are in place, market depth is expected to increase. While Europe remains a leader in sustainable finance policy, the IFSCA is rapidly becoming a vital hub for India and other emerging economies to raise global capital cost-effectively. Mobilizing this capital is not just an objective; it is a pillar for our journey toward a \$30 trillion economy.
- Finally, I want to address the Sustainability Standards Board (SSB) of ICAI. You have a vital role to play in the development of disclosure standards and the overall ESG strategy, compliance, and disclosure landscape. Your expertise will ensure that the enterprises of the future are not only profitable but sustainable and transparent.
- Together, we are building a world-class ecosystem that aligns Indian enterprises with the highest global standards.

Conclusion

- The rapid growth of business in GIFT City is just the beginning—a trailer of India’s emerging global financial capabilities. What we see today, represents only the initial wave of a much larger transformation. As GIFT IFSC matures, it will act as a catalyst for Indian states, enabling them to access global capital, advanced financial services, trade finance, and technology-driven solutions.
- I urge the industry leaders, exporters, and professionals here today to engage deeply with the opportunities we are creating. Kindly note that businesses do not need to relocate their headquarters or operations to GIFT City—the IFSC is a financial gateway that enables global capital access from anywhere in India.
- Hyderabad is a major contributor to national IT and services exports and also attracts global technology and R&D investments, further enhancing India’s competitiveness in knowledge sectors. It can leverage the rapidly growing ecosystem of GIFT IFSC to accelerate it’s industrial growth, attract investments, boost exports, create high-value jobs, and integrate local businesses into global markets, making GIFT City a springboard for India’s collective regional and national economic development.
- IFSCA has issued regulations allowing world-class foreign universities to set up international branch campuses in GIFT IFSC, free from domestic regulations and considerably lower fees. For professionals in Hyderabad, this translates into high-quality opportunities for Chartered Accountants, lawyers, risk managers, and FinTech specialists. There is a rich ecosystem of law firms, fund administrators, custodians etc. already present that requires skilled manpower. This represents a fundamental shift for our youth—from seeking jobs to creating global value.
- I wish this program every success, and I hope the dialogues we have today become the opportunities of tomorrow for your businesses and for our nation.

Thank you. Jai Hind.