IFSCA CPSE Summit 2.0

Opportunities in GIFT IFSC

7th February 2025 | ONGC Bhavan, New Delhi

Outcome Document

TABLE OF CONTENTS

1. IFSCA CPSE Summit 2.0: A catalyst for India's Financial Sector Growth

GIFT IFSC stands as a pioneering initiative in international finance, seamlessly integrating a progressive regulatory framework with state-of-the-art infrastructure. GIFT City IFSC ecosystem is witnessing remarkable growth, driven by progressive regulatory frameworks, tax incentives, and increased investor participation. With rapid expansions in capital markets, alternative investments, finance companies including treasury activities etc. The GIFT IFSC continues to be instrumental in facilitating global capital raising and trading in various financial instruments.

As India progresses towards its Viksit Bharat 2047 vision, GIFT IFSC remains a crucial pillar in shaping the country's financial future. The IFSCA CPSE Summit 2.0 is underscoring the immense opportunities within India's rapidly growing financial sector, further solidifying the nation's role as a key player in global finance. Its strategic location and state-of-the-art facilities have attracted an array of global financial institutions. Serving as a focal point for finance and technology, GIFT IFSC has played a key role in driving financial innovation and fostering international collaboration. Reflecting India's commitment to create a world-class sector in finance and IT, it has the potential to bridge the gap between Eastern and Western financial markets. Integral to development is the role of International Financial Services Centres Authority (IFSCA), which has been instrumental in shaping GIFT IFSC's growth.

Over the years, GIFT IFSC has undergone a remarkable transformation, supported by a strong regulatory framework. Since October 2020, more than 50 regulations have been introduced, aligning with global best practices. The banking sector in GIFT IFSC has experienced impressive growth, with its total asset size surging from \$14 billion in September 2020 to \$78 billion by December 2024.

The fund management sector has also seen substantial expansion, with 148 Fund Management Entities now operating in GIFT IFSC. This highlights the dynamic financial landscape of GIFT IFSC, which has successfully launched

initiatives such as GIFT Nifty and the International Bullion Exchange. Additionally, aircraft and ship leasing activities are flourishing, driven by favorable regulatory and taxation policies. The listing of around $64 billion in debt securities on IFSC exchanges, including $15.4 billion in ESG-labeled debt, underscores GIFT IFSC's commitment to sustainable finance and environmentally responsible investment practices.

The FinTech ecosystem at GIFT IFSC is also gaining significant traction. IFSCA has received over multiple applications under its FinTech Entity Framework from 14 different jurisdictions. As of Jan, 2025, 40+ FinTech entities are registered under this framework, reflecting growing interest and participation in the sector.

To sustain this growth momentum and highlight business opportunities for Public Sector Enterprises (PSEs) in GIFT IFSC across areas such as capital raising, sustainable finance, treasury operations, aircraft and ship leasing, insurance, InVITs, and REITs, IFSCA organized the "IFSCA CPSE SUMMIT 2.0: Opportunities in GIFT IFSC" on February 7, 2025.

The summit brought together representatives, including policymakers, industry leaders, financial experts, and senior executives such as CEOs and CFOs from Central Public Sector Enterprises (CPSEs) and leading State Public Sector Enterprises. The event featured insightful keynote addresses and discussions that explored the vast business opportunities for public sector enterprises in GIFT IFSC, aligning with the evolving global financial services landscape.

"IFSCA CPSE SUMMIT 2.0: Opportunities in GIFT IFSC" focuses on novel and innovative concepts like Global/Regional Treasury Centres, structures for Finance Company set ups, Listing of Securities on International Exchanges, Trade Financing opportunities including insights into practical challenges along with tax framework.

"IFSCA's unified regulatory framework in GIFT City has catalyzed India's financial sector growth, empowering Indian companies to become global champions with efficient finance and streamlined regulations, by the year 2047."

Shri K. Rajaraman, Chairperson, IFSCA

GIFT City's vision for 2047 is to nurture global corporate champions from India by providing cost-efficient capital, reducing regulatory burdens, and fostering a competitive environment. This vision is supported by the IFSC's initiatives, which have improved fundraising opportunities, risk management, and competitive advantages, particularly for CPSEs.

1.1 Insights on developments in GIFT IFSC

- Evolution into a Unified Financial Ecosystem: GIFT City's unified regulation accelerates approvals, positioning it as a global financial contender with a 480% increase in units over four years. Continuous regulatory updates have established GIFT IFSC as a robust financial market, home to 29 banks, over 200 alternative funds, a stock exchange, an active bond market, a bullion exchange, and numerous insurance companies.

- Regulatory Reforms for Business Expansion: Regulatory reforms are strategically designed to diminish ambiguity and cultivate a business-friendly environment.

- Global Treasury & Financial Services Expansion: Corporations are setting up global treasury centers within GIFT IFSC to streamline cash management across subsidiaries and jurisdictions, which includes 33 aircraft & 22 ship leasing companies.

- Enhanced Access to Global Finance: GIFT IFSC has enabled Indian corporates to raise finance locally for global operations, mitigating the historical challenges of high-cost fundraising and capital stagnation.

- Vision for 2047 – Corporate Champions from India: GIFT City's vision for 2047 is to nurture global corporate champions from India by providing cost-efficient capital, reducing regulatory burdens, and fostering a competitive environment. This vision is supported by the IFSC's initiatives, which have improved fundraising opportunities, risk management, and competitive advantages, particularly for CPSEs.

"IFSC transforms India into a global finance powerhouse, simplifying aircraft leasing and borrowing, and fueling corporate expansion."

Shri Pankaj Jain, Secretary, Ministry of Petroleum and Natural Gas

1.2 Opportunities for PSEs in GIFT IFSC

- Access to Cost-Effective Capital & Treasury Solutions: PSEs can tap into IFSC's diverse financial services for cost-effective capital, trade finance, and risk management solutions.

- Tax Advantages in Leasing: IFSC offers streamlined ship and aircraft leasing structures with significant tax exemptions (withholding tax, capital gains tax, Basic Customs Duty, and IGST on ship imports) promoting maritime ownership and reducing foreign asset reliance.

- Treasury Optimization: The establishment of Global Treasury Centers at IFSC allows PSEs to manage liquidity and finances efficiently, with capital account convertibility and globally benchmarked regulatory regime.

- Refinancing Benefits: PSUs are positioned to benefit from refinancing through IFSC's International Banking Unit, leveraging lower interest rates and tax incentives for enhanced financial flexibility.

- Strengthening India’s Maritime & Trade Finance Capabilities: Utilizing IFSC’s ship leasing models can bolster India's maritime capabilities, reduce dependency on foreign vessels, and improve trade financing efficiency.

"GIFT IFSC is evolving as a beacon of financial innovation and growth, offering an unparalleled ecosystem for global business transactions and investments."

Dr. Dipesh Shah, Executive Director, IFSCA

"IFSC boosts India's economy with cutting-edge trade finance, treasury strategies, and maritime leasing innovations."

Shri Ashutosh Sharma, Chief General Manager, IFSCA

2. Synopsis of regulatory framework in GIFT IFSC

- GIFT IFSC stands as a beacon for regulatory and financial opportunities, offering a streamlined framework for finance companies and treasury centers that facilitates efficient cross-border financial operations.

- The IFSC Exchanges catalyze debt listing innovations, including green bonds, within a global trading environment enhanced by tax incentives and extended market hours.

- Capital market expansion within the IFSC provides PSEs with robust avenues for capital raising and risk management, while the IFSC-ITFS platform is transforming trade finance by offering exporters and importers simplified funding solutions, credit insurance, and advanced risk management tools.

2.1 Regulatory overview for finance companies and treasury centres

- Regulatory Framework of GTCs in IFSC: Global Treasury Centres (GTCs) in IFSC enable a wide range of financial transactions, including borrowing, lending, and hedging, with support from both international and Indian banks. Transactions are permissible in multiple currencies, and expenses can be managed in INR.

- The streamlined registration process and multi-currency operations make IFSC an attractive hub for treasury management.
- Evolving Regulatory Landscape: A new regulatory framework is being considered to simplify operations, allowing GTCs to serve group entities with minimal regulatory interference.

"IFSC's Global Treasury Centres epitomize the future of finance, offering a seamless and efficient gateway for cross-border financial services and treasury operations."

Shri Supriyo Bhattacharjee, Chief General Manager, IFSCA

"ArcelorMittal Nippon Steel India's growth strategy capitalizes on IFSC's agile framework and Asia's market edge for a robust treasury and hedging foothold."

Smt. Annapoorna Venkataraman, Head (Treasury, Risk & Insurance)

- The new framework will potentially broaden the range of entities that GTCs can serve including group entities and parent companies, with minimal regulatory impact, and a focus on adherence of only company board approved policies.

- Regulatory reviews are ongoing to introduce commodity derivatives, further expanding financial instruments available to GTCs.

- Compliance, Risk Management, and Future-Proofing: The GIFT IFSC facilitates centralized financial oversight, liquidity management, and financing optimization across various geographies and entities, with technology playing a key role in integrating data and managing risks.

- Strategic Advantages and Market Positioning: IFSC offers strategic benefits such as tax incentives, streamlined regulation, and a geographical position advantageous for businesses operating in Central Asia and Europe. Automation and in-house banking strategies within GTCs enhance capital efficiency and reduce costs.

"Global Treasury Centres harness technology for financial clarity, centralizing operations to drive efficiency and cost savings in treasury management."

Shri Anand Agarwal, Head - Cash Product, Standard Chartered Bank

2.2 Insights on debt listing and other opportunities on IFSC Exchanges

- Innovative Capital Raising: IFSC's International Exchange introduces USD-denominated trading and startup-focused contracts, broadening investment opportunities and attracting global investors.

- Alignment with Global Financial Vision: The exchange supports global listings with a focus on ESG bonds, reflecting IFSC's alignment with international financial trends and its expanding influence.

- Regulatory and Tax Benefits: With reduced equity dilution, no minimum investor criteria, and competitive tax rates, IFSC provides a conducive environment for capital market activities, complemented by a 22-hour trading window for worldwide access.

- Sustainability Initiatives: IFSC's emphasis on ESG bonds and sustainable finance initiatives positions India as a proactive participant in the global movement towards environmentally responsible investing.

- Expanding Global Reach: Access to multiple global exchanges through IFSC increases liquidity and opens new investment avenues, positioning the exchange as a preferred destination for capital market transactions.

"India IFSC and INX are revolutionizing capital markets with pioneering trading options and global appeal."

Shri Vijay Krishnamurthy, MD & CEO, India INX

2.3 Key insights from industry experiences in GIFT IFSC

- Seamless Setup and Regulatory Support: Companies experienced streamlined approval processes and a supportive regulatory environment in the IFSC, reducing setup time and enhancing operational efficiency.

- Tax Advantages and Financial Flexibility: Businesses benefit from exemptions from global minimum tax, no cap on interest deductions, and alignment with global tax regulations, allowing them to avoid additional taxation and optimize financial structures.

"OVL's strategic use of IFSC's unified regulatory system and tax benefits underscores its robust global oil production, while advocating for further enhancements in ownership structures and tax alignment to boost competitiveness."

Shri Kavish Syal, CEO, OVL Overseas IFSC Limited

"Embracing the dynamic regulatory landscape of IFSC, we are charting new frontiers in finance, driving towards a billion-dollar transactional future while reinforcing India's position in the global market."

Shri Achint Kapur, GM (Corp. Finance), Indian Oil Corporation

- Expanding Financial Services and Investment Strategies: Companies are actively exploring ship leasing, captive insurance, and commodity trading, working with regulators to expand permissible financial activities and support diverse business verticals.

- Treasury Centralization and Efficient Capital Management: Firms are leveraging offshore cash pools and the ECB framework to efficiently channel capital into India, supporting major industrial and infrastructure expansions.

- Advocacy for Regulatory Enhancements: Industry players emphasize the need for greater flexibility in regulatory frameworks, including participation interest ownership, reduced governance requirements, and tax regime alignment with other global financial centers.

- Driving Business Back to India: Companies are strategically relocating financial and trading activities to the IFSC to overcome mainland regulatory challenges and enhance their global competitiveness.

- Leveraging IFSC as a Global Trading Hub: The IFSC provides a strategic location for international transactions, allowing firms to engage in global commodity hedging, invoicing, and financing with ease.

- Long-Term Strategic Growth and Financial Planning: Businesses are focusing on long-term free cash flow analysis, investment planning, and cash flow management to sustain growth and navigate evolving financial landscapes.

3. Capital market and finance company opportunities

- GIFT IFSC is rapidly emerging as a cornerstone for India's economic advancement, offering a regulatory environment that promotes unrestricted global financial transactions and currency convertibility, thereby attracting international financial services and capital.

- Strategic amendments to the Companies Act have streamlined compliance for businesses within the IFSC, enabling financial reporting in multiple currencies and simplifying capital flow management, which is instrumental in drawing foreign investment and reinforcing India's position as a global financial hub.

- The collaboration between government entities and regulatory authorities is fostering the growth of GIFT IFSC, which is integral to India's economic strategy, with the active participation of CPSEs playing a key role in leveraging global capital markets and driving the nation towards its developmental goals for 2047.

"GIFT IFSC's ascent fuels India's global financial leap, aligning CPSEs with international capital for the Viksit Bharat 2047 vision."

Smt. Surabhi Jain, Joint Secretary, DEA

"MCA's strategic amendments to the Companies Act propel GIFT IFSC as a global financial hub, easing compliance and fueling investment."

Shri Balamurugan D., Joint Secretary, MCA

3.1 Trade Finance opportunities on IFSC- ITFS platform

- Substantial Transaction Milestones: A leading oil corporation's subsidiary has successfully completed 25 financial transactions, including loans and fund pooling, since August 2023.
- It aims to surpass $1 billion in transactions within the next 8-10 months, expanding into ship leasing and captive insurance.

- Diversified Financial Services and Renewable Investment: The subsidiary engages in refinancing, loan pooling, and raising loans to support joint ventures and subsidiaries.

- Focus areas include synthetic rubber, battery enterprises, and renewable investments, maintaining a balance between debt and equity financing.

"IFSC's ITFS platform revolutionizes EXIM trade, offering MSMEs seamless access to digital trade finance and liquidity solutions."

Shri Unmesh Partiwala, CEO, RXIL Global IFSC Ltd.

- Proactive Regulatory Collaboration: The corporation is working with regulators to unlock opportunities in ship leasing, captive insurance, and commodity trading opportunities, seeking regulatory adaptability to enhance operational efficiency and global competitiveness.

- Centralized Treasury and Cash Flow Management: A joint venture in steel production relies on IFSC's ECB framework for capital investments.
- Treasury services include cash flow management, reporting, and long-term free cash flow analysis.

- IFSC as a Global Trade and Financing Hub: IFSC serves as a pivotal hub for global trading, commodity hedging, and financing, streamlining intermediary operations and enhancing trade finance activities between group companies and external entities.

3.2 Financial products offered by GIFT IFSC for PSEs

- GIFT IFSC provides a diverse range of financial products, including hedging, trade, and complex financing options for both Indian and foreign corporations.

- With the operational flexibility of GIFT IFSC, MSMEs now have access to foreign currency financing, which was previously out of reach.

- Central Public Sector Enterprises (CPSEs) have shown confidence in GIFT City, with many choosing to list their instruments and leverage the city's growing jurisdiction for financial activities.

- GIFT IFSC's single-window regulatory approach and the ability to transact in up to 15 currencies under one account simplify international banking operations for PSEs.

- The phase-2 development of GIFT IFSC aims to onshore activities that were previously offshore, enhancing India's position as a global international financial services institution.

- Insurance products, such as trade credit insurance and M&A liability coverage, are being developed within GIFT IFSC to support the financial ecosystem and enable banks to extend credit beyond traditional ratings.

- GIFT IFSC is exploring the potential for captive insurance, which could provide significant opportunities for large private corporates and be a game-changer for the insurance sector.

4. Tax framework and application process in GIFT IFSC

- Attractive Tax Incentives: GIFT IFSC offers a 10-year tax holiday, a concessional 9% MAT rate, and lower or nil withholding tax on dividends, interest, and lease rentals.

- Exemptions from GST and customs duties align with SEZ benefits, reducing overall tax burdens.

- Favorable Regulatory Environment: IFSC entities avoid place-of-effective-management (POEM) implications, as operations are conducted within India.
- Non-resident status benefits under FEMA provide flexibility for foreign investors and businesses.

- 2025 Budget Amendments: Extended tax exemptions on capital gains and dividends for ship leasing units.

- Exemptions from "deemed dividend" provisions for certain foreign corporations and extended sunset dates for tax benefits.

- Opportunities for Treasury Centers: Indian companies can set up treasury centers in GIFT IFSC, enabling seamless transactions with banks inside and outside the IFSC.

- Helps in efficient withholding tax management and overall financial optimization.

- Simplified Application Process: Requirements include a physical office space, minimum two employees, a business roadmap, minimum capital funds, and a board-approved governance framework.

- A streamlined setup process encourages more businesses to establish operations in GIFT City.

"IFSC's tax framework offers a lucrative 10-year holiday and strategic advantages, positioning GIFT City as a tax-efficient destination."

- Shri Jaiman Patel, Partner, EY

5. Action items:

Sr. No	*Particulars*	*Relevant Department/Division*
1	• Continue streamlining the regulatory framework for Global Treasury Centres (GTCs) to attract more international firms • Strengthen aircraft and ship leasing activities with further tax incentives. • Enhance trade finance and refinancing options for Public Sector Enterprises (PSEs).	Division of Finance Company regulation
2	• Facilitate integration of digital banking and trade finance solutions.	Division of Banking Regulation
3	• Expand permissible financial activities, such as commodity derivatives. • Promote IFSC exchanges for USD-denominated trading and ESG bond listings. • Develop new hedging and structured finance products • Encourage participation in sustainable finance through green bonds and ESG frameworks.	Department of Capital Market
4	• Reduce regulatory ambiguity and improve ease of doing business in GIFT IFSC. • Simplify the application and onboarding process for new financial entities.	EoDB Working Group
5	• Enhance insurance sector offerings, including trade credit insurance and M&A liability coverage. • Expand permissible financial activities, such as captive insurance.	Division of Insurance
6	• Expand the adoption of AI and blockchain-based financial services.	Division of FinTech

6. Annexure

6.1– List of Participants

- Airports Authority of India
- BEML Ltd.
- BHARAT DYNAMICS LTD.(BDL)
- Bharat Electronics Ltd (BEL)
- BHARAT HEAVY ELECTRICALS LTD. (BHEL)
- Bharat Petroleum Corporation Ltd (BPCL)
- CHENAB VALLEY POWER PROJECTS LIMITED
- Coal India Ltd (CIL)
- COCHIN SHIPYARD LTD.
- Container Corporation Of India (CONCOR)
- Dedicated Freight Corridor Corporation of India (DFCCIL)
- ECGC Limited
- Gas Authority of India (GAIL)
- GOA SHIPYARD LTD.
- Hindustan Aeronautics Limited (HAL)
- Hindustan Petroleum Corporation Ltd (HPCL)
- HINDUSTAN SHIPYARD LTD.
- INDIA INFRASTRUCTURE FINANCE CO. LTD.
- Indian Oil Corporation Ltd. (IOCL)
- Indian Railway Finance Corporation Limited (IRFC)
- Indian Rare Earths Ltd.
- INDIAN RENEWABLE ENERGY DEVT.AGENCY LTD. (IREDA)
- Interocean Shipping India Limited
- IOCL Global IFSC
- IRCON INTERNATIONAL LTD.
- IRM Energy
- Jawaharlal Nehru Port Authority (JNPT)
- MAZAGON DOCK SHIPBUILDERS LTD.
- MMTC Ltd.
- NALCO
- National Bank for Financing Infrastructure and Development
- NATIONAL FERTILIZERS LTD.
- National Scheduled Castes Finance and Development Corporation
- National Thermal Power Corporation (NTPC)
- NBCC (INDIA) Ltd.
- NHPC LTD.
- NLC INDIA LTD.
- NMDC Ltd.
- NTPC Ltd.
- Oil & Natural Gas Corporation Ltd. (ONGC)
- Oil India Ltd (OIL)
- ONGC Videsh
- Power Finance Corporation (PFC)
- Power Grid Corporation of India Ltd (PGCIL)
- RAIL VIKAS NIGAM LTD.
- Railtel Corporation India Ltd.
- REC Limited
- RITES Ltd.
- Shipping Corporation Of India (SCI)
- SJVN LTD.
- Steel Authority Of India Ltd (SAIL)

6.2- Presentations and case studies

- Overview of Opportunities for PSEs in GIFT IFSC
- Regulatory Overview for Finance Companies and Treasury Centres
- Insights on Financial Structures for PSEs in GIFT IFSC by PWC
- Insights on Global Treasury Centre Model by SCB
- Experience Sharing by ONGC Videsh Limited
- Indian Oil & its journey in GIFT City IFSC
- Experience sharing by AMNS Global Treasury Centre IFSC Pvt. Ltd.
- Insights on Global Treasury Centre Model by SCB
- Opportunities in trade finance, bill discounting on IFSC- ITFS Platform by RXIL Global IFSC Ltd.
- Tax framework in GIFT IFSC by EY

International Financial Services Centre in GIFT City:

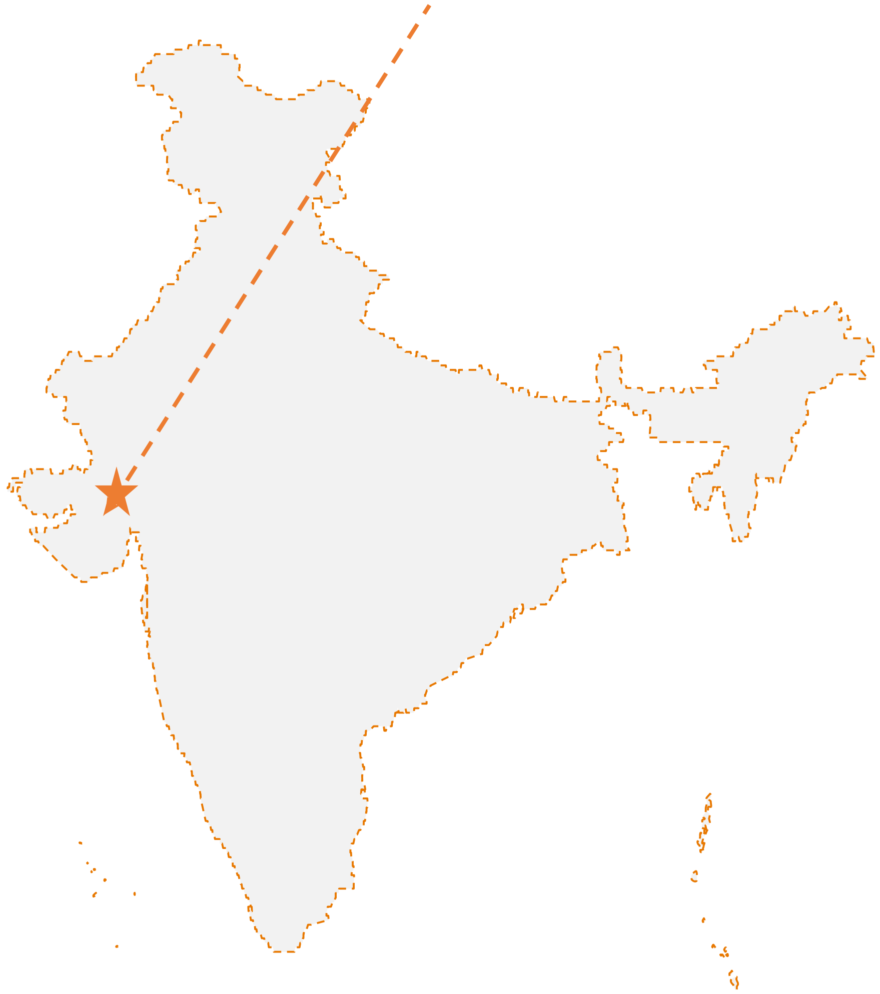
IFSCA CPSE Summit 2.0: Opportunities in GIFT IFSC

7th February 2025

International Financial Services Centre Authority
Ministry of Finance, Government of India
GIFT City, Gujarat, India
www.ifsca.gov.in

GIFT City and IFSC

India's 1st Operational Smart City & IFSC



27.70 Mn Sq ft Total development rights allotted	12.99 Mn Sq ft Area under development	20 Number of Operational Buildings

GIFT City is divided into two zones:

a. Special Economic Zone (IFSC Zone)
b. Domestic Tariff Area (Domestic area)

Greenfield smart city

Land parcel size: 886 acres

Social Infra – Hotels, Hospitals, Schools, etc

‘Walk to work concept’ – Residential & Riverside

Vision for GIFT IFSC

Hon'ble Prime Minister of India
Sh. Narendra Modi

"We want to make GIFT City the Global Nerve Center of **New Age Global Financial and Technology Services**"

"GIFT IFSC's **cutting-edge digital infrastructure** provides a platform that enables businesses to increase efficiency"

"GIFT City is an important gateway to **connect India with global opportunities**....

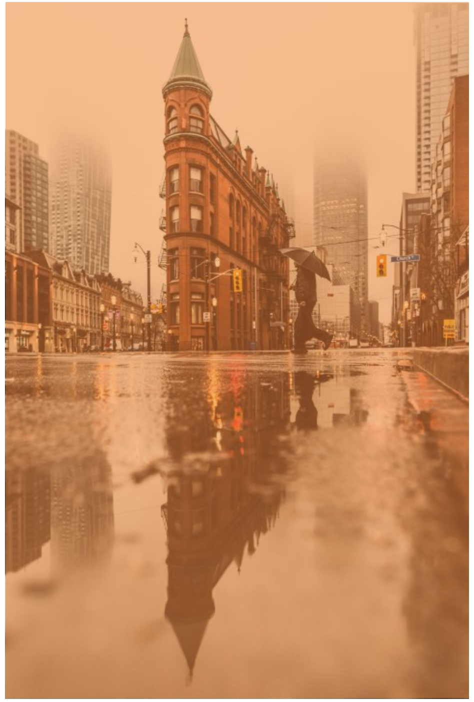
Objectives of GIFT IFSC

1. Onshore international financial services business from offshore centres such as Singapore, Hong Kong, Dubai, London, etc.
2. Serve as a dominant gateway for channelizing global capital for Viksit Bharat @ 2047
3. Develop expertise in niche and specialized businesses such as aircraft & ship leasing, fintech, global treasury centres, commodity trading, etc.
4. Provide high quality employment opportunities to the talented Indian workforce

Jurisdictional Comparison

Jurisdiction	Foreign jurisdiction (rest of the world)	IFSC SEZ (India)	India DTA (India)
FEMA	Offshore Non-Resident	Offshore Non-Resident	Onshore Resident
Currency	Respective Int’l Currency	15 Currencies (INR Not Permitted)	INR denominated
Tax	Offshore	Tax Holiday (Tax Resident)	Taxes as applicable
Law	Resident’s Jurisdiction	Indian Jurisdiction (Carve Outs)	Indian Jurisdiction

GIFT IFSC: Unique and Distinct Features



- Dedicated & Unified Financial Regulator
- Full Convertibility with 15 foreign currencies
- Attractive Tax Regime
- No capital controls
- Globally benchmarked regulations
- Sovereign support, including carve outs

Competitive Advantage

- **Access to large hinterland Indian economy (Hinterland advantage)**
- **Beneficial cost of operations (Cost advantage)**
- **Availability of skilled talent pool (Talent advantage)**

Regulatory architecture

Regulations Benchmarked with Global Best Practices

Banking Regulations 2020	Bullion Exchange Regulations 2020	Global In-House Regulations 2020	FinTech Entity Framework 2022	Issuance and Listing of Securities Regulations, 2021	Finance Company Regulations, 2021
Market Infrastructure Institutions Regulations 2021	Framework for Aircraft Lease 2022	Framework for Ancillary Services 2021	Framework for Global Corporate Treasury Centres 2021	Fund Management (Regulations) 2022	Capital Market Intermediaries Regulations 2021
Registration of Insurance Business Regulations 2021	Insurance Intermediary Regulations 2021	Framework for setting up ITFS 2021	Framework for Ship Lease 2022	Foreign University Regulations 2022	AML, CFT and KYC Guidelines 2022
Insurance Products and Pricing Regulations 2022	Payment & Receipt of Premium Regulations 2022	Insurance Web Aggregator, 2022	Investment by IFSC Insurance Office Regulations 2022	Framework for Global Administrative Office 2022	Re-Insurance Regulations 2023

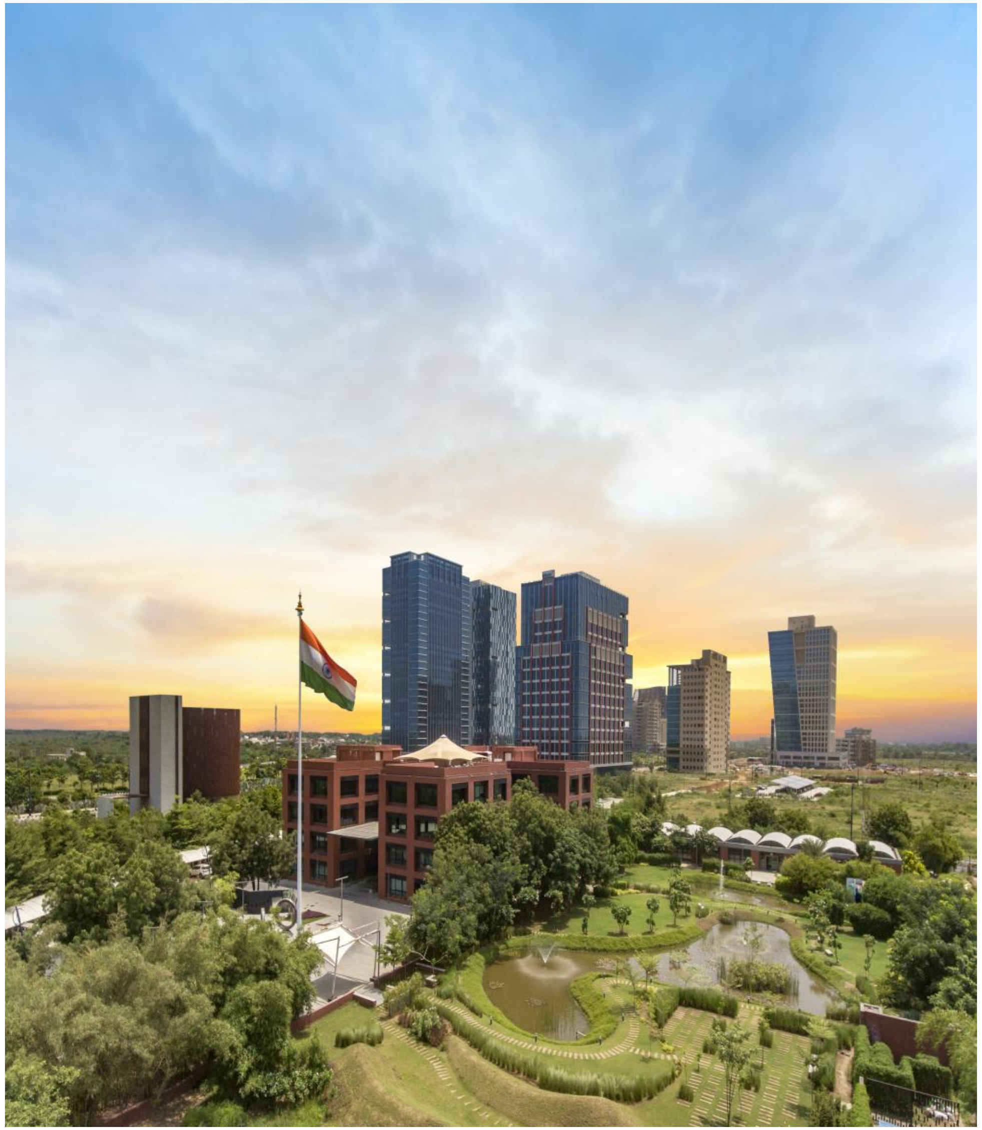
Key Entities in GIFT IFSC and GIFT City

Banking		Funds Industry	Service Provider	Other Entities		Firms in DTA
Standard Chartered	HSBC	ADIA جهاز أبوظبي للاستثمار Abu Dhabi Investment Authority	pwc	Bank of America		IBM
J.P.Morgan	citi	LIGHTHOUSE CANTON	EY Building a better working world	wipro	आपत्काले रक्षिष्यामि GIC Re	Google
MIZUHO	DBS	lightrock	cyril amarchand mangaldas advocates & solicitors	intellect™ A Polaris Group Company		Capgemini
New Development Bank	ANZ	Morgan Stanley	APEX	ICICI Lombard GENERAL INSURANCE		TATA CONSULTANCY SERVICES
Deutsche Bank	MUFG	LGT	IQEQ Know how Know you	ArcelorMittal	Reliance Industries Limited	TECH SOLUTIONS PRIVATE LIMITED
BARCLAYS	SMBC SUMITOMO MITSUI BANKING CORPORATION	BERING	VISTRA	HDFC Life HDFC INTERNATIONAL LIFE AND RE COMPANY LIMITED		INFIBEAM AVENUES™

Competitive tax regime

1. Tax Holiday on Business Income for 10 out of 15 years
2. Minimum Alternate Tax* @ 9%
3. No CTT**/STT**/GST**/Stamp Duty
4. Reduced Withholding Tax of 9% on interest paid on Debt Instruments
5. Competitive Tax Regime for Funds
6. Incentives under Gujarat IT/ITeS Policy (2022-27)

*MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BA of Income Tax Act, 1961
**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



Business Growth Across Various Verticals (1)

	Upto Sept. 2020 *Before IFSCA*	Upto Dec. 2024 *After IFSCA*	Growth
IFSC Entities			
1. IFSCA Registered Entities*	129	750 +	621 (481%)
Banking			
2. Number of Banks	14	28	14 (100%)
3. Total Banking Asset Size	$ 14 Bn	$ 78.3 Bn	$ 64.3 Bn (460%)
4. Total Banking Transactions	$ 53 Bn	$ 1095 Bn	$ 1042 Bn (1966%)
5. Payment service Providers	NA	5	5

* Including entities registered, licensed or authorized

Business Growth Across Various Verticals (2)

	Upto Sept. 2020 *Before IFSCA*	Upto Dec. 2024 *After IFSCA*	Growth
Capital Markets			
6. Total Debt Listing on Exchanges	$ 23 Bn	$ 63.6 Bn	$ 40 Bn+ (173%)
7. Out of which, ESG Debt Listing	$ 2.1 Bn	$ 15.4 Bn	$ 13 Bn+ (619%)
8. Monthly Turnover on IFSC Exchanges	$ 21.7 Bn	$ 85 Bn	$ 63 Bn+ (290%)
FinTech			
9. Sandbox Entities	NA	44	44
10. FinTechs/TechFins Authorized	NA	12	12
11. Accelerators Authorized	NA	2	2

**6 FinTech entities exited the Sandbox in last 6 months*

Business Growth Across Various Verticals (3)

	Upto Sept. 2020 *Before IFSCA*	Upto Dec. 2024 *After IFSCA*	Growth
Insurance*			
12. Number of Insurance Entities	16	41	25 (156%)
13. Re(insurance) Gross Premium booked by Insurance Offices (IIOs)	$ 45 Mn	$ 504 Mn*	$ 459 Mn (1020%)
14. Re(insurance) Premium transacted by Intermediaries (IIIOs)	$ 158 Mn	$ 1088 Mn*	$ 930 Mn (588%)
Aircraft & Ship Leasing			
15. Registered Aircraft Lessors	NA	33	33
16. Total Aviation Assets Leased**	NA	196	196
17. Registered Ship Lessors	NA	22	22
18. Total Ships Leased	NA	13	13

*Insurance data till Dec 2024

**Including Aircrafts & Helicopters (63), Engines (53) and Ground Support Equipment (80)

Business Growth Across Various Verticals (4)

	Upto Sept. 2020 *Before IFSCA*	Upto Dec. 2024 *After IFSCA*	Growth
Fund Management			
19. Fund Management Entities	NA	138 FMEs	138 FMEs
20. Funds/Schemes Registered	NA	198 Funds	198 Funds
21. Targeted Corpus of Funds	NA	$ 45.4 Bn	$ 45.4 Bn
Bullion Exchange			
22. Qualified Suppliers	NA	33	33
23. Qualified Jewellers	NA	153	153
24. Gold Traded on IIBX	NA	69.4 Tonnes	69.4 Tonnes
25. Silver Traded on IIBX	NA	1148 Tonnes	1148 Tonnes

Business Growth Across Various Verticals (5)

Other Key Segments	Upto Sept. 2020 *Before IFSCA*	Upto Dec. 2024 *After IFSCA*	Growth
26. Foreign Universities	NA	3	3
27. BATF Entities	NA	19	19
28. Global Treasury Centre	NA	3	3
29. Ancillary Entities	NA	68	68

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
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Government Of India

International Financial Services Centres Authority (IFSCA)

Regulatory Overview for Finance Companies and Treasury Centres

International Financial Services Centre Authority, GIFT City

Ministry of Finance, Government of India
Gandhinagar, GUJARAT INDIA

07/02/2025

3.1 Global/Regional Corporate Treasury Center (GRCTC) – Framework

Eligibility and Registration

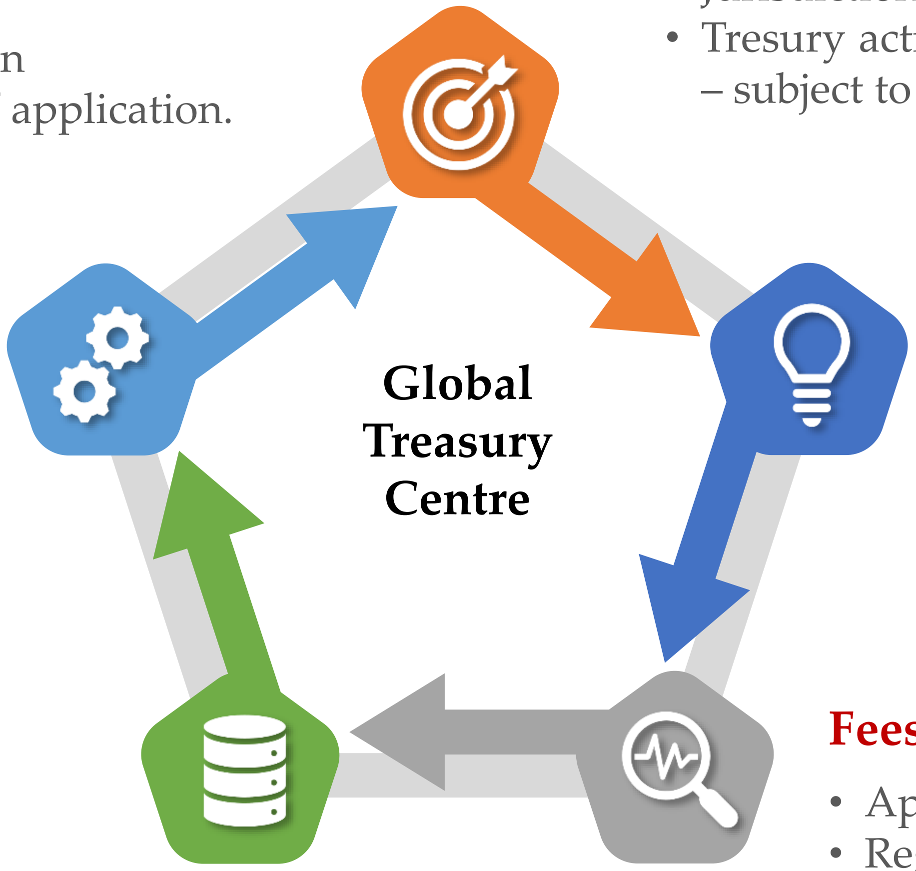
- Registration under Finance Company Regulations*
- 2 stage process
  - Provisional Registration
  - Certificate of Registration
- **Time:** 90 days from receipt of application.

Legal Form

- Company or Branch

Currency and Transactions

- Freely convertible foreign currency transactions (15 currencies specified)
- Can carry out transactions in currencies not specified, provided they are settled in specified currency.
- Separate INR account for administrative expenses.



Service Recipient

- Group entities (GE) of GRCTC
- GE of parent of GRCTC
- All GE from FATF complaint Jurisdiction.
- Tresury activities/ services to India – subject to FEMA

Light Touch Regulation

- Exemption from prudential requirements (CRAR, LC, EC) subject to board approved policies on corporate governance, risk management and meeting fit and proper criteria of Authority
- Owned Fund: USD 0.2 mn

Fees

- Application: USD 1000
- Registration: USD 12500
- Recurring: USD 25000

3.2 Permissible Treasury Activities and Treasury Services

01 Borrowing

- Borrow funds/raise debt either in its own account or on behalf of its service recipients.
- Intra-company borrowing/deposits.

02 Credit arrangements

Lending, providing credit guarantee, performance bonds and any other credit facility.

03 Transacting/ Investing in financial instruments

- Includes stocks, shares, bonds, or other financial instrument

04 Derivative transactions

- Includes OTC/exchange traded derivatives with counterparties/ market-makers.
- Counterparty may be inside or outside IFSC

05 Factoring & Forfaiting

- Seek registration as a Factor under IFSCA (Registration of Factors) Regulations, 2024.

06 Re-invoicing

- Sale and purchase of goods on behalf of service recipients, provided GRCTC does not take physical possession of such goods

3.2 Permissible activities

07 Liquidity Management

- Pooling of Funds
- Optimizing commercial cash flows
- Managing supplier relationships

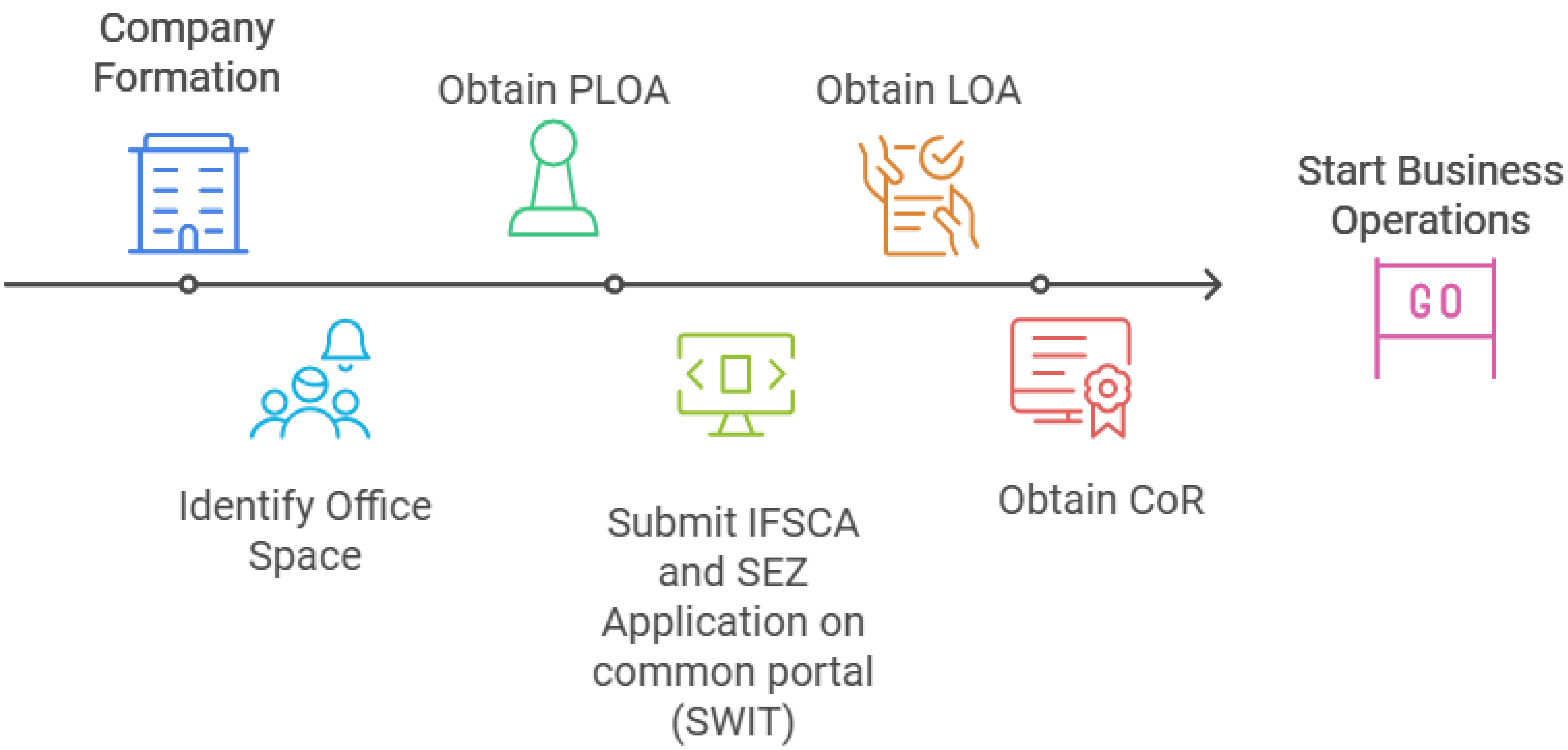
08 Act as a Holding Company

- Acquisition or investment in group entities by way of equity shares, preference shares, bonds, debentures or loans.

09 Others

- Maintaining relationships with financial counterparties.
- Management of obligations on behalf of service recipients towards insurance and pension related commitment.
- Providing advice related to financial management including financial risk management.
- Providing Advice related to funding and capital market activities.

Setting up in IFSC



Potential Benefits for a GRCTC

Consideration for setting up a GRCTC	What's offered by IFSC
Tax Attractiveness	➢ Income Tax benefit of 10 years out of block of 15 years ➢ No GST and no MAT if concessional regime is adopted ➢ Provisions of 'deemed dividend' shall not apply on any advance or loan between two group entities. (proposed in Finance Bill 2025)
Regulatory Reporting Framework	➢ One single unified regulator ➢ Lower regulatory reporting requirements envisaged
Infrastructure & Accessibility	➢ Low cost of operation due to locational advantage ➢ Easy accessibility and well connected by all modes of transport
Government Incentives	➢ State government incentives declared over and above tax benefits
Access to Capital Markets	➢ Exchanges like NSE, BSE and SGX are already active in Gift City ➢ Additional tie-ups with foreign exchanges in pipeline
Banking Factors & Currency Environment	➢ Many domestic and international banks have already set up or in a process of setting up their presence in IFSC ➢ Availability of structured derivative/ banking products are expected
Availability of Skills and Talent Pool	➢ Availability of highly skilled talent pool within India at competitive cost
Ecosystem Advantage	➢ Fast Growing ecosystem: India's Global Financial Centre ➢ Accessible and Progressive Regulator
Centralised Location	➢ Setting up in IFSC can aid in catering to markets in multiple time zones

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

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info-desk@ifsca.gov.in
www.ifsca.gov.in

INDIA'S FIRST INTERNATIONAL EXCHANGE

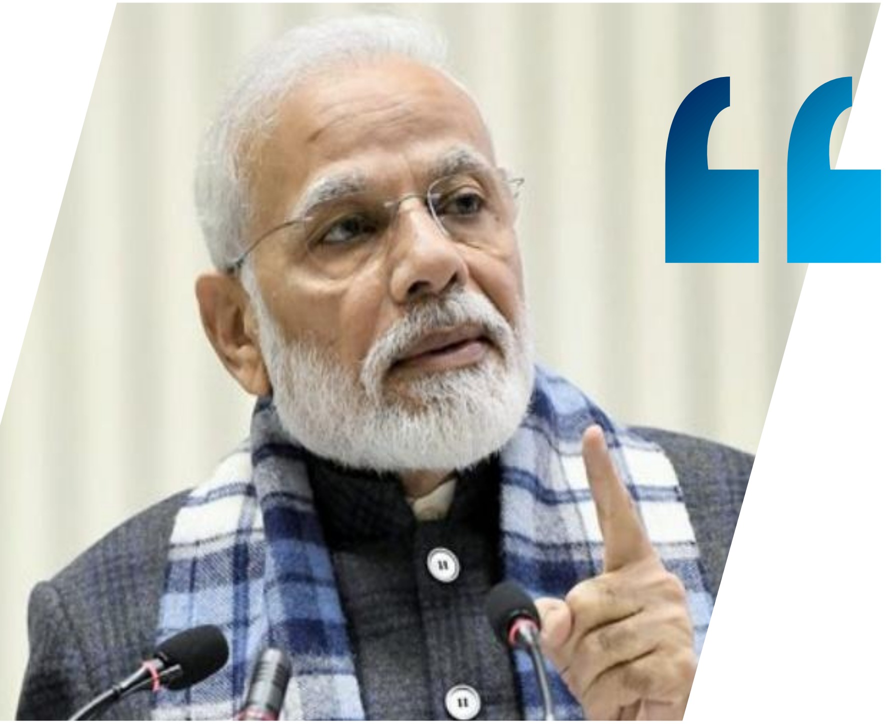
YOUR BEST OFFSHORE GATEWAY

INDIA INX

INDIA INTERNATIONAL EXCHANGE

2 KEY VISION OUTLINED BY PM
AT THE LAUNCH OF INDIA INX

INDIA INX
INDIA INTERNATIONAL EXCHANGE



"My vision is, Gift city should become the price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other financial instrument"

"..Companies from Asia, Africa and Europe should be able to raise funds from this important International Finance Centre"

Hon'ble Prime Minister , Shree Narendra Modi
on 9th Jan, 2017
at inauguration of India INX

1ST MOVER @ GIFT IFSC

INDIA INX
INDIA INTERNATIONAL EXCHANGE

1st EXCHANGE AT GIFT IFSC

TO LIST 150 DEBT SECURITIES

To start **derivatives trading** in GIFT IFSC	To list and trade **debt product** in GIFT IFSC	To be **ISO certified**
To launch dedicated **green bonds** platform	To Provide trading window of **22 HRS**	To conduct live **trading from DR site**

INDIA INX – *PRODUCT PORTFOLIO*

INDIA INX
INDIA INTERNATIONAL EXCHANGE

EQUITIES

- Initial Public Offer
- Direct listing of equities
- Follow on Public Offer
- Offer for Sale
- Qualified Institutional Placement
- Preferential Issue
- Right Issue
- REITs/InvITs
- Depository Receipts

DEBT

- Foreign Currency Bonds
- Masala Bonds – INR Denominated
- ESG Labelled Bonds
- Medium Term Note Programme
- Supranational & Sovereign Bonds
- Municipal Bonds
- SGrB
- CP & CD

DERIVATIVES

- Equity Index Derivatives
  - BSE SENSEX
- Commodity Derivatives
- Currency Derivatives
- 125+ Single Stock Futures

DIRECT LISTING OF EQUITY IN GIFT IFSC
Eligibility Criteria

INDIA INX
INDIA INTERNATIONAL EXCHANGE

Following entities are eligible to list their securities on a recognised stock exchange in IFSC:

- Company incorporated in an IFSC
- Company incorporated in India*
- Company incorporated in a Foreign Jurisdiction

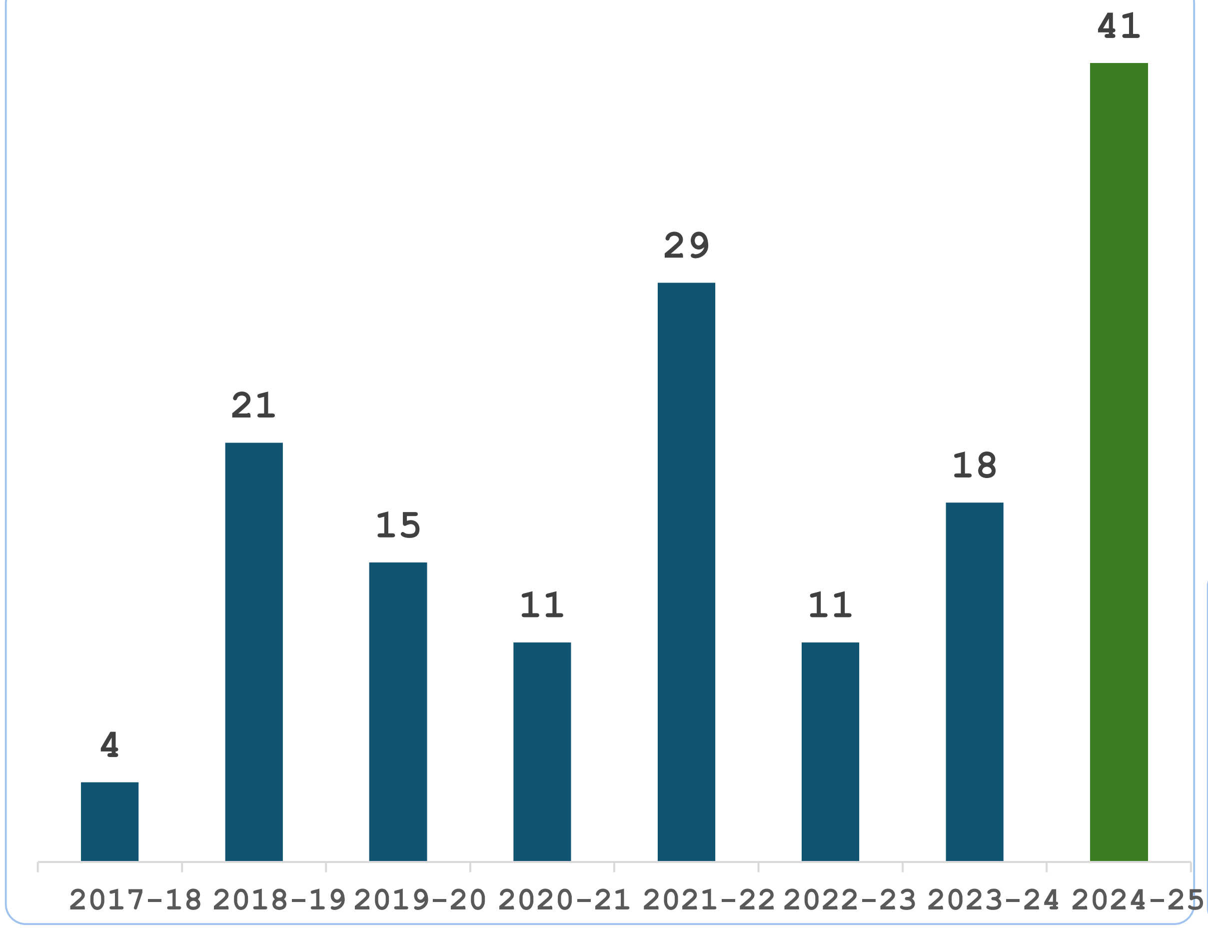
**IFSCA Regulations are in place to govern listing of unlisted as well as listed Indian corporates. However, for listing of corporates listed in domestic jurisdiction, operational framework from SEBI is awaited*

IFSCA (Listing) Regulations, 2024
Key Highlights

- Can list only with 10% dilution. No requirement to raise to 25%
- No minimum number of investors prescribed
- Issue can be open minimum for 1 day and max for 10 days
- Unlisted Indian corporate:
  - To list only through book building process
  - Shall have positive net worth
- Issue to be handled by Lead Manager (LM) registered with IFSCA
- Discretion is given to the issuer / LM to decide on:
  - Categories of investors (e.g. QIBs/HNI/SH/Employee)
  - Methodology for allotment (e.g. Proportionate/ discretionary)
  - Mode of collection of subscription in IPO

LEADING AT GLOBAL SECURITIES MARKET

INDIA INX
INDIA INTERNATIONAL EXCHANGE

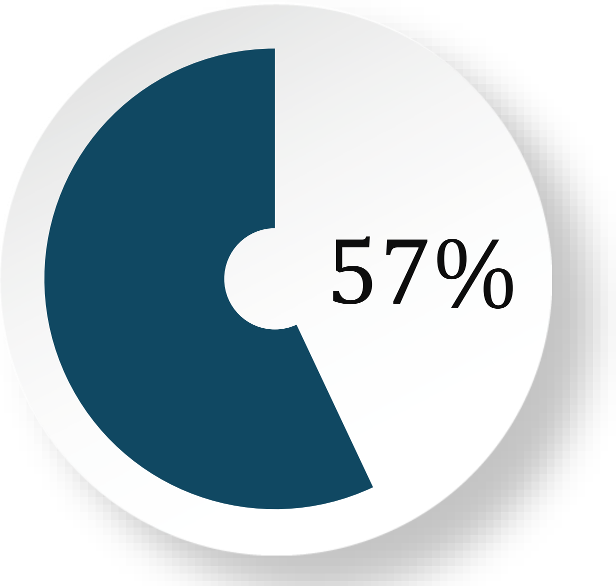


MTN Programme Established	$ 82+ Billion
Value of bonds listed	$ 60+ Billion
ESG Issuance	$ 14+ Billion
No. of unique ISIN listed	150
Unique issuers	56

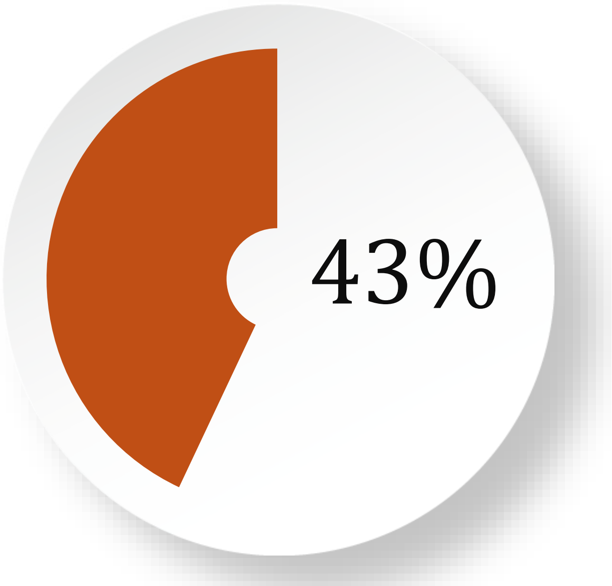
Trading in Global Access	$ 1.5+ Billion
Derivatives Volume	$ 8.93 Trillion
Daily ADTV for FY 24-25	$ 206 Million

PSU Contribution to Total Debt Issuances

$ 34+ Billion



Other Issuers



PSU's

$ 26+ Billion

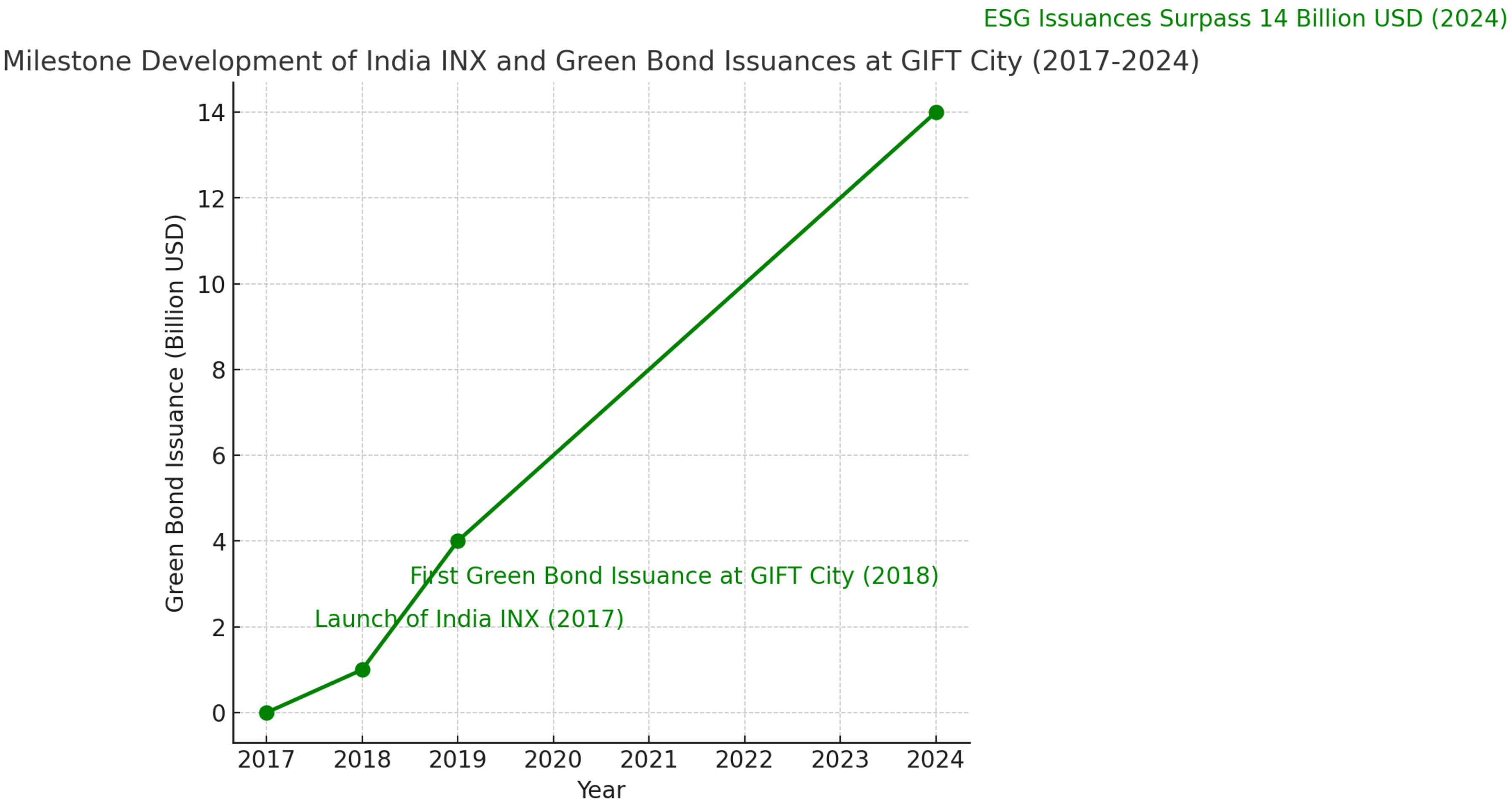
Public Sector Undertakings (PSUs) contribute significantly, accounting for 43% of the total debt issuances on India INX

GSM GREEN @ India INX

INDIA INX
INDIA INTERNATIONAL EXCHANGE

GSM GREEN @ India INX

GSM Green



$14+ Billion

GSM GREEN @ India INX

01 MOU with Luxembourg Stock Exchange

02 A Dedicated Green Listing platform

03 Introduction of SGrB through India INX

GIFT IFSC – Tax Competitiveness

INDIA INX
INDIA INTERNATIONAL EXCHANGE

No STT/CTT

No Security transaction tax / No Commodity transaction tax

No Capital Gains Tax

For Specified Securities (units held by Non-residents)

No Stamp duty

No stamp duty on transaction carried out in IFSC exchanges

No GST

Zero Good & Services Tax (GST) on transactions carried out in IFSC exchanges

Tax Holiday

10-year tax holiday on 100% of the profit for BUs in IFSC

Minimum Alternative Tax (MAT)

9% of profit-booking, No MAT if assessee adopted new tax regime

Lower Withholding Tax

9% on interest payments for bonds listed on IFSC Exchanges

Additional Tax Benefits

- Tax exemption on interest pay-out
- No capital gain in relocation of capital asset, etc.

LISTED BOND UNIVERSE

INDIA INX
INDIA INTERNATIONAL EXCHANGE

USD 82+ Billion of MTN established

USD 60+ Billion of listed debt securities

Contact: listing.sales@indiainx.com

INDIA INX

INDIA INTERNATIONAL EXCHANGE

YOUR BEST OFFSHORE GATEWAY

Social Media Handles

For more details, please visit

http://www.indiainx.com

or write to us at

listing.sales@indiainx.com

DISCLAIMER

INDIA INX
INDIA INTERNATIONAL EXCHANGE

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Public Sector Enterprises Summit 2.0

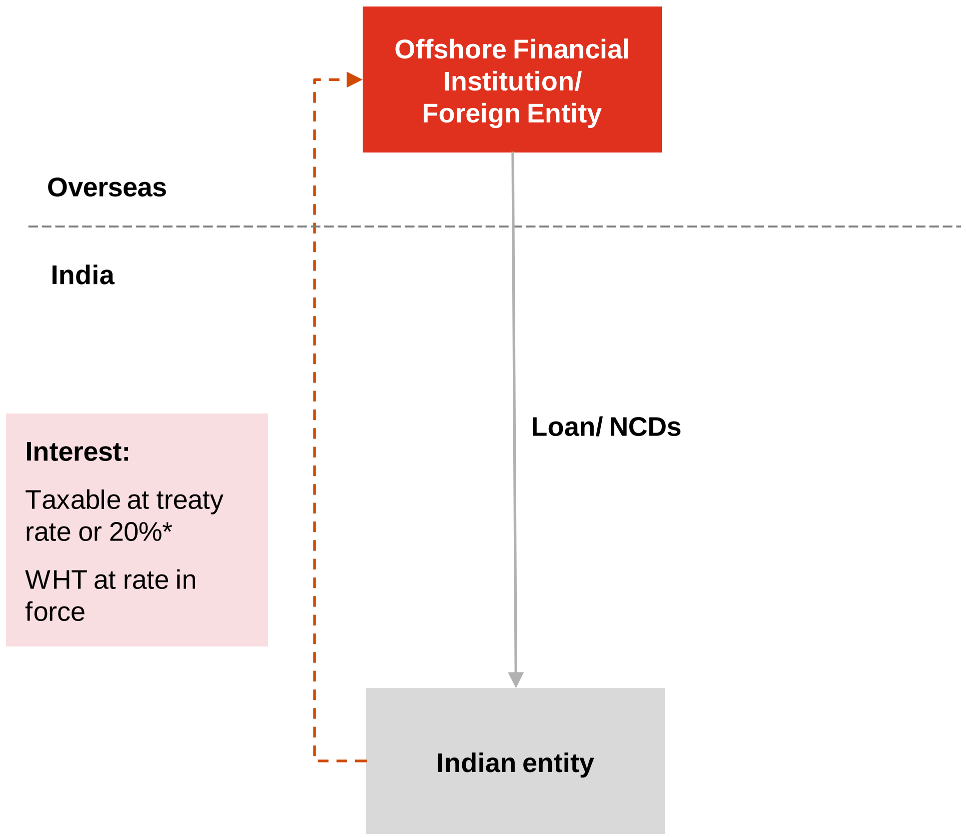
February 2025

Price Waterhouse & Co LLP

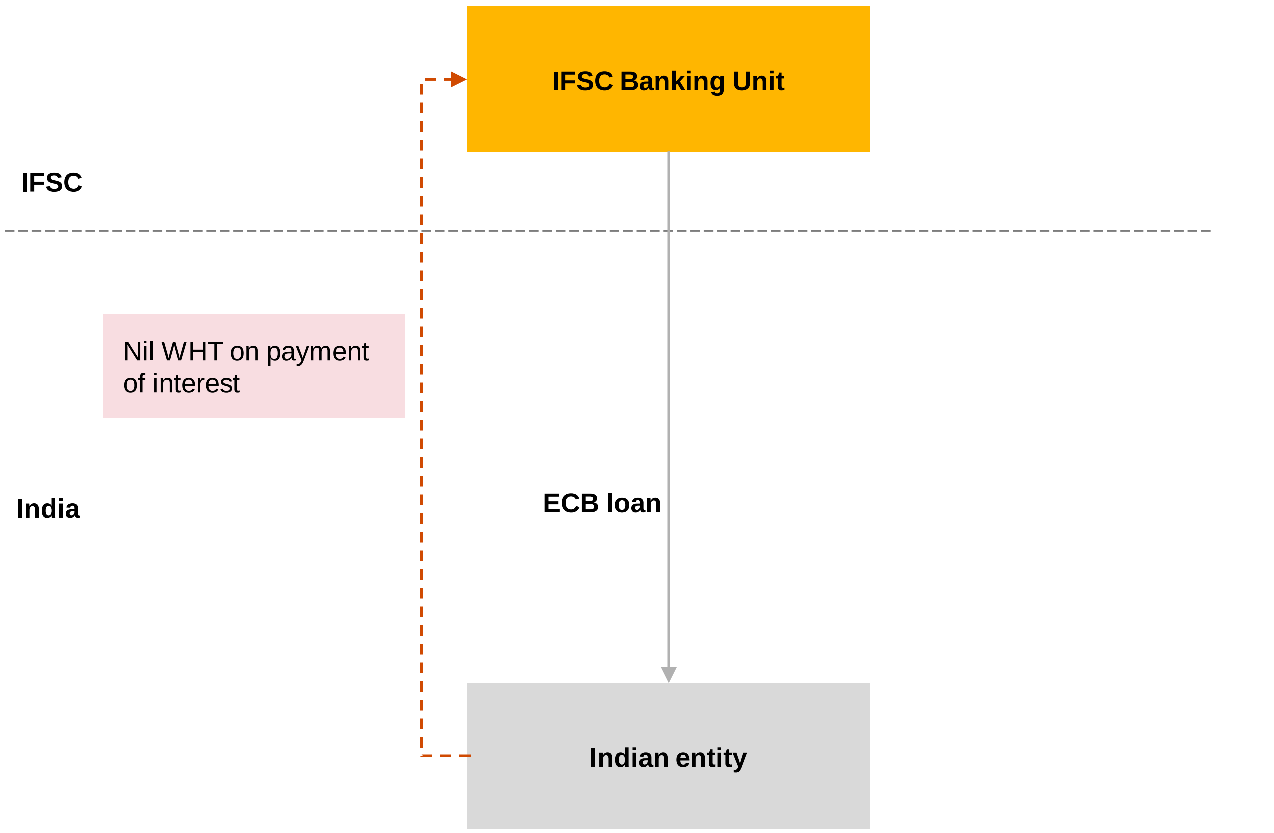
Proposed Scenarios

#1 ECB Loans through IBU

Current Scenario



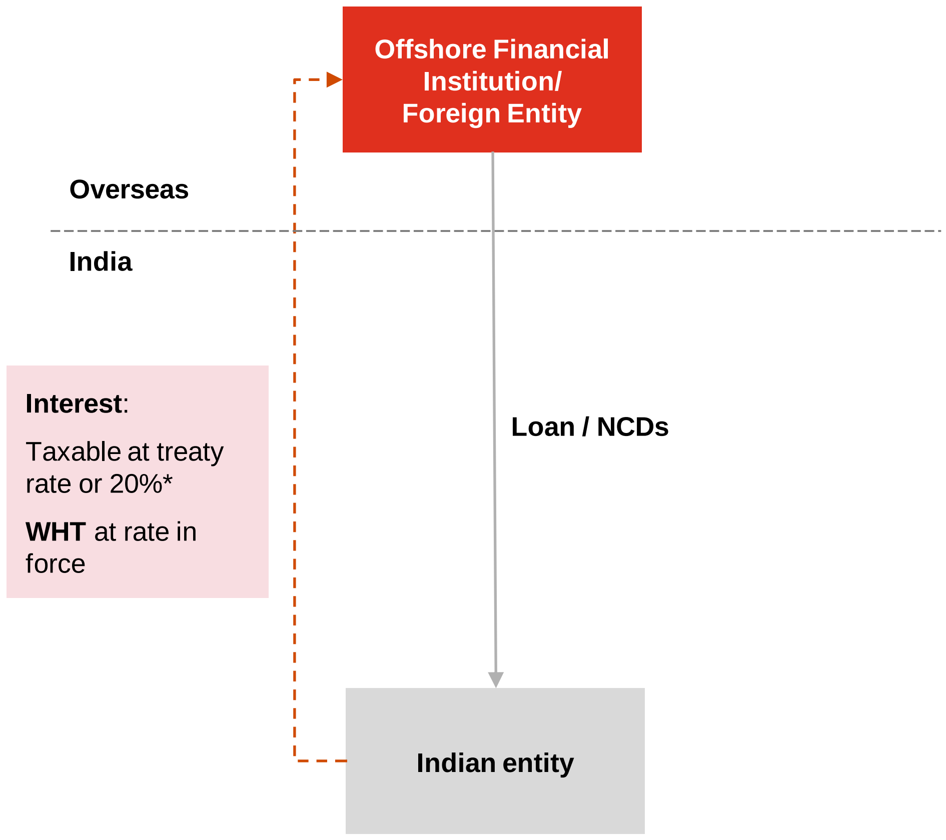
Proposed Scenario



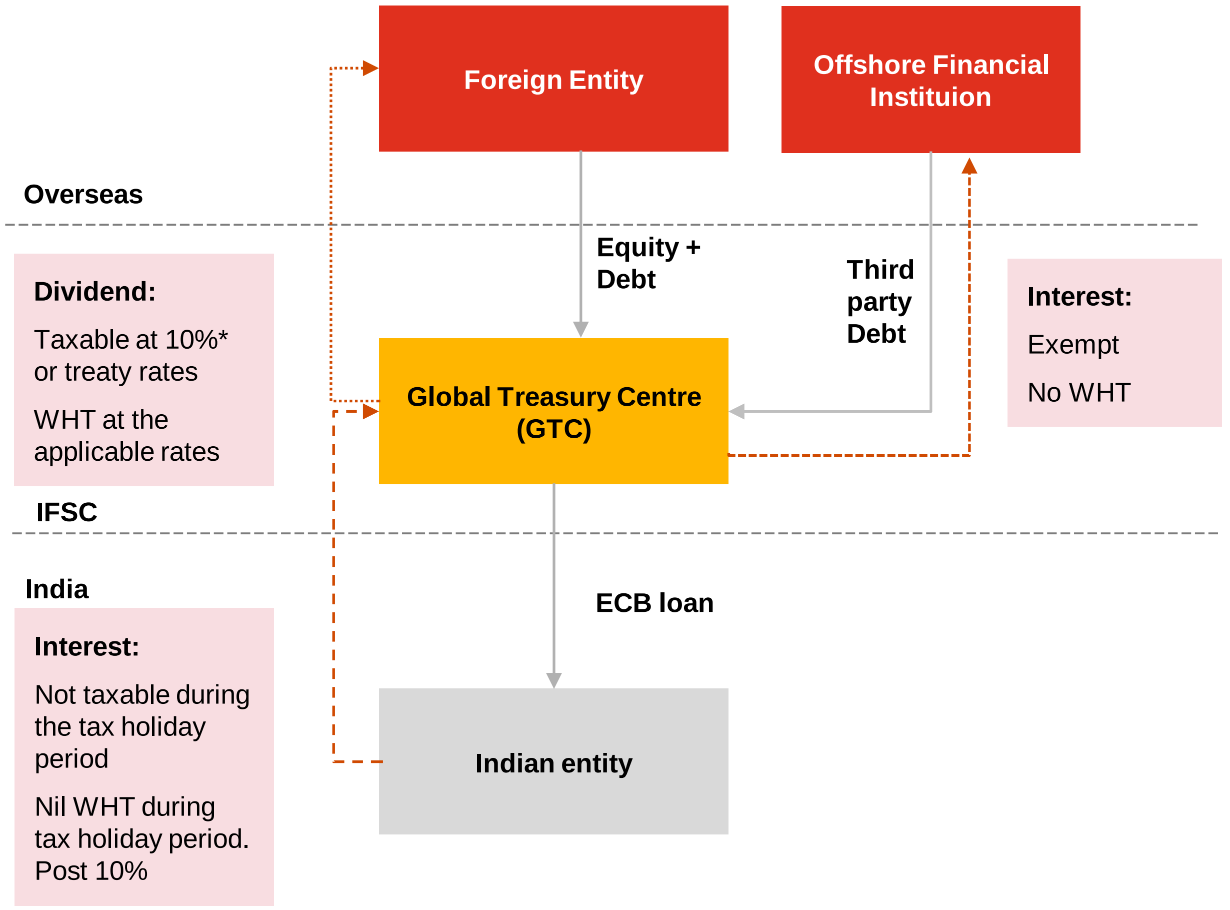
** plus applicable surcharge and cess*

#2 ECB Loans through GTC in IFSC

Current Scenario

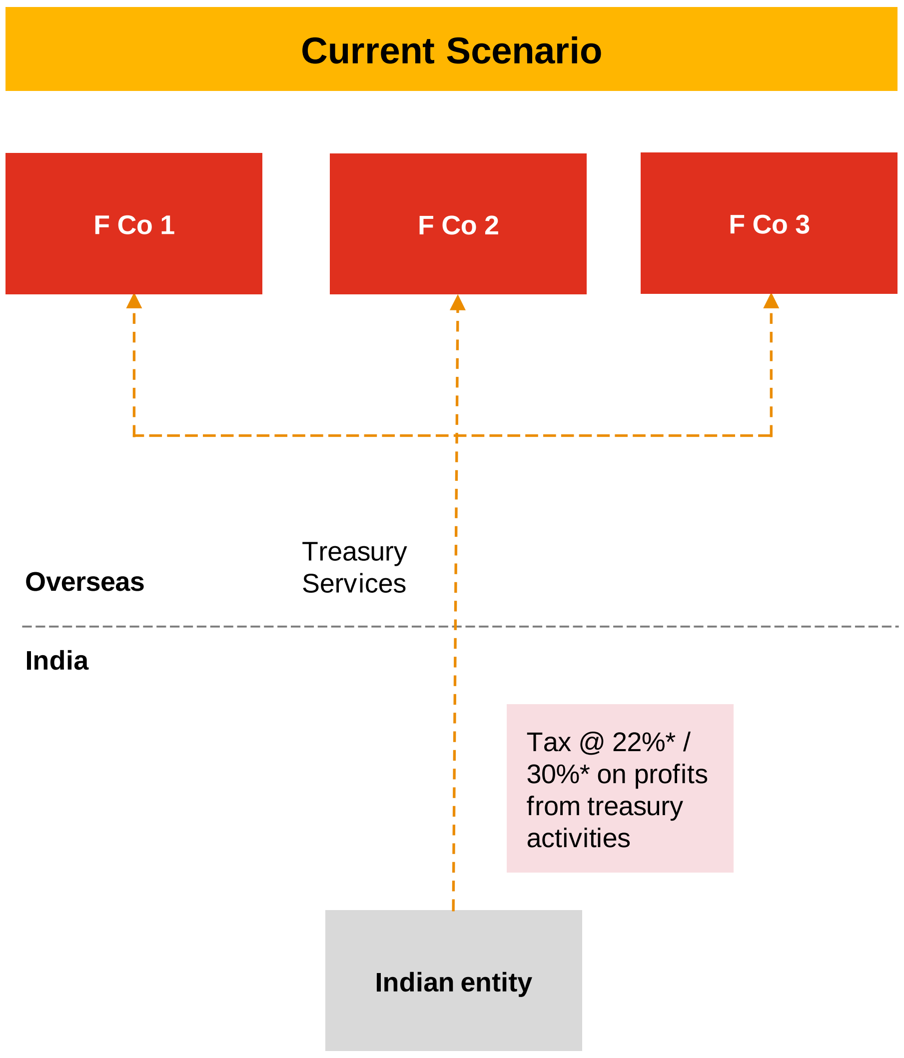


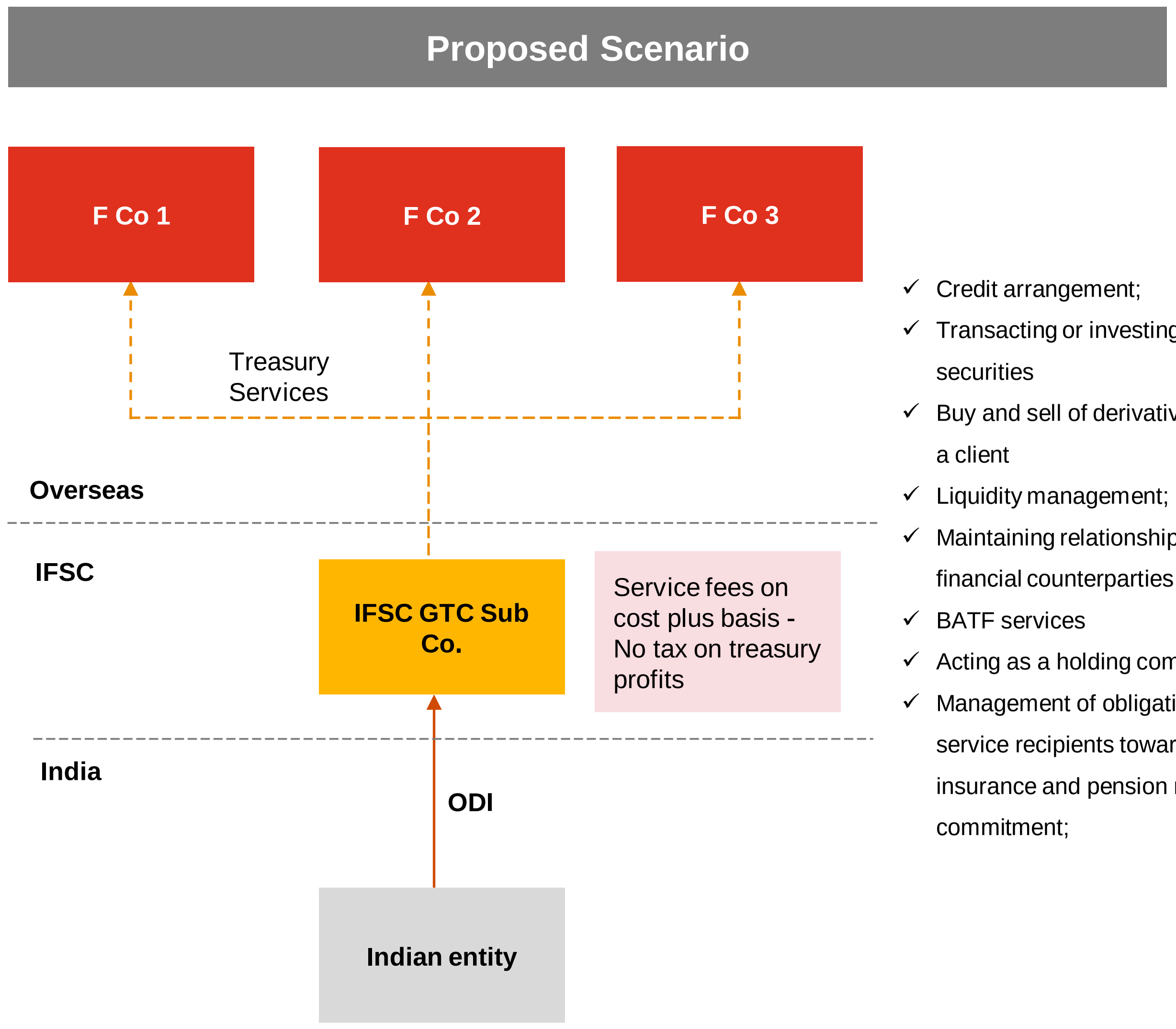
Proposed Scenario



* *plus applicable surcharge and cess*

#3 Treasury services

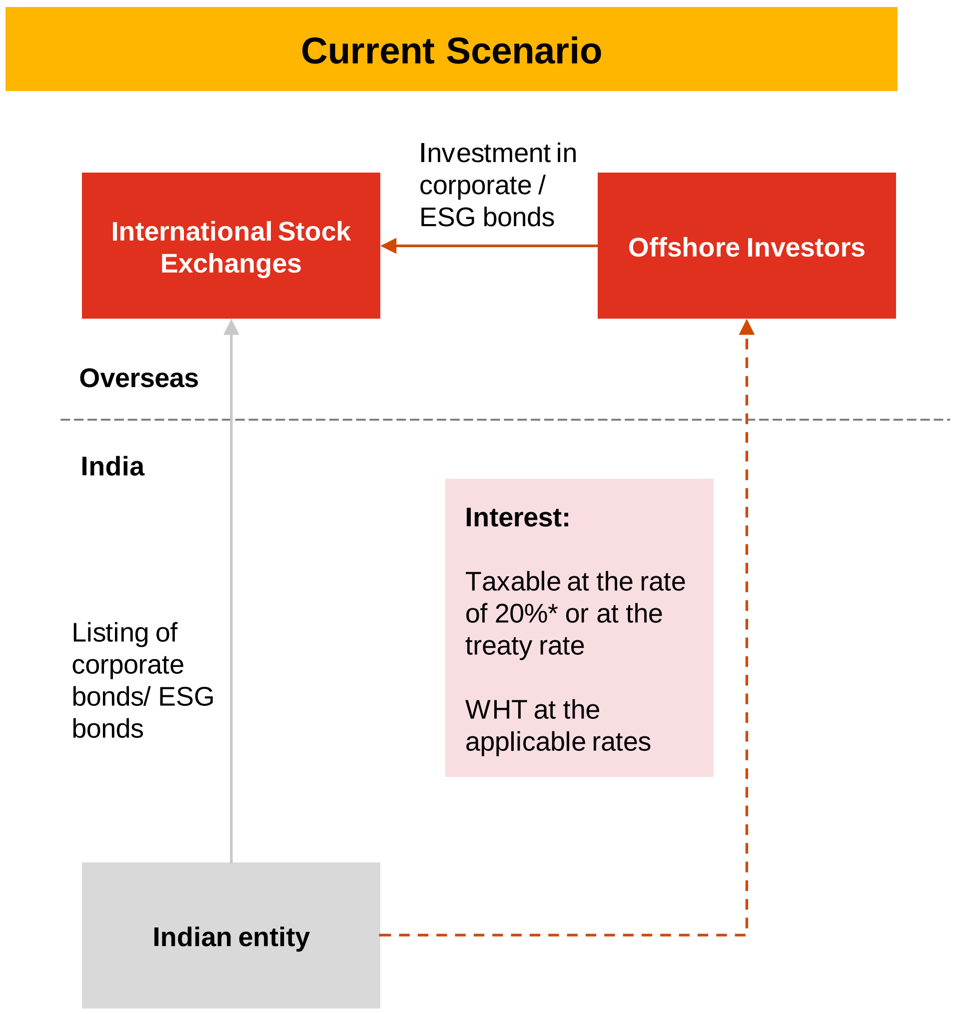


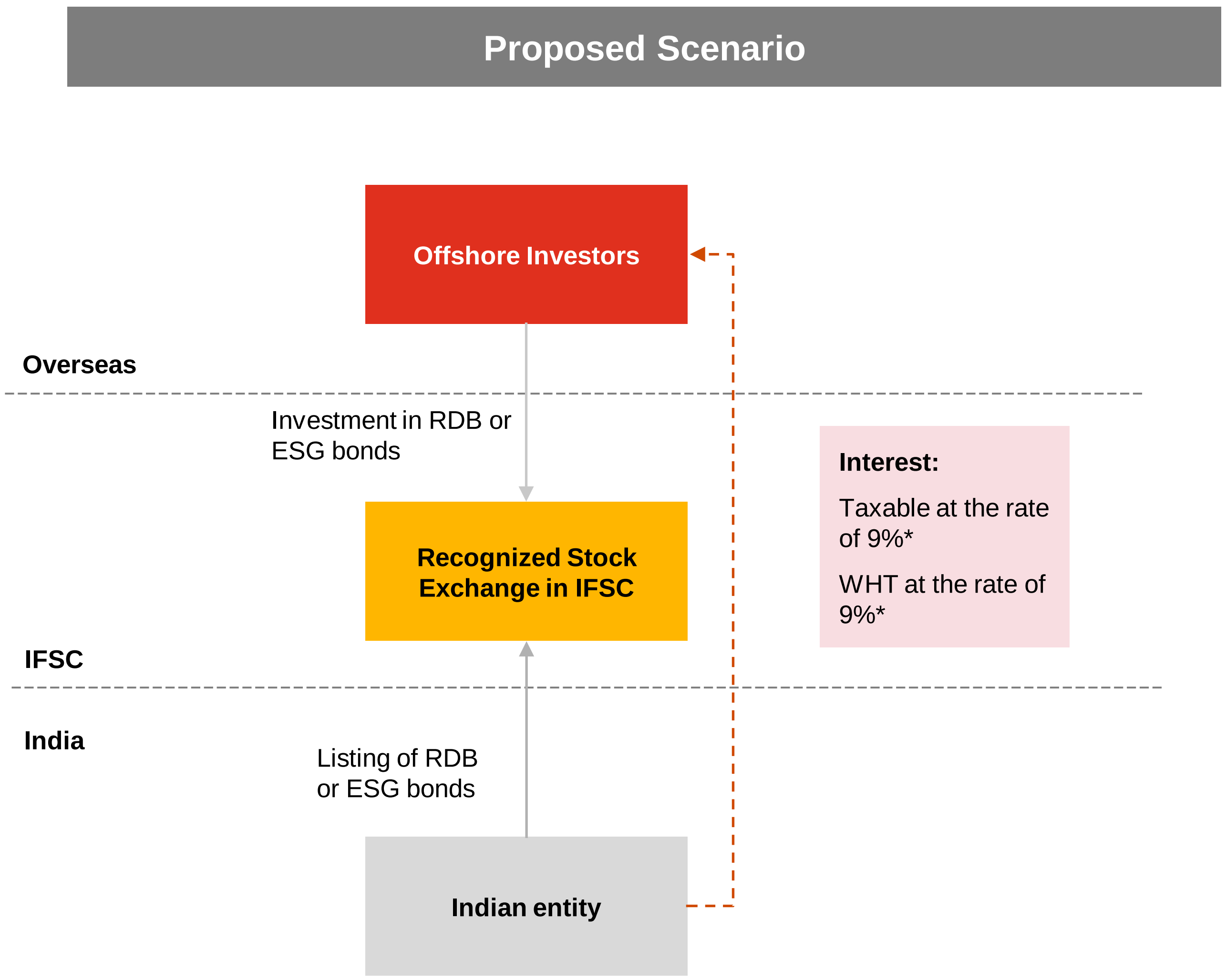


- ✓ Credit arrangement;
- ✓ Transacting or investing in securities
- ✓ Buy and sell of derivatives as a client
- ✓ Liquidity management;
- ✓ Maintaining relationships with financial counterparties
- ✓ BATF services
- ✓ Acting as a holding company
- ✓ Management of obligations of service recipients towards insurance and pension related commitment;

* plus applicable surcharge and cess

#4 Listing of corporate bonds/ ESG bonds

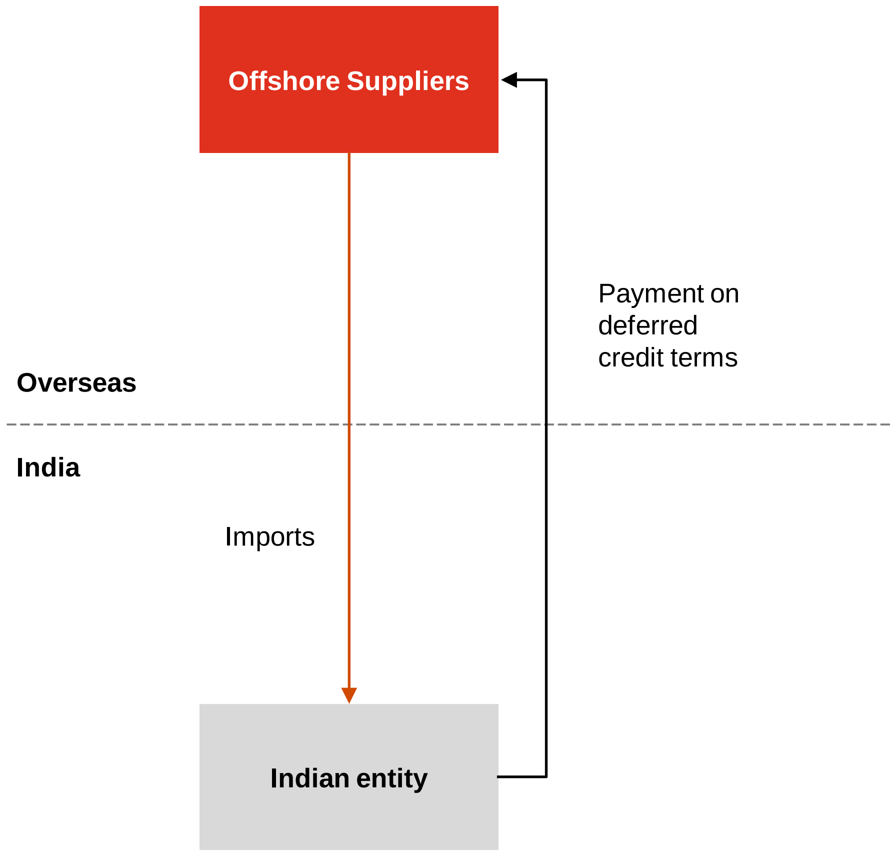




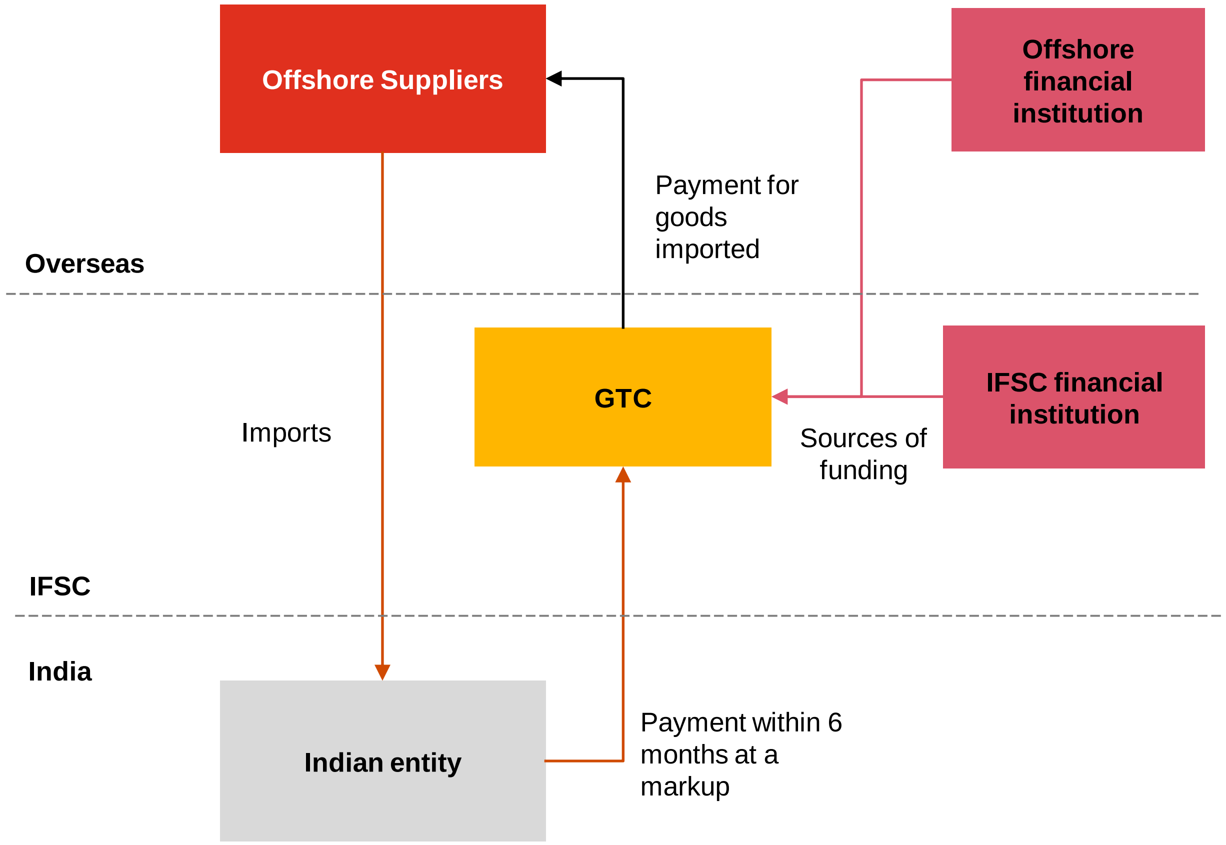
** plus applicable surcharge and cess*

#5 Re-invoicing

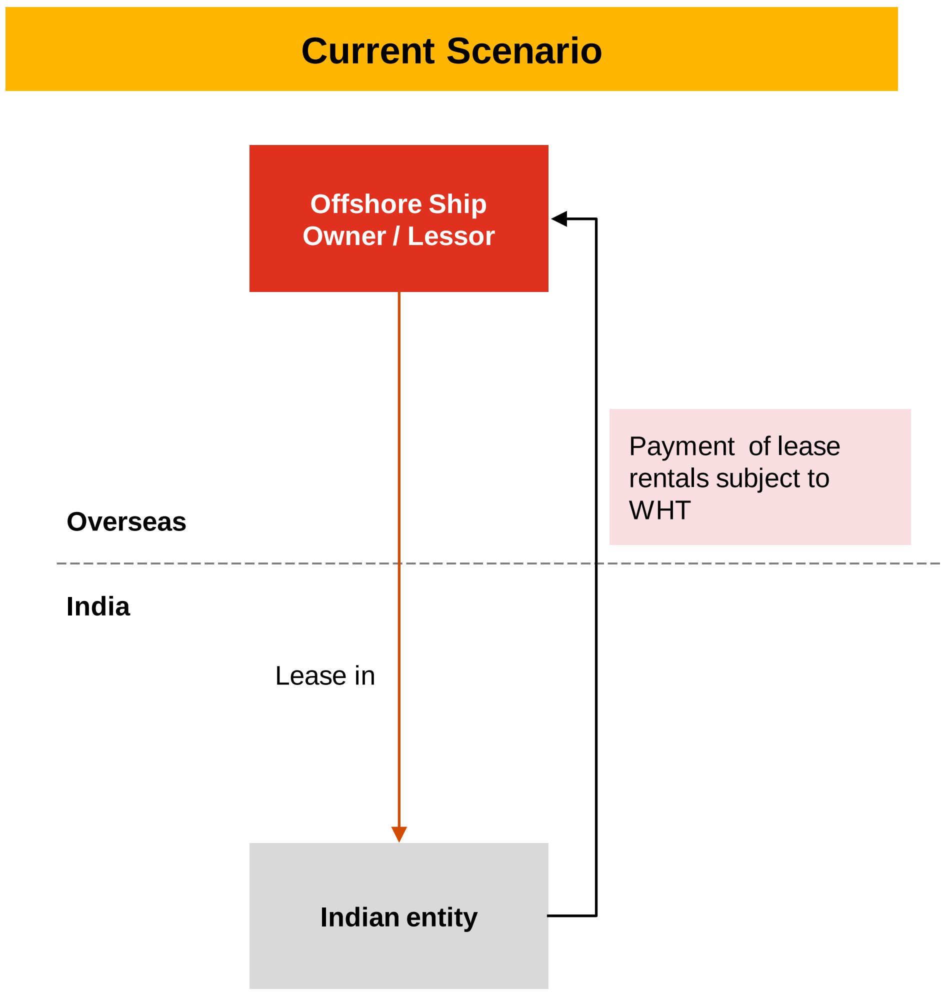
Current Scenario

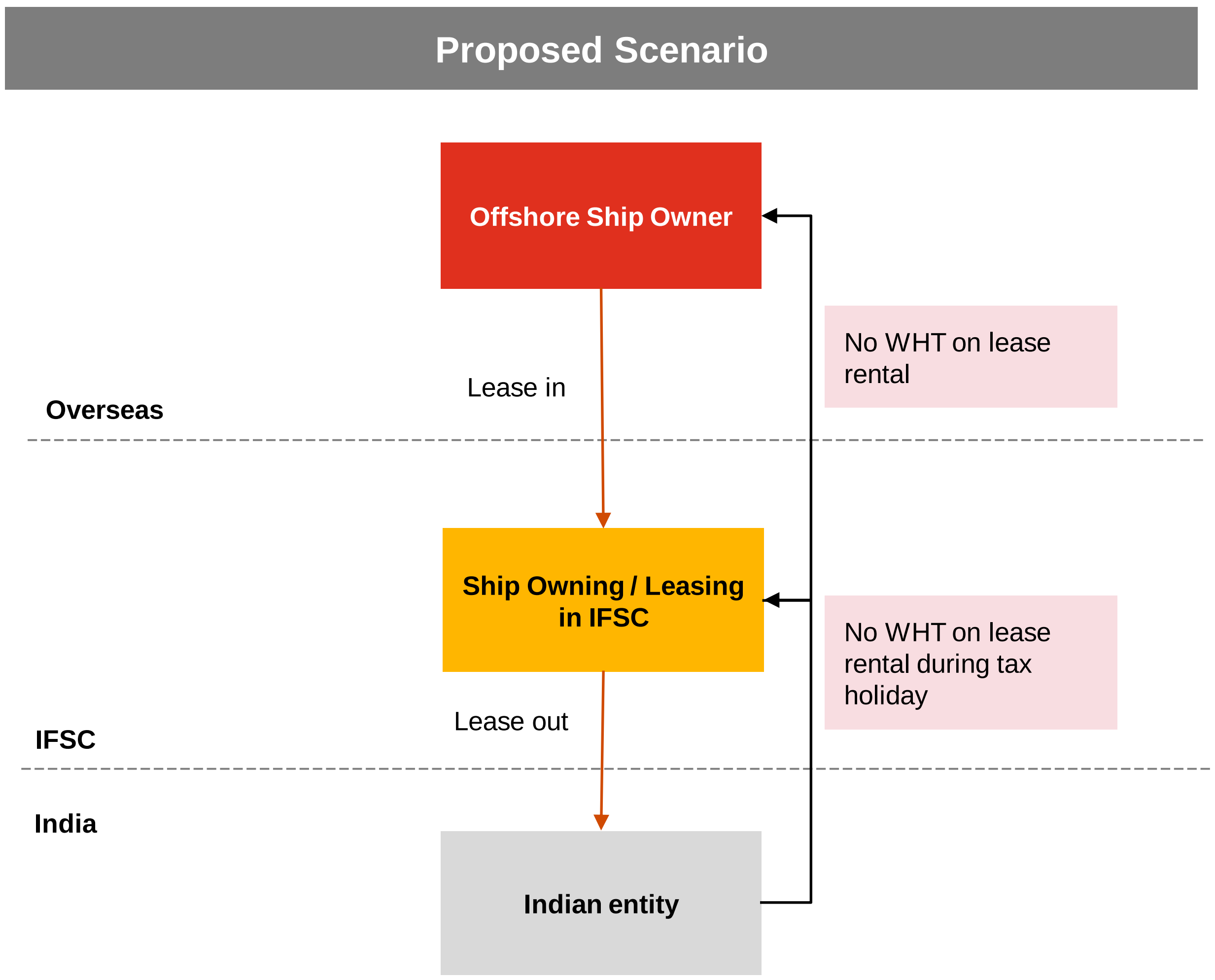


Proposed Scenario



#6 Ship Leasing from IFSC





Thank you

Data classification: DC3 (Highly Confidential)

Vankorneft Drill Site

ACG Platform

MECL Field

Lower Zakum Offshore Complex

IFSCA CPSE Summit 2.0: Opportunities in GIFT IFSC

Experience Sharing by ONGC Videsh Limited

February 2025

Presentation Overview

Presentation Overview

1. **Introduction of ONGC Videsh**
2. Global Footprints
3. Reserves and Production
4. Global Partners
5. Experience @ GIFT IFSC
6. Enhancing attractiveness of GIFT IFSC

ONGC Videsh Limited – International E&P Company of India





5th March 1965	15th June 1989	19 Countries, 32 Assets	202 KBOE	476_125/ 482_176 MMTOE
Incorporated as **Hydrocarbons India Pvt. Ltd**.	Rechristened **ONGC Videsh Ltd.**	Global Presence	Avg. Daily Production in FY'24	2P_2C/3P_3C Reserves @01.04.2024

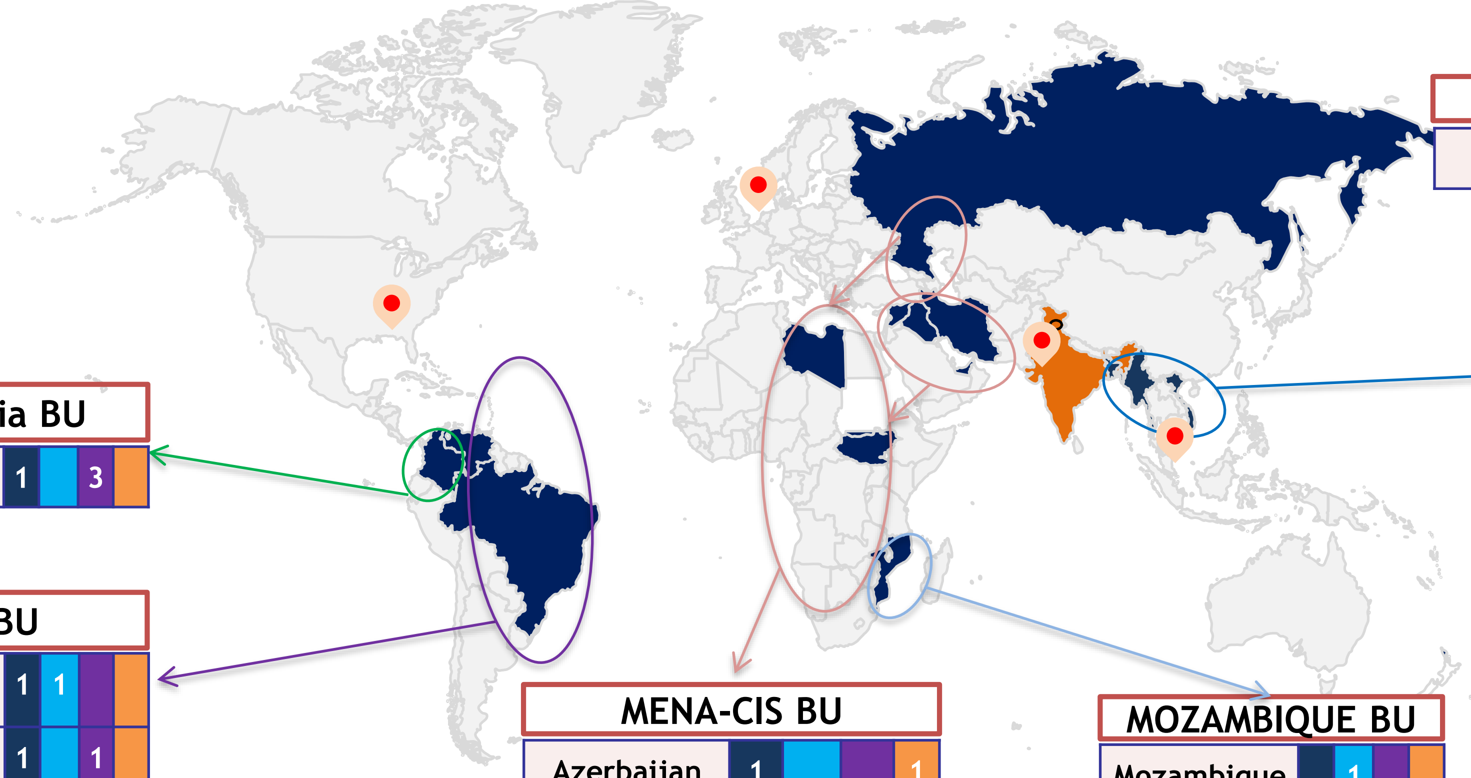
Key Strengths

Presentation Overview

1. Introducing ONGC Videsh
2. **Global Footprints**
3. Reserves and Production
4. Global Partners
5. Experience @ GIFT IFSC
6. Enhancing attractiveness of GIFT IFSC

Global Footprints

32 projects in 15 countries | Producing: 14 | Discovered/ Developing: 4 | Exploration: 11 | Pipeline: 3



Colombia BU

Colombia	1		3	

LAC BU

Venezuela	1	1		
Brazil	1		1	

MENA-CIS BU

Azerbaijan	1			1
UAE	1			
South Sudan	2			

MOZAMBIQUE BU

Mozambique		1		

Russia BU

Russia	3			

AP BU

Vietnam	1		1	
Myanmar	2		2	2
Bangladesh			2	

Dormant Projects: 5

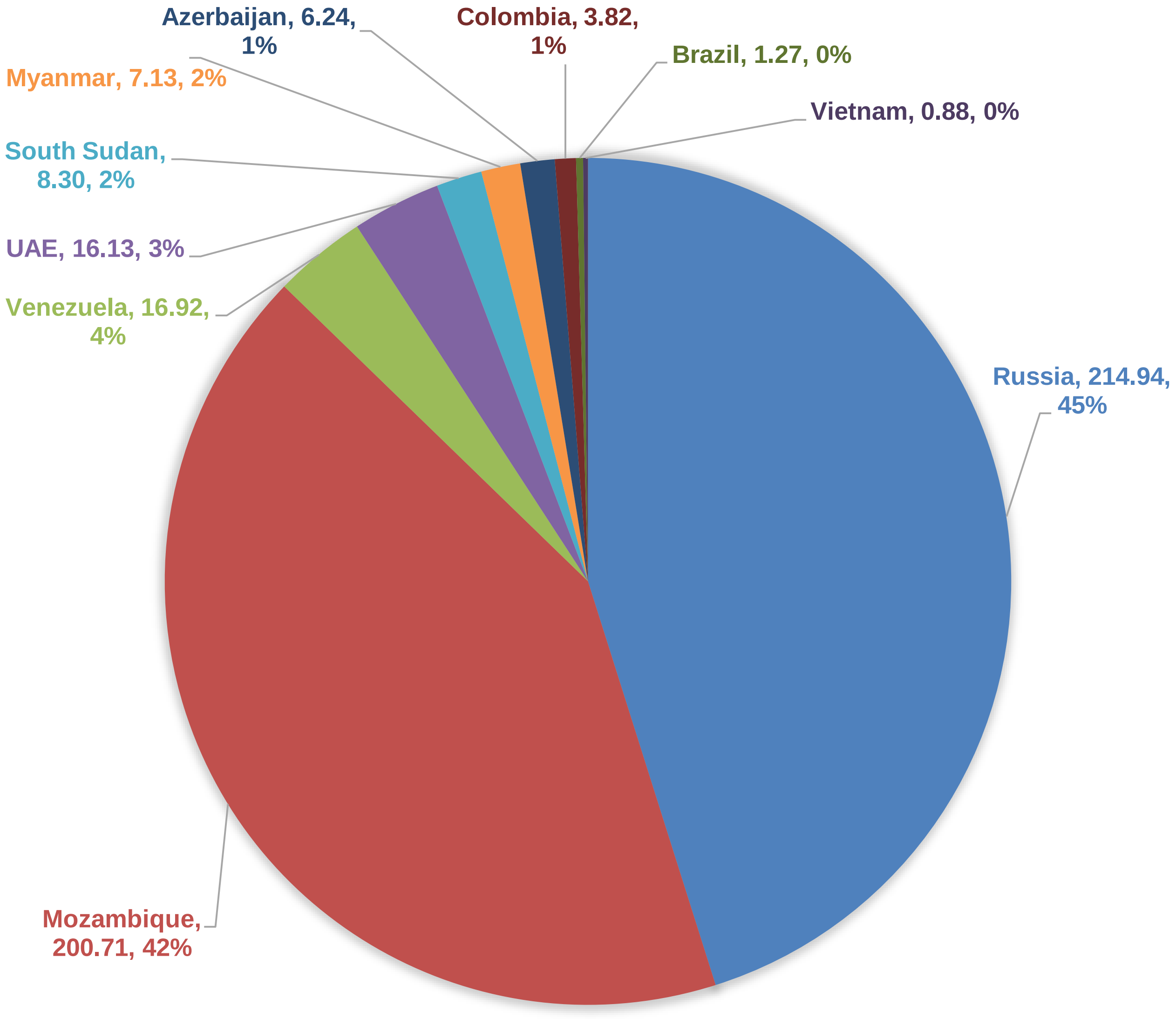
Business Excellence Centres

Business Presence in 19 Countries across 5 Continents

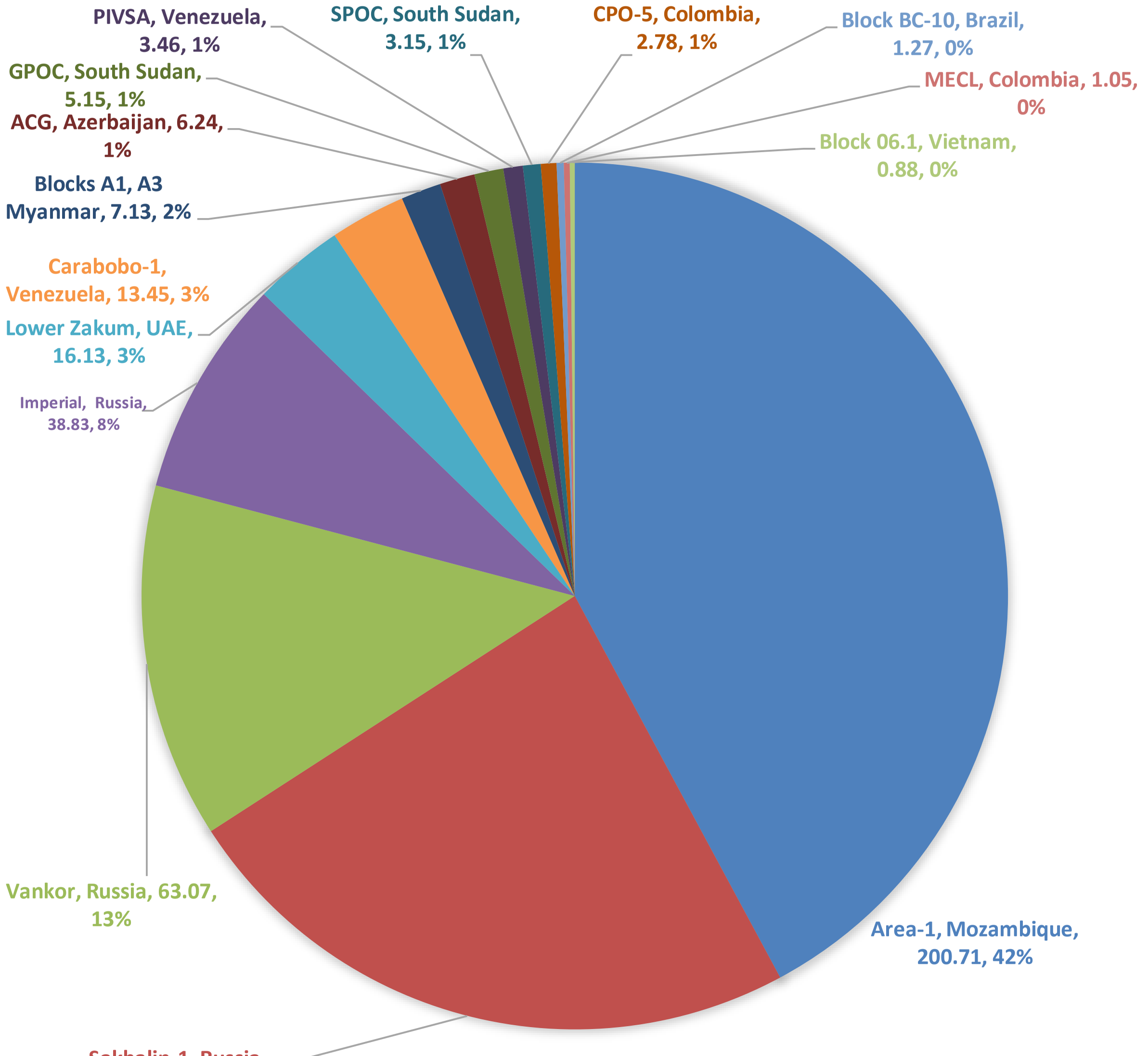
Presentation Overview

2P Reserves Spread

476.329 MMToE as on 01.04.2024



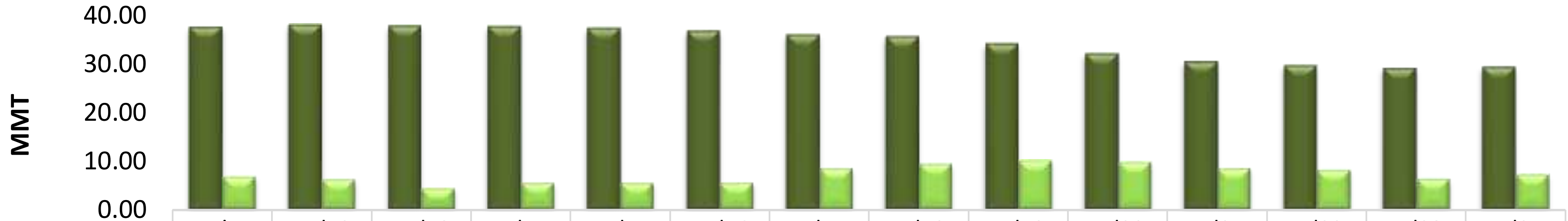
COUNTRY WISE



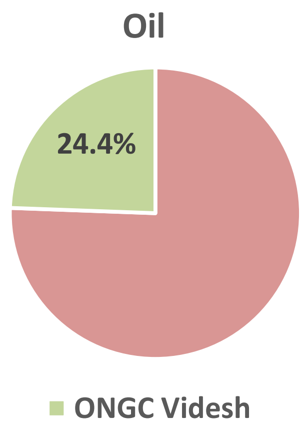
PROJECT WISE

Production vis-à-vis National Production

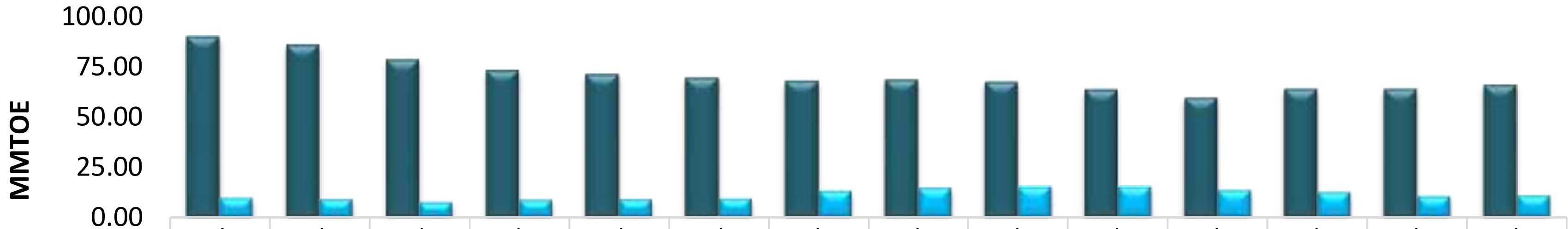
Oil



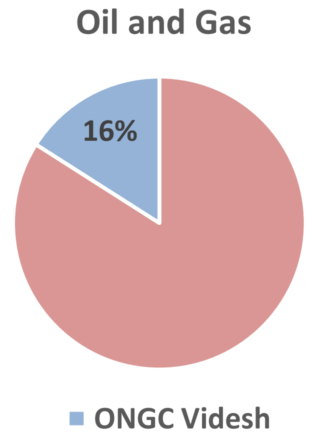
	FY '11	FY '12	FY '13	FY'14	FY '15	FY '16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
India - Domestic	37.71	38.09	37.86	37.78	37.46	36.90	36.00	35.70	34.20	32.20	30.50	29.70	29.20	29.40
ONGC Videsh	6.76	6.21	4.34	5.49	5.53	5.51	8.43	9.35	10.10	9.76	8.51	8.10	6.35	7.18
ONGC Videsh Production (%)	17.9	16.3	11.5	14.5	14.8	14.9	23.4	26.2	29.5	30.3	27.9	27.3	21.7	24.4



Oil & Gas



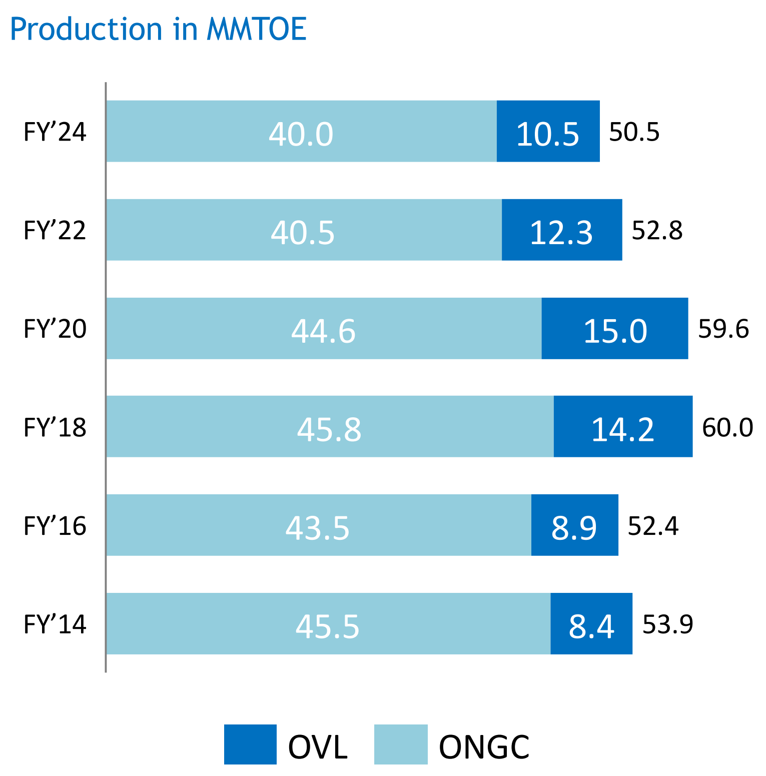
	FY '11	FY '12	FY '13	FY'14	FY '15	FY '16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
India - Domestic	89.93	85.64	78.54	73.17	71.12	69.20	67.90	68.35	67.10	63.40	59.20	63.70	63.60	65.83
ONGC Videsh	9.45	8.75	7.26	8.36	8.87	8.92	12.80	14.16	14.83	14.98	13.04	12.33	10.17	10.52
ONGC Videsh Production (%)	10.5	10.2	9.2	11.4	12.5	12.9	18.9	20.7	22.1	23.6	22.0	19.4	16.0	16.0



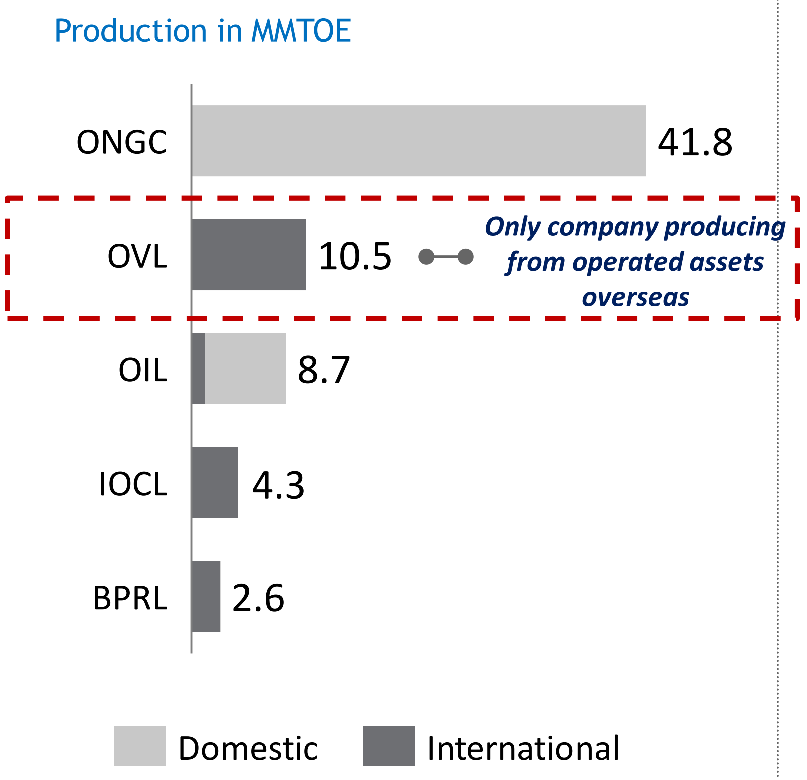
Source : PPAC

ONGC Videsh: 2nd Largest E&P Company

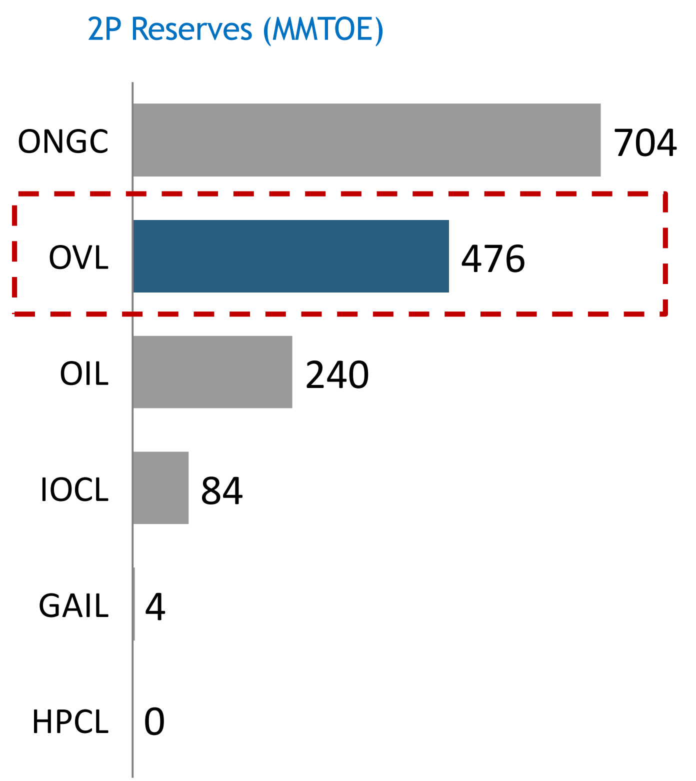
Contributes ~21% of ONGC's total O&G production



2nd largest Indian upstream company after parent …



… and 2nd largest Indian player by reserves



Presentation Overview

1. Introduction of ONGC Videsh
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5. Experience @ GIFT IFSC
6. Enhancing attractiveness of GIFT IFSC

Global Partners

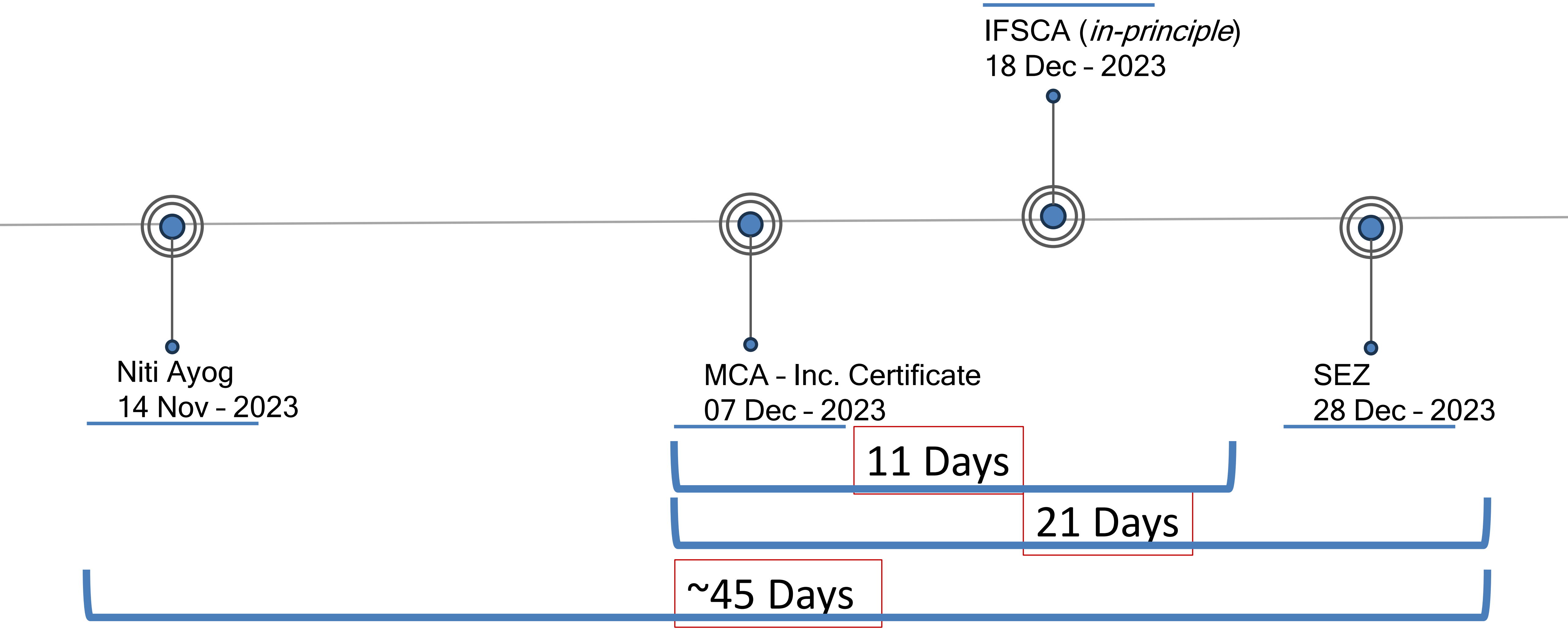
Partnerships with leading IOCs/NOCs worldwide

SINOPEC, MOLGROUP, ROSNEFT, PTTEP, NILEPET, bp, M.O.G.E, Shell, REPSOL, ADNOC, TotalEnergies, ENH Hidrocarbonetos de Moçambique, Eni, SOCAR, CNPC, PETROVIETNAM, PETRONAS Petroliam Nasional Berhad, QatarEnergy, equinor, bpc, PDVSA, INPEX, KOGAS, PETROBRAS, ExxonMobil, ITOCHU, GEOPARK, CANACOL ENERGY LTD., ecopetrol, POSCO INTERNATIONAL, TPAO Türkiye Petrolleri Anonim Ortaklığı

Presentation Overview

Fast Approval

With the effective support of IFSCA and SEZ, ONGC Videsh was able to get **OVL Overseas IFSC Limited** going in **record time**



Experience @ GIFT IFSC

Advantages from onshoring the offshore

- Same time zone, effective co-ordination
- Better control, no POEM risk
- Easier manpower availability and labour law compliances
- Lower G&A costs

Free flow of funds & flexibilities in borrowings – FEMA & ECB guidelines inapplicable

Fair & friendly regulator with ear to the ground - Light touch regulations

Fiscal advantages –

- No WHT on interest to offshore lenders
- No GST on guarantee fees and other services/goods procured
- 10-year income tax holiday
- Thin capitalization rule does not apply to IFSC entities
- No stamp duty, STT & CTT
- Consolidation with Indian group for Global Minimum Tax purposes

Presentation Overview

1. Introduction of ONGC Videsh
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5. Experience @ GIFT IFSC
6. **Enhancing attractiveness of GIFT IFSC**

Enhancing attractiveness of GIFT IFSC

- Permission to hold Participating Interests
- Aligning tax regime with global financial centres
- PSU subsidiaries not to be Government companies
- Relocating Indian entities carrying on overseas businesses to GIFT IFSC
- Inapplicability of ECB guidelines to borrowings by Indian entity from treasury centre in GIFT IFSC
- Exemption from large borrower framework

ONGC Videsh Limited
International Petroleum Company of India

Thank you

Finance Company of IndianOil in IFSC, GIFT City
IOC Global Capital Management IFSC Limited

Indian Oil & its journey in GIFT City IFSC

Key Milestones since Inception

- Indian Oil being the **first commercial non-finance company to incorporate Finance Company in GIFT City**, is spearheading its global treasury operations through its Global / Regional Corporate Treasury ("GRCTC") arm.

- IOC Global Capital Management IFSC Ltd ("IGCMIL"), a wholly owned subsidiary of Indian Oil in GIFT City is registered as a finance company with IFSCA.

- The company has achieved profitability in its 3rd quarter of its operations.

- The company has financed deals worth over **USD 250 million** within a year of operation.

- Leveraging GIFT City's fiscal benefits and regulatory ease, the unit aims to facilitate USD 1 billion in transactions in the next 8-10 months, optimizing borrowing costs for IOC's group companies through innovative treasury operations.

- Keeping growth ambitions of Indian Oil in mind, it is imperative to **source funds through innovative Financing** for fueling the growth of the company by way of investment in the fossil's fuels business as well as in renewables during this transition period.

IndianOil

Business Opportunities in IFSC for IndianOil

IOC Global Capital Management IFSC Limited

IOC Global Capital Management IFSC Limited (IOC Global) is not just a new business vertical but also a vision, a dream, and a commitment to excellence in GIFT IFSC. Company plans to undertake following activities in the coming years :-

I. **Global Treasury Operations** (GTC/ RTC) and utilizing IFSC to raise Capital and Debt from overseas and carry fund pooling of group foreign companies. These funds will be utilized to provide various types of financing to group entities.

II. **Investment holding company** for assets located across the globe. This shall help in onshoring the offshore investments of Indian Oil and shall bring back the controls of all its investments in India.

III. **Venture into the business of Shipping - Acquisition, financing and leasing**

IV. **Captive Insurance** Entity - become gateway for inbound and outbound reinsurance business

V. Operating and Financial **Leasing** activities from GIFT City (For equipment's , metals for catalyst etc)

VI. **Fund management services** to attract foreign investments especially towards green ventures planned by Indian Oil

VII. **Global Capability Centre** by way of Centralisation of Payment, Accounting , Book keeping, Taxation services of all Foreign Subsidiaries outside India at GIFT City

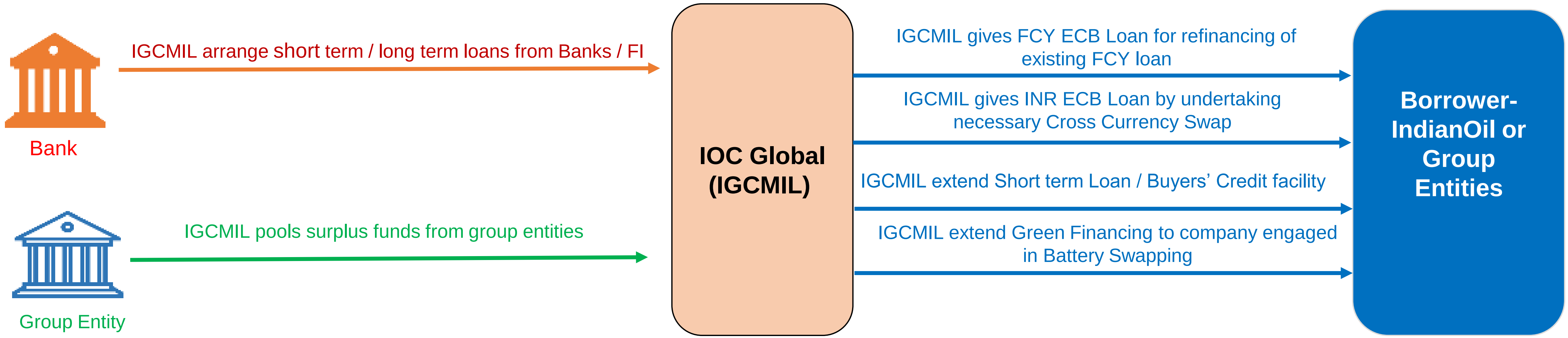
In future other Oil & Gas PSU’s can also use the platform offered by this company to optimize their costs

Global Treasury Operations of IndianOil

As Global Treasury centre (GTC), IGCMIL has commenced its operations by building a cohesive model of collating data from all its group entities related to Investment & Borrowing and understand their funding needs and accordingly devise treasury solutions for them through GIFT City.

Collate Treasury Data from Group Entities	Need Assessment by IGCMIL	Treasury Solution provided by IGCMIL
• Group Entities provide Information on existing Investment & Borrowing position on quarterly basis. • Also, any new funding requirement or investment plan is also being informed to IGCMIL.	• Long Term Loan in Foreign Currency • Long Term INR Loan with Cross Currency Swap • Working Capital / Trade Credit Loans • Investment to generate short term return on surplus funds	• **Refinance existing Foreign currency loan** by arranging funds from Banks. • **Providing ECB INR Loan to Indian Group Entity** under RBI's ECB Framework by undertaking necessary derivative transaction • **Pooling of Surplus Funds from Group Entities** • Extending **Short-term working capital loans** to group entities • Extending **Buyers' Credit Facility** under RBI's ECB Trade Credit Framework • Arranging **Green Finance** under Green Finance Framework.

Global Treasury Operations of IndianOil



IGCMIL has achieved profitability in its 3rd quarter of its operations

IGCMIL is acting as a catalyst to optimise borrowing cost of the group.

IGCMIL has financed deals worth over USD 250 Mn through the above model.

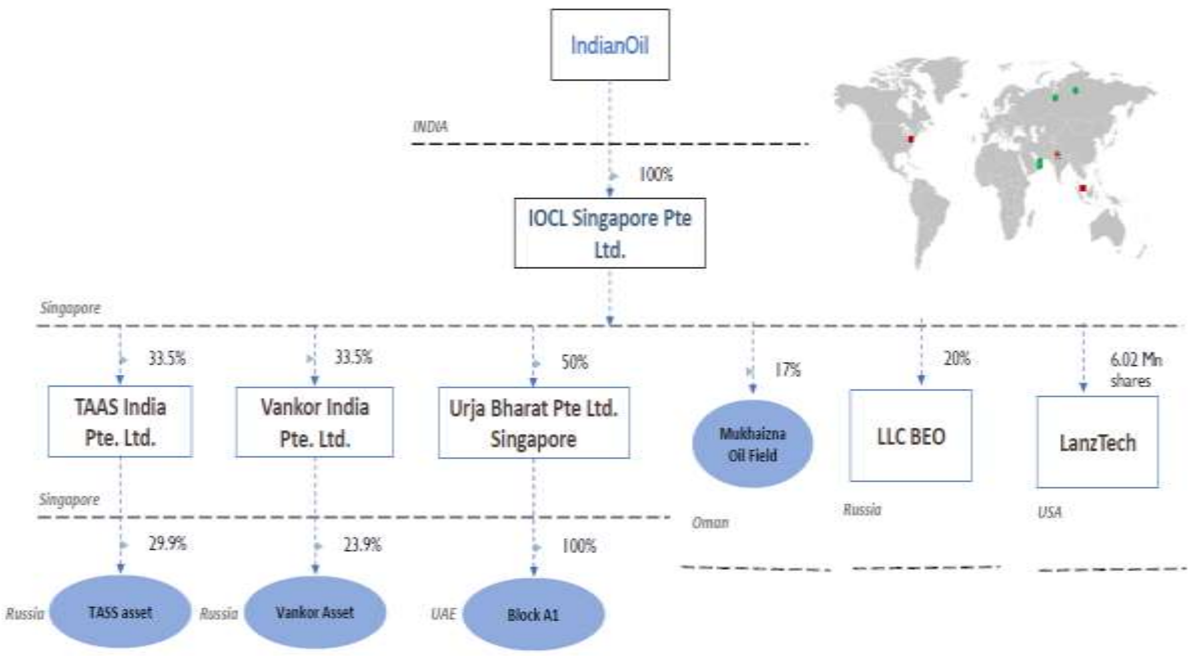
Leveraging GIFT City's fiscal benefits and regulatory ease, the unit aims to facilitate USD 1 billion in transactions in the next 8-10 months

Investment Holdings – New Outbound Investment

IndianOil

IOC Global Capital Management IFSC Limited

Existing Investment Holding Structure of IndianOil



Proposed Investment Holding Structure of IndianOil

Indian Oil

IGCMIL

Overseas Investments

IOC Global Capital Management IFSC Limited → SUN MOBILITY

USD 78.31 Mn

SUN Mobility's vision is to create a universal network of interoperable energy infrastructure to accelerate the mass adoption of electric mobility. They have collaborated with vehicle manufacturers (OEMs), battery cell technology providers, fleet operators/aggregators, Energy infrastructure companies (Discoms and Oil & Gas players) and cities across the ecosystem to enable the quicker adoption of EV across globe.

Journey Ahead

Journey Ahead for IndianOil in GIFT City

- IndianOil will be expanding its horizon and explore other business areas which can be carried out through GIFT City that can provide value addition to the corporation. Currently, IndianOil is working on following areas:

Captive Insurance – Indian Oil sum insured is over Rs.4.5 Lakh crores in respect of operational assets and over Rs.2.5 Lakh crores of assets under construction. The insurance cost of the company is going to increase from the present levels of around Rs.500 crores upon commission of these assets and an alternate risk mechanism needs to be brought by company through mix of Commercial and Captive Insurance. IndianOil advocated the need for bringing Insurance captives in India through GIFT IFSC. This will require suitable changes in Insurance Act, 1938 to enable big corporates to come out with capacities for writing risks pertaining to their group companies.

Ship Leasing :-IndianOil has been bringing in Crude/Gas/LNG/Products into the country since decades with recent decade showing about 500+ shipments aggregated per year, the ships are engaged on a need-basis wherein we charter the ships on spot/voyage/short-term basis. Owning and operating a small fleet (to begin with) of own ships can lend the much-needed flexibility to IndianOil in terms of calling specific countries/ports etc which can be strategic partners to the Country. Registering an oil tanker in GIFT City may offer several benefits and fesablity to start this IBU is under consideration.

IndianOil

Journey Ahead for IndianOil in GIFT City

IOC Global Capital Management IFSC Limited

- IndianOil will be expanding its horizon and explore other business areas which can be carried out through GIFT City that can provide value addition to the corporation. Currently, IndianOil is working on following areas:

Commodity Trading :-IndianOil regularly processes more than around 30 - 40 types of crude oils in its 10 refineries which are imported from across the globe. Apart from crude company also imports LNG and LPG. Export of product although not in significant volumes but is carried out regularly. These commodities gives immense opportunities in trading business if carried out by IndianOil. IndianOil is in constant touch with IFSCA to develop commodity trading framework and allow finance companies like IGCMIL to operate commodity trading desk to purchase crude oil and other commodities.

Fund Management Entity :-IndianOIl in its endeavour to achieve growth and become an integrated oil & gas major has grown into many new areas of business-like E&P (Exploration, development, and production), Alternate Energy, Renewable , Green business and Gas business etc. To fuel this growth, IOCL raises finance from multiple sources. The high requirement of funds cannot be met only through domestic sources and the AIF regime in IFSC is one of the mode wherein foreign funds can be used for development of the country. The initiative of incorporating AIFs in IFSC has the potential to increase cross-border investments by manifolds.

Support from IFSCA

- IndianOil will require support from IFSCA in following areas to expand the business horizon and utilize the GIFT City platform more productively:

1. **Dispensation from DPE/DIPAM/DOPT** – Being a Public Sector Entity, various rules & regulation of DPE/DIPAM/DOPT is applicable on us. We want support of IFSCA for taking various dispensations from DPE/DIPAM/DOPT for ease of operations.

2. **Amendments in the Insurance Act -** We are hopeful that with active support of IFSCA, necessary amendment in Insurance Act will also see light of the day soon.

3. **Allowing holding of Participating Interest (PI) from IFSC-** Many of the CPSEs have floated overseas companies for holding PI. Allowing PI holding from IFSC will help in bringing a lot of business to IFSC.

4. **Commodity Trading from GIFT IFSC** - We are also looking forward for issuance of Commodity trading framework from GIFT IFSC. Trading of crude oil and other products from IFSC will go a long way in establishing GIFT IFSC a global commodity trading hub.

Thank You

AMNS Global Treasury Centre IFSC Private Limited

GIFT City, Gandhinagar, Gujarat – 382 050 (GTC)

07th February 2025

Ambition :To be the safest, most reliable, and profitable steel player in India

- ArcelorMittal Nippon Steel (AMNS) Luxembourg is a 60/40 Joint venture of ArcelorMittal (AM) and Nippon Steel Corporation (NSC) of Japan, the world's leading Steel Manufacturers. AMNS Luxembourg is ultimate parent Company of AMNS Global Treasury Centre (GTC)
- AMNS set up its operations in India in 2019 and is an Integrated Steel Player in the Flat Steels Market
- AMNS India has a current Steel capacity of 8.5MTPA and is undergoing expansion to reach 14.1MTPA by 2026

VISION TO GROW CAPACITY TO 40MTPA

Where We Are Today

- ~8.8Mtpa crude steel capacity
- Major flats steel producer
- Value added products
- Automotive products

Where We Want To Be

- ~40Mtpa crude steel capacity
- Expand flat capacity to capture growth
- Enhance value added capabilities
- Expand Automotive exposure

Health & Safety focus	Responsible, sustainable, growth
Digitalisation and Innovation	Resilient capital structure over steel cycles
Strengthening project execution capabilities	Developing our human capital

Why AMNS GIFT City?

Hub of Financial Services

GIFT City is a specifically delineated duty-free enclave aimed to be a hub of financial services transactions

- Units in IFSC considered as Offshore (i.e., resident outside India) from FEMA perspective
- IFSCA –Unified financial regulator vested with the powers of RBI, SEBI, IRDAI, and PFRDA
- Regulations at par with other global financial centers

Viksit Bharat vision

AMNS GTC is not only the first MNC to establish its GTC in GIFT City but is also contributing to the Government's vision of positioning India as a global financial hub.

AMNS GTC vision

The vision is to support AMNS Group's capital requirements to expand the capacity from 8MTPA to 40MTPA, and onshore the offshore treasury services.

AMNS Global Treasury Centre

IFSCA staff met AM at Luxembourg in February 2024, and subsequently, AM HQ officials visited IFSCA at GIFT City in October 2024, strengthening the ties and collaborating to commence the first ever MNC Global Treasury Centre in Gift City

- Global Treasury Operations (GTC/RTC) utilizing Finance Company License to raise Capital and Debt from overseas
- Carry out fund pooling of group foreign companies for investment optimisation.
- Working capital management using trade financing models [Buyers Credit, Factoring, Forfaiting, Reinvoicing)
- Treasury Services by way of Centralisation of Payment, Collection, MIS, Cash flow forecasting, Investments and Hedging related documentation, valuation and Settlement Support of AMNS Group Companies in India and overseas, and eventually for AM and NSC Group

GIFT City – Our Experience

Set up AMNS Group entity in Gift City within 3 months (Oct 7 2024)

01 Board Meeting for GTC establishment– 26-June-24

02 Incorporation of AMNS GTC, PAN, TAN, DIN – 29-Jul-24

03 Application Submission to SEZ and IFSCA – 05-Aug-24

04 Obtained letter of allotment from SEZ– 22-Aug-24

05 Obtain in principle approval from IFSCA – 05-Sep-24

06 Obtain GST Registration – 11th Sept 2024

07 Obtain BLUT, request eligibility certificate, IEC and RCMC registrations – 24th Sept 2024

08 Signing of lease deed – 23rd Sept 2024

09 Certificate of Registration from IFSCA - 07-Oct-24

10 Commencement of business- 10-Oct-24

- Pro-active engagement with SEZ and IFSCA to obtain certain critical clearances such as Office space, INR ECB, group entities covered etc,
- Within 3 months, the company was incorporated, temporary office, GST, BLUT, various compliances concluded, Finance Company and SEZ licenses obtained, and reasonably-sized loans have been transacted at GTC

Office Premise Selection

- **Current Office Space:**
  4-seater co-working space at Dev – X / Nila Spaces
- Selection and leasing of office premise is a key step in the incorporation of the company.
- The co-working spaces can be used as both temporary and permanent office premises.

- **Proposed Office Space:**
  Savvy Pragya-2 Tower
  Unit 408, Fourth Floor
  Area 1,350 Sq Ft
- Currently interior work of new office is under progress
- Move-in in the new office in the month of March

GIFT City – Supporting Activities

- Raise financing through Bonds, external and Inter Company loans, and in turn lend to AMNS Group entities to support their capital expenditure program
- Reinvoicing, forfaiting and factoring services to support working capital management
- Hedging services, starting with Backoffice and eventually Front Office across Forex and Commodity
- Expand reach to cover all overseas entities of AMNS & eventually AM & NSC : Cash Pooling, Treasury Services, consolidate these operations into a single entity and ensuring improved management of finance and Treasury Operations.
- Support expansion plans in steel production, ports, and related assets
- Services such as treasury documentation, reporting, reconciliation and to AMNS entities initially, and eventually AM & NSC

Advocacy with IFSCA

- *While a few PSUs like ONGC and IOCL had set up GTC in Gift City, when AMNS Gift City started discussions, there was limited precedence or best practice available for GTC set-up by a private sector company*

- *Detailed representations were made before IFSCA for following matters, and their problem-solving engagement approach is deeply appreciated :*

  - *To enable Finance Company GTC to offer treasury services to both Group Indian and foreign entities.*
  - *Extend the scope of Treasury activities and services, to entities with common brand name as AMNS.*
  - *Establish a prudent, yet operationally practical Governance Policy.*
  - *Provide INR loans to Indian entities, with settlement in equivalent specified currency*
  - *Eventually provide book-keeping, accounting, taxation and financial crime compliance (BATF) services to Group entities without the need for a separate entity*
  - *Advocacy on Interest limitation rules (deduction of interest expense subject to 30% of EBIDTA) to be not applicable to IFSCA Finance entities.*

Thank you

GIFT City Treasury Centre

Positioning for growth in the new era

Standard Chartered

Treasury Centre Trends

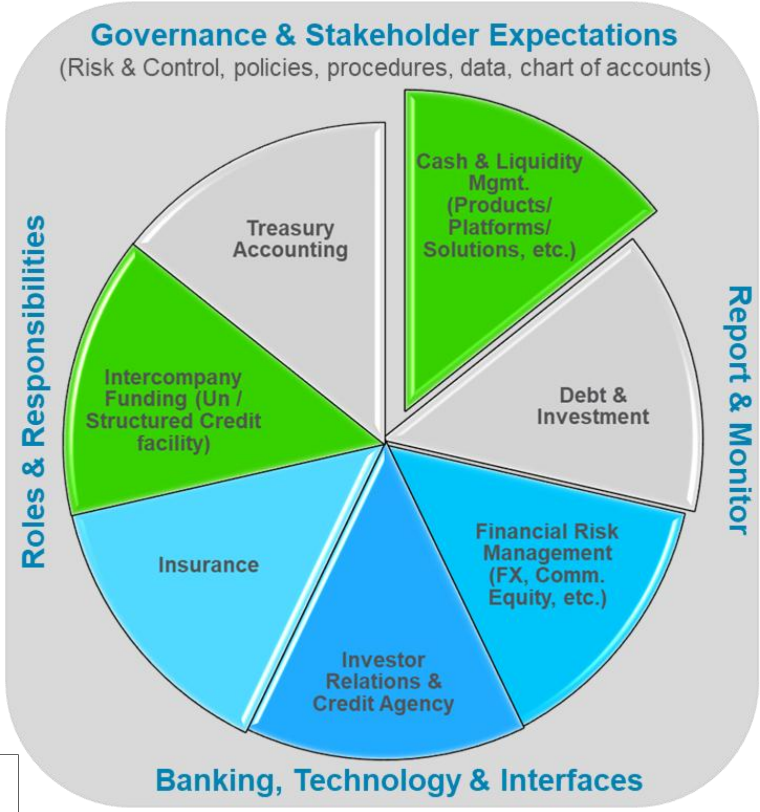
Why MNCs require an international treasury centre: Challenges for today's Treasury and the critical role of RTC

#1 Respond to an era of prolonged high interest rate. Idle cash has a cost. Higher expectation for RTC to do more to improve cash KPI.

#2 Respond to demand down cycle when inventory/receivable are expected to lock up more cash. RTC can free up cash.

#3 Respond to pressure to de-leverage to support future dividend and capex commitment.

#4 Respond to costly and complex global tax regime (Base Erosion and Profit Shifting or BEPS) on transfer pricing compliance. RTC can simplify and reduce tax compliance cost.



#8 Respond to market disruption risk: Expect the unexpected - counter-party exposure, cyber-attack, currency loss, sanction risk and FX control.

#7 Respond to the shift of global supply chain demands a new South Asia/ASEAN cash strategy to address trapped cash.

#6 Respond to digital transformation a game-changer. RTC needs to be fit for purpose to support more real time cash visibility, payment control and cash allocation.

#5 Respond to opportunity to migrate to more powerful treasury technology (e.g., SAP S/4HANA) to support IHB accounting.

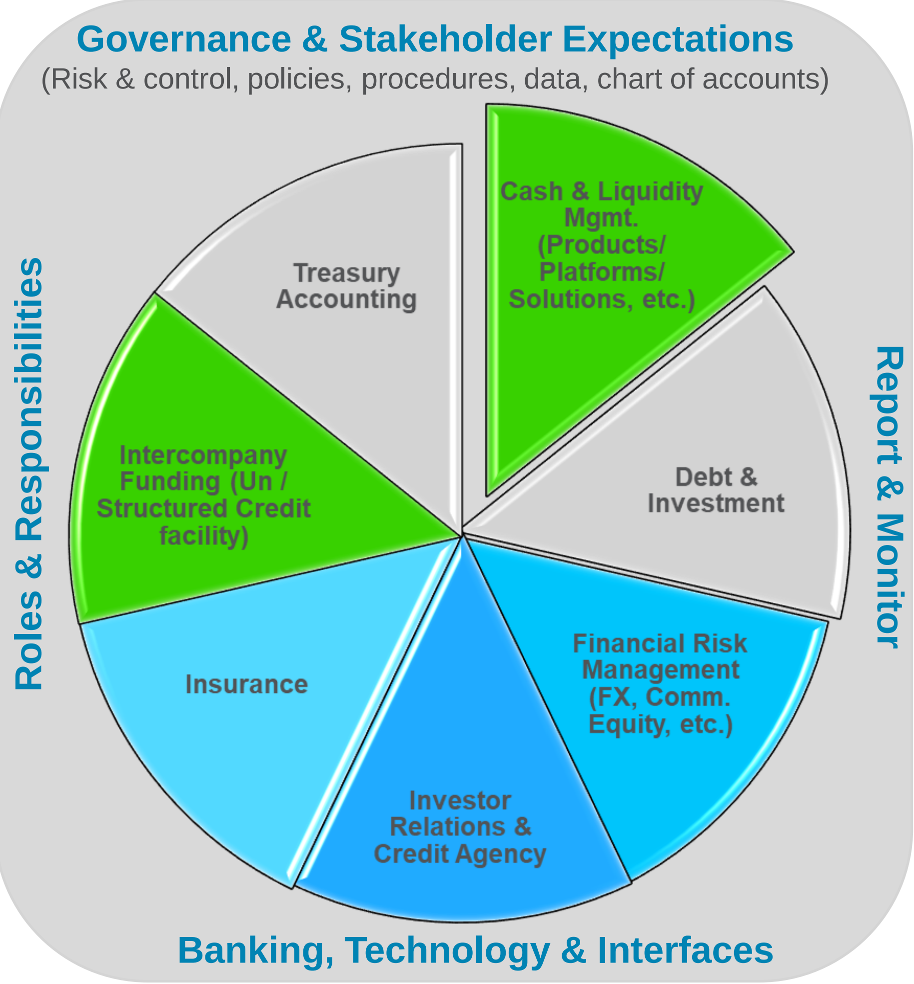
[1] QE is quantitative easing and QT is quantitative tightening. US Federal Reserve raised federal funds rate from 0.25% (Q2 2022) to a 22-year high of 5.25-5.5% (Q3 2023)

What to focus for MNCs: Industry's RTC agenda & expectations from Today's Treasury

Agenda

- RTC agenda #1 – Sustainable growth via In-House Bank
- RTC agenda #2 – Treasury technology infrastructure
- RTC agenda #3 – Towards real time
- RTC agenda #4 - Automation
- RTC agenda #5 – digital payment
- RTC agenda #6 – Future technology adoption

Today's Treasury



Expectations

- Centralize treasury: OBO payment factory and IHB netting gaining traction [2]
- Generate IHB bank statement, Segregate Op-co transactions; Digitise BEPS interest/tax calculation

- Automated posting of journal entries in IHB and Op Co books ; OECD Transfer Pricing Documentation on parent guarantee and inter-company lending

- Real time reporting & dashboarding, liquidity and payments and collections[1]
- Favourability for API 86 percent, RPA 80 percent, Machine learning and AI 56 percent, Blockchain 40 percent [3]

- Swift ISO 20022 messaging expected to bring in richer payment advice data to support STP

- Real time payment schemes in around 70 markets are providing high speed payment rails[4]
- Intra-Asia payment corridors and Cross-region gateway (the m-Bridge CBDC°) are gaining traction

- As blockchain application tends to work in an ecosystem environment, co-creation approach is commonly used with banks/fintech providers.

Trends are echoed in the three Global Treasury Survey conducted by [1] EACT (2023) , [2] PwC (2023), [3] Deloitte (2022) and [4] FIS Global Payment Report 2023

°CBDC – Central bank digital currency

What is the right Treasury Framework

Treasury Centre is the tool and platform to achieve best execution

At the same time, we need to do it well (efficiency) and do it right (compliance)

Future Treasury Model Characteristics:

- **Zero idle cash** - just right to lubricate (not flood) the engine, allocate more for reserve (for capex and M&A to <u>grow</u>, for inventory to <u>defend</u> and for dividend to <u>return value to investors</u>)
- **Liquidity without boundary** (able to combine the use of domestic and overseas cash)
- **Real time Treasury** (both visibility and movement of cash)
- **Data-driven:** augmented by technology tools like AI
- **Full payment/liquidity/FX netting**

Four Quadrants of Success:

- Netting of **internal liquidity** to minimise debt cost by recycling internal cash through intra-group financing
- Netting of **intra-group payment** to reduce unnecessary flow, payment cost and FX cost
- Netting of **external payment** to cut cash buffer and achieve better efficiency
- Netting of **FX exposure** to minimise hedging costs using “natural hedging” and notional pooling

The Building Block of Treasury Centre – Policy, Process, Product and People

Treasury Centre Design

Governance (Policy and ALCO) | Organisation (COE) | Process, R&R | Performance KPI

Cash and Liquidity Management

Roles	KPIs
▪ Payment and collection ▪ Deploy internal cash to reduce cost of funding ▪ Improve cash conversion cycle ▪ Minimize liquidity risks ▪ Simplify cash forecasting and planning ▪ Yield enhancement and cash allocation strategy ▪ End-to-end straight through processing from ERP and TMS systems ▪ Maintain bank relations on group wide basis	▪ Level of free cash ▪ Amount of working capital released ▪ Total pooling balance offset ▪ Number of accounts per entity ▪ Number of accounts with non-core bank partners ▪ Interest yield ▪ Overdraft cost ▪ Time to reconcile ▪ Straight through processing rate

Treasury Risk Management

Roles	KPIs
▪ Manage foreign exchange, interest rate, and commodity risks on a group wide basis to achieve best execution and use natural hedging to reduce hedging cost ▪ Automated trade confirmation and settlement	▪ FX and commodity cost ▪ Hedge effectiveness between actual executed rate vs market rate ▪ Rate of automation in confirmation and settlement ▪ % exposure eliminated by IHB vs total exposure ▪ % VAR reduction on P&L due to FX offset

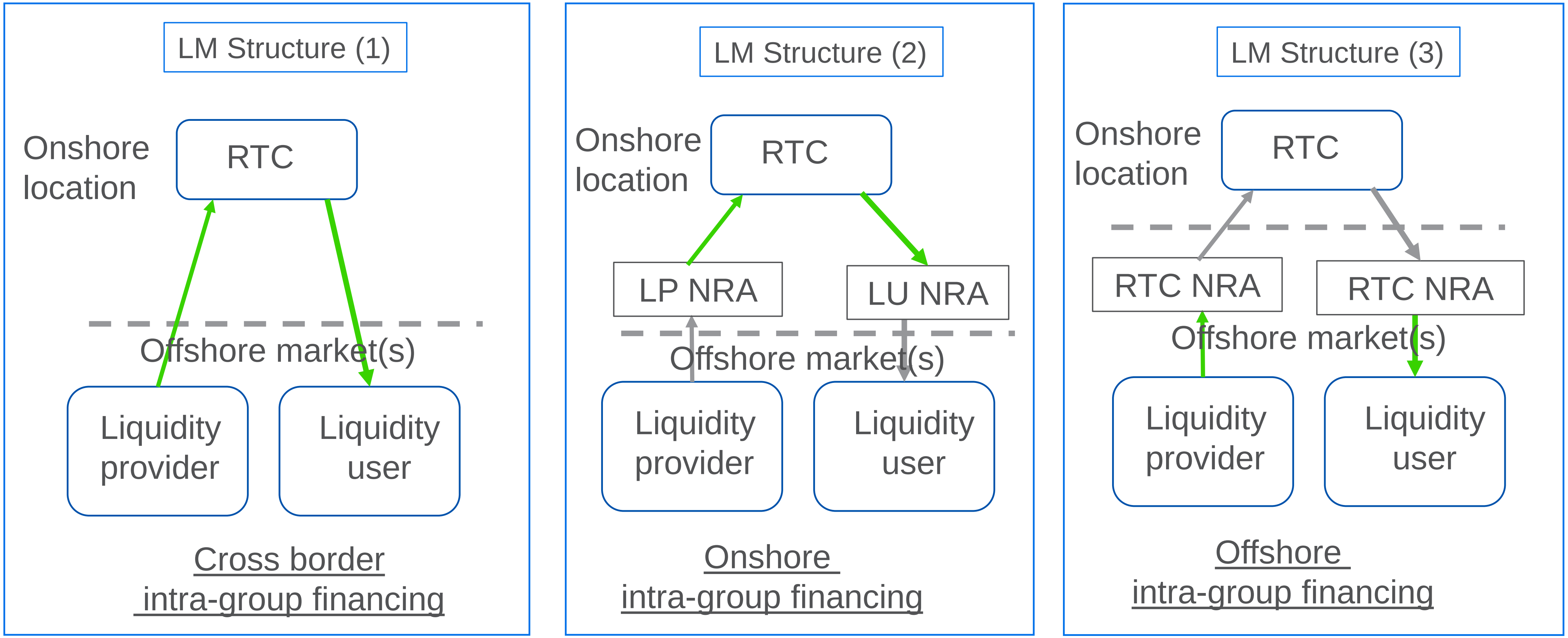
Financing

Roles	KPIs
▪ Lower financing costs and refinancing risks by leverage group bargaining power and rating ▪ Optimize the use of banking facilities ▪ Reduce duration mismatch risk and asset/liability management risk as projects have long payback ▪ Manage investor and credit rating agency relations	▪ Lower borrowing cost ▪ Ability to gain visibility into all exposures and to identify available headroom in counter-party usage

Treasury Centre Infrastructure:
Compliance (Regulatory, Tax, Accounting) | Technology Platform (TMS/SWIFT/RPA) | Bank Product(s) & Account Structure

The 1st port of call: To arrive at a right cross border pooling structure

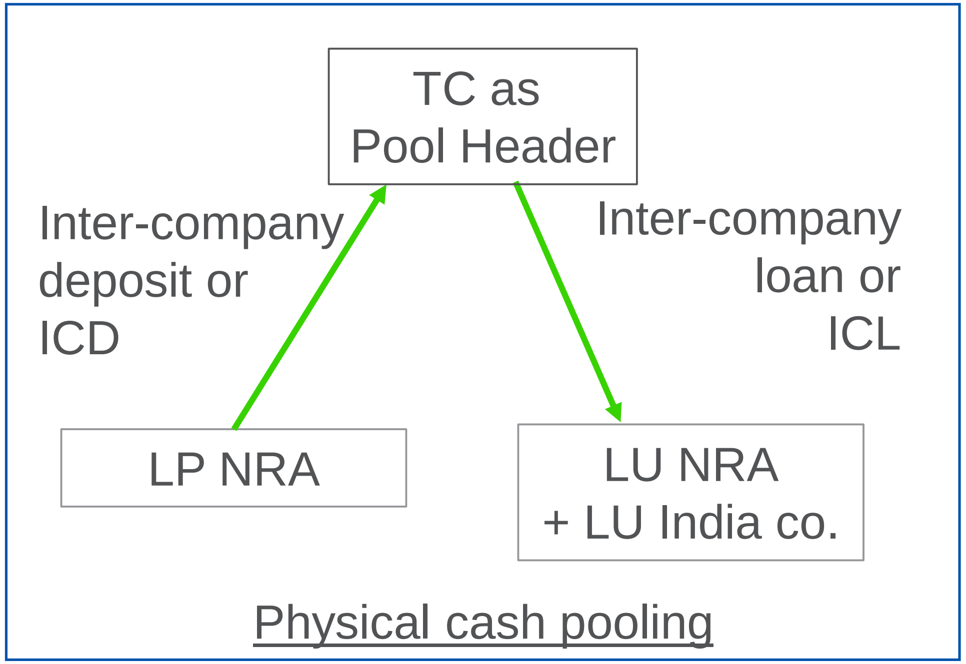
Treasury Centre performs the role of intra-group financial intermediate or "in-house bank" on four inter-company treasury functions a) liquidity management (LM), b) foreign exchange, c) payment and d) netting.

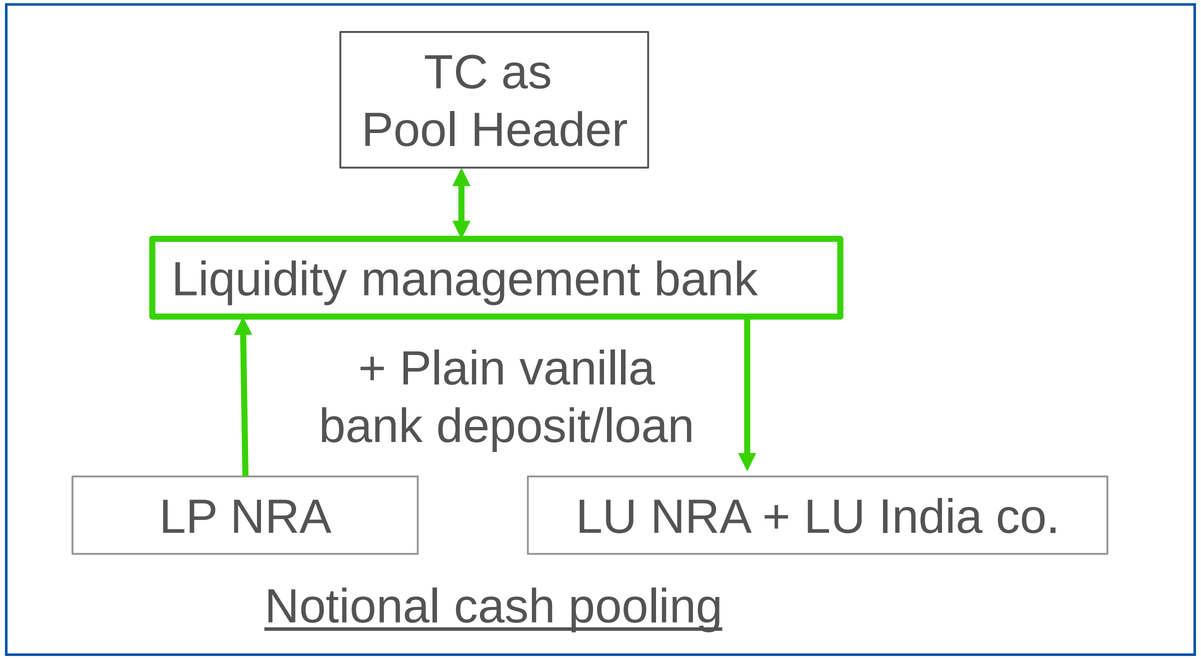


Remark: Liquidity user can be a domestic subsidiary

The 2nd port of call: (now the cash is in IFSC) To have the cake and eat it

Physical pooling vs notional pooling (using LM structure (2) for illustration



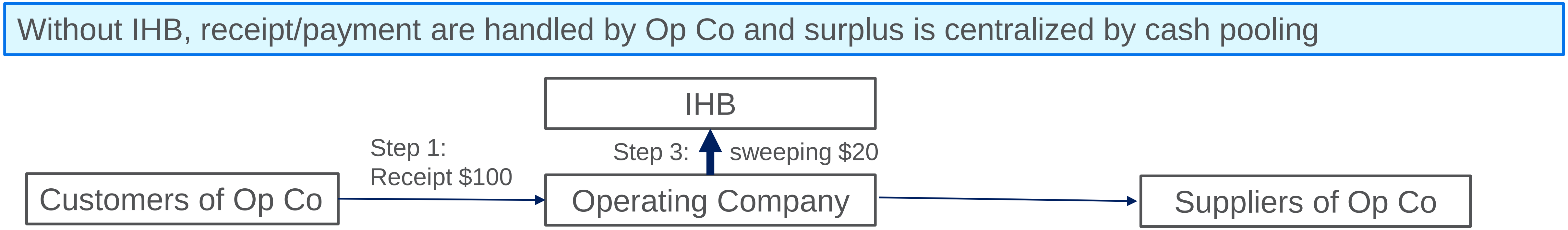


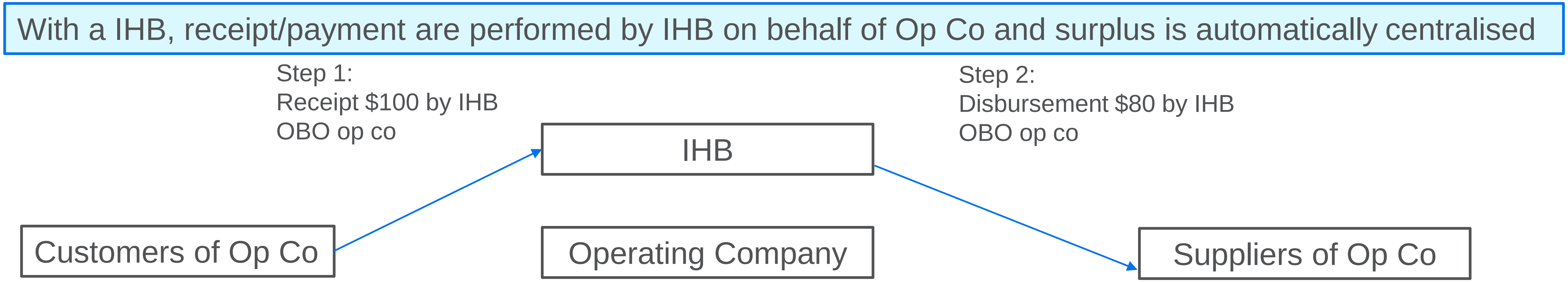
Comparison	Physical pooling as LM tool	Notional pooling as LM tool
Tax consideration	Planning required on tax cost and transfer pricing	Plain vanilla bank deposit/loan
Application	Purpose for both working capital and term loan	Purpose for working capital purpose rather than term loan
Currency mismatch	Lender and borrower in same currency	Notional pool can be single or multi-currency

The 3rd Port of Call: To enter the world of reinvoicing

Definition	Source	Remark
A central financial subsidiary an MNC uses to reduce transaction exposure by billing all home country exports in the home currency and reinvoicing to each operating affiliate in that affiliate's local currency. It can also be used as a netting center.	NASDAQ (the leading stock exchange in the US) – the glossary section	For example, India manufacturers will bill GIFT City TC in INR and TC in turn bills export customers in US in USD and Germany in EUR
A re-invoicing centre undertakes all purchases and sales of goods on behalf of subsidiaries and affiliates.	AFP (the US treasury professional body)	This definition is mentioned in the 2018 edition of the AFP Executive Guide (attached)
A re-invoicing company typically established in a low tax domicile to which members of a group sell their goods and services for onward sale to third party customers	ACT (the UK treasury professional body)	This definition is mentioned in the ACT Wiki (a glossary for treasury terminology)
Re-invoicing is of the approved Treasury Centre activities	Bank of Thailand	Refer to the policy document from Bank of Thailand
Re-invoicing is also branded as “Centralized Supply Chain Centre (CSCC)”	Various banks	Refer to SCB CSCC handbook (to be provided upon request)

The 4th Port of Call: To provide payment-as-a-service (on behalf of Op Co for an underlying commercial transaction which is a current account payment settlement of trade of goods)





Step 3: sweeping $20 to IHB is no longer required. Instead, an inter-company due to/due from account will be cleared on accounting period close (say quarterly or monthly). Zero impact on group consolidation accounting.

How to take it forward

Choosing the RTC bank: scoping, solutioning to achieving RTC payback

	Liquidity management	Payment	Netting	FX
Purpose	• Unlock trapped cash • Enhance yield • Replace debt by internal borrowing	• Cut payment reserve balance • Scalable to grow strategic biz and network	• Physical to notional settlement for internal payment	• Natural hedging • Internal FX platform
Benefit	• Reduced debt cost • Improved credit rating	• Efficient payment with reduced funding needs	• Cut payment cost • Cut working capital	• Gross to net exposure

Target (end game)	KPI = % and $ unlocked
	$ yield increased p.a.
	$ debt cost saved p.a.
		KPI = % of disbursement and $ reserve cash saved
		Implied yield/debt cost cut
			KPI = % and $ internal payment as notional	KPI = % exposure and hedging cost reduced

Challenges	Manual posting process for inter-company accounting	Synchronise ERP and TMS	Internal process owner buy-in	Internal process owner buy-in
Solution	A combination of physical and notional pooling solution for both domestic and cross border	IHB to control funding for payment Step 1: PINO markets Step 2: POBO markets	IHB internal accounts for participating entities to support notional settlement	IHB internal a/c for participating entities to support notional settlement

Legend: KPI = key performance indicators, PINO = payment in the name of, POBO = payment on behalf of, ERP = enterprise resources system, TMS = treasury management system, IHB = in-house bank

GTC Design Considerations

Source of benefits	Cash pooling	Payment factory/Reinvoicing service: consolidating payment (both in and out), FX and netting	
Treasury Centre Transactions	**Intra-group financing**	**Payment**	**Receipt**
Economic value generated	• Tax holiday for inter-company treasury income • Zero interest WHT • Notional pooling in GIFT City offering MNCs flexibility in balancing liquidity mismatch without FX conversion between two foreign currencies • Tax holiday for cash investment	• One central payment hub for USD/other foreign currencies • Reduced transaction cost and operating risk by reducing number of bank a/c's and the use of internal netting (notional settlement) • Centrally managed FX risk arisen of reinvoicing flow (as long as one leg is foreign currency)	• Accelerated receipt of overseas revenue • Tax holiday for reinvoicing income • Receipt in multiple currencies (e.g. EUR, USD, GBP) can be kept in GIFT in form of multi-currency notional pool (MCNP) to maximise return in the original currencies and lower FX conversion cost

Other considerations/benefits

Capital/Regulatory efficiency	Technology and Compliance
• The requirements to setting up GTC (e.g. the US$0.2 million minimum equity) offer MNCs an attractive platform to manage global cash/treasury risk • IFSCA a one-stop unified regulator • Enhanced ROI for GTC improves competitiveness for global business	• Treasury management system (TMS) to unify the flow among GTC, HQ Treasury and related entities to maximise efficiency • GTC regulated by IFSCA is an efficient setup to standardise BEPS reporting/audit on intra-group transactions to minimise tax compliance cost

Curating a product adoption strategy

Description of product

Physical cash pooling structure in GIFT

- **Pool header in GIFT City TC**
- **Direct cross-border pooling**
  - MT101 SWIFT instruction to local banks in overseas to sweep to GIFT City
- Need to select a single (USD) currency as **pool-currency**
- Despite zero tax cost in GIFT City, still need to fulfil BEPS 1.0 (arm's length FIT) and 2.0 compliance and reporting requirement (Global Minimum Tax)
- Tax implication in overseas markets also to be considered

Notional cash pooling structure in GIFT

- **Pool header in GIFT City TC**
- **Indirect cross border pooling**
  - Step 1: overseas co open NRA in GIFT City
  - Step 2: NRA participates in notional pool in GIFT
- **Sponsor bank** (GIFT)
- Lower administrative and other cost as no ICD nor ICL
- Can support **multi-currency**
- Primarily for **working capital use** (high frequency, short term flow)

Interest optimisation structure for overseas trapped cash markets

- Applicable for countries where cross-border **ICD and ICL is restricted**
- Covering all markets where potentially a certain **sticky balance** is kept for local working capital use and costly to do a daily two-way sweep
- Interest optimisation will **improve their yield** in their balance and contribute to bring the overall balance to a **higher interest rate tier**
- Most effective with a bank like SCB that has broad footprint in restrictive markets in Asia, Middle East, Africa

Disclaimer

RXIL Global IFSC Limited

Trade Finance Opportunities for EXIM Trade

IFSC – International Trade Financing Services (ITFS) Platforms

Feb 7, New Delhi

Problems faced by Exporters

What are the biggest risks the Exporter faces :

- Credit Risk/Payment Default Risk
- Currency Fluctuation Risk
- Country Risk (Political instability, Currency-Control Regime)

Is there a Solution

- The best way to solve the above is to encash the receivables immediately after export !

Benefits of Factoring

- ✓ **Improved cash flow**: Factoring provides businesses with immediate access to funds, which can be used to reinvest in operations.
- ✓ **No additional debt**: Factoring is not a loan, so it doesn't increase a company's debt.
- ✓ **Credit risk protection**: Non-recourse factoring protects businesses from bad debts.

Current state of cross-border Factoring in India

Global share (FY 23)

Total Cross border factoring volume in India: $ 1.1 Bn

Global Cross border factoring volume: $ 720 Bn

India share: 0.15%

- *Source: World Bank data, FCI, WTO*

However, Volume is growing at double digit CAGR.

Country/Region	Export Factoring Volume in USD Bn in 2023
Europe	476
Germany	112
China	144
Taiwan	33
Singapore	36
Vietnam	1.2
Chile	3
Mexico	1.3
India	1.1

(Source : FCI 2023 Report)

MSME impact

- MSMEs are responsible for ~45% of India's total exports
- MSMEs face perennial challenges linked to inadequate bank financing, longer turnaround and higher cost of financing
- Trade Credit are 'Document-intensive' - **Digital solutions are key** for trade and supply chain structures

The Solution – ITFS Platform

- ITFS is an electronic platform for facilitating trade financing for exporters and importers by providing access to multiple financiers.
- IFSCA launched the ITFS Framework in July 2021, 4 Approvals, Commencement in 2023.
- This platform provides **liquidity** for exporters & importers from global institutions through Factoring, and other trade financing services at **competitive cost**.
- Making GIFT- IFSC a preferred location for international trade financing.
- **Over 20 International Financers/Factoring Entities have been onboarded.**
- **100+ Number of Indian Exporters are onboarded for availing finance through ITFS.**

List of Products on ITFS Platform

1	Export Factoring (with Recourse)
2	Export Factoring (limited Recourse)
	2.1 Export Factoring – Correspondent Factor
	2.2 Export Factoring – Credit Insurance
	2.3 Export Factoring – Bank's Internal Lines
3	Import Factoring (Importer in India)
	3.1 Import Factoring – based on internal credit lines
4	Pre-shipment Financing & Supply Chain Financing Solutions
	4.1 Pre-shipment Financing
	4.2 Export Bill Discounting under Letter of Credit

RXIL Group: Business Activities in India and IFSC

TReDS

Pioneer in the industry being the first entity to get RBI License and going live for non-recourse receivables financing for MSMEs.

International Trade Financing Services (ITFS)

Export and Import trade financing requirements, for Indian and Global participants, Exporters, Importers

Fintech

One stop solution for corporates to cater to their diverse Supply Chain needs

Innovators

- **TReDS:** ₹ 150,000+ Cr Factored, 36,000+ MSMEs
- **ITFS:** Gone Live in Aug-23
- **TCI:** Trade Credit Insurance on TReDS Platform
- **Hosted G20** Delegates at RXIL office

Policy Enablers

- Factoring Policy changes
- Participant in RAMP Programme
- Workshop with DGFT

G20 Participant

Capacity Building

- Working closely with various stakeholders
- RBI | DGFT | DFS |MSME Dept. | State Govts. | Export Councils

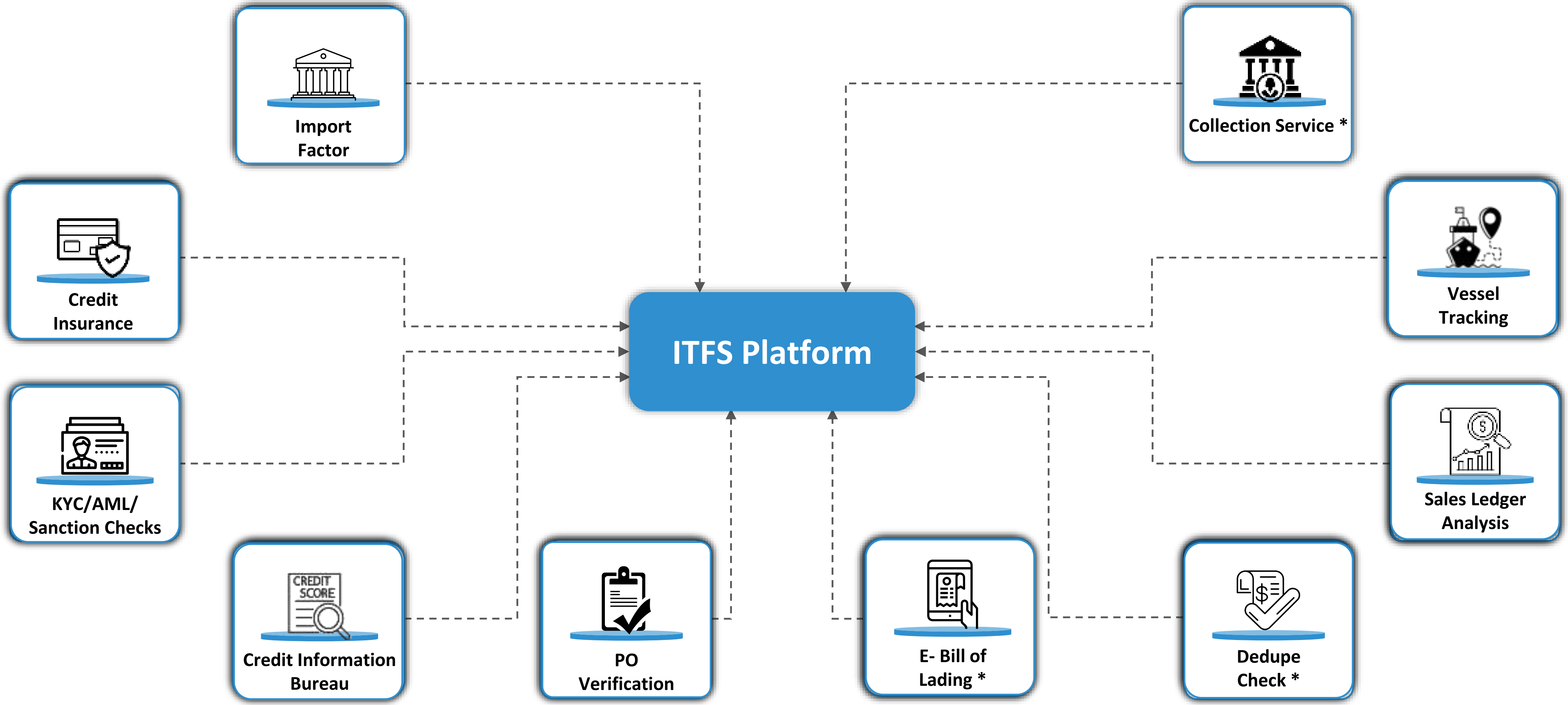
Journey in GIFT City

- Oct 1, 2021: 'In-principle' approval from IFSCA
- Jul 26. 2022: RXIL Global IFSC Limited was setup
- Nov 18, 2022: Certificate of Registration for ITFS
- Jul 13, 2023: Approval for Commercial Go-Live
- Aug 9, 2023: Commencement of 1st transaction

ITFS – Transaction Structure

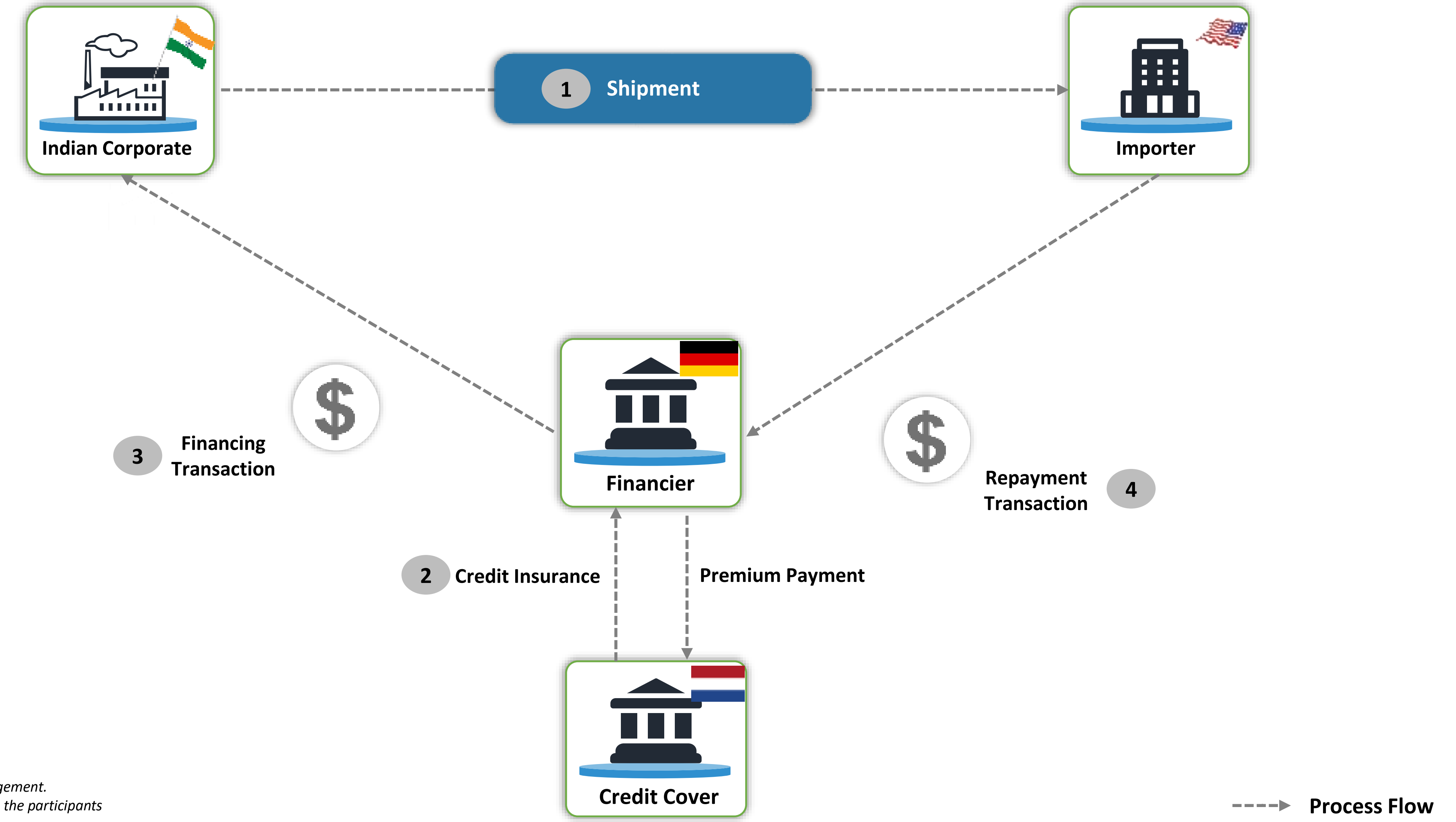
RXIL's approach to enable Financing on ITFS platform

List of activities to be undertaken by the ITFS platform



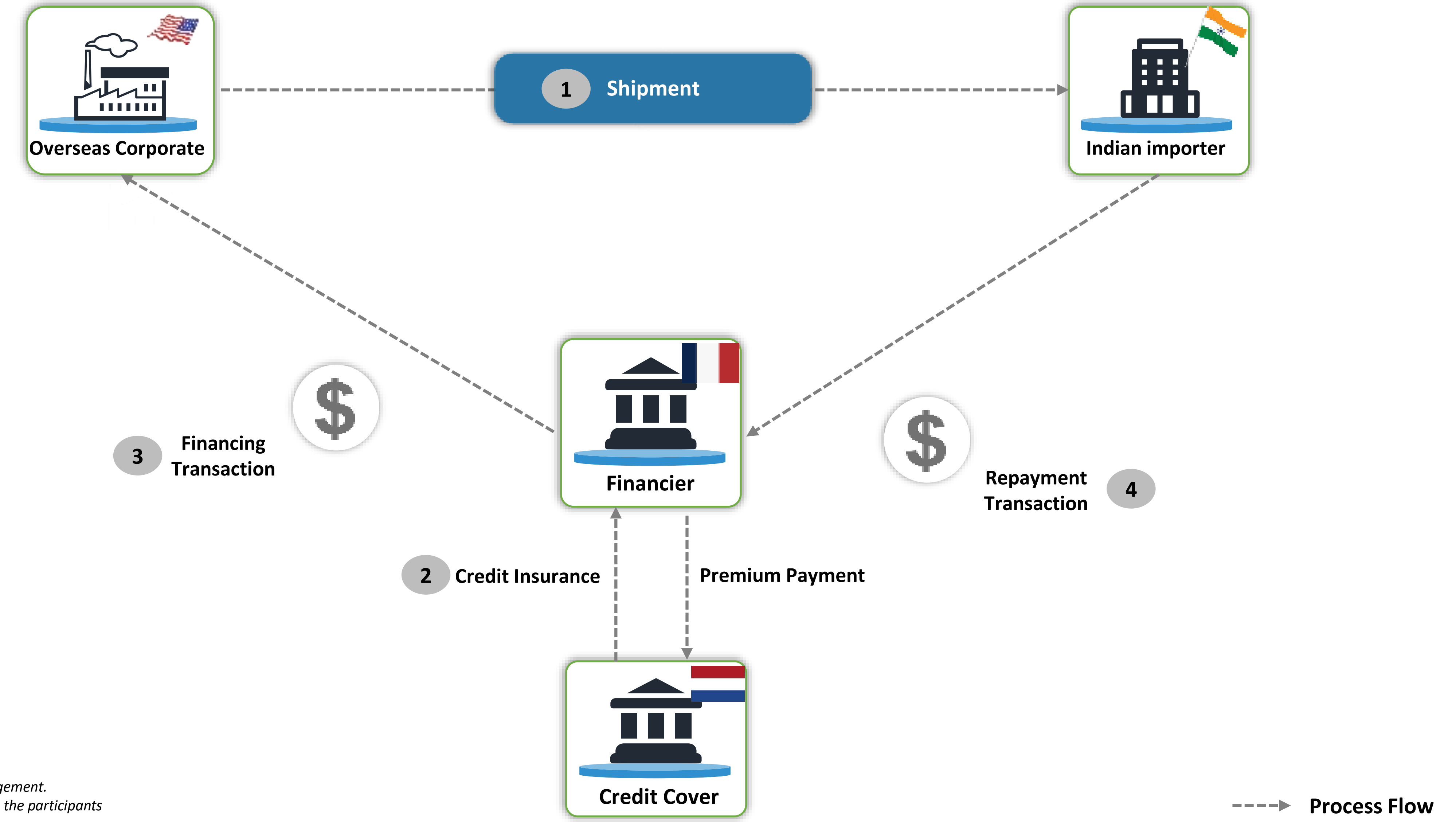
* *Currently under development*

ITFS: Transaction structure 1 (Exports from India)



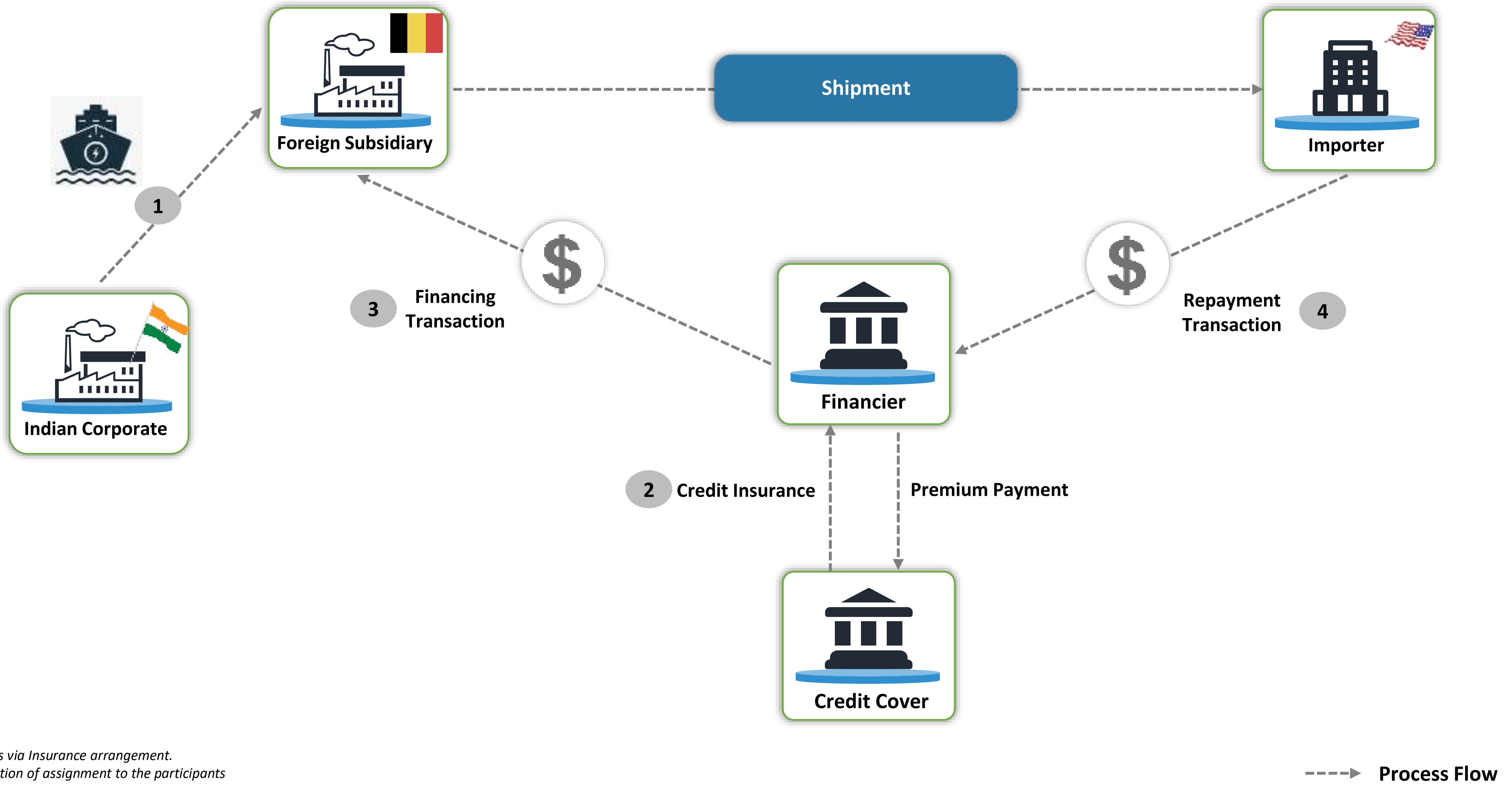
^Limits via Insurance arrangement.
Intimation of assignment to the participants

ITFS: Transaction structure 2 (Imports into India)



^Limits via Insurance arrangement.
Intimation of assignment to the participants

ITFS: Transaction structure 3 (Foreign subsidiary)



^Limits via Insurance arrangement.
Intimation of assignment to the participants

Thank You

GIFT City – IFSC

- Key Tax Considerations
- Setup process

February 2025

Jaiman Patel
Partner, GIFT City
EY India

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with confidence

Synopsis of key tax considerations

An Overview - Tax considerations

Income-tax

- Income tax holiday is available for 10 consecutive years out of 15 years.
- MAT is payable at a reduced rate of 9%, and the same is not applicable if the entity opts for the new tax regime.
- Concessional withholding tax rate of 10% on dividend paid to non-resident shareholders
- Indian parent is eligible for deduction of dividend received from GIFT city entity while declaring dividend to shareholders

Custom, GST & Stamp Duty

- No Customs Duty on goods imported in IFSC from outside India
- No GST on services imported in IFSC from outside India or within IFSC or from India
- No Stamp Duty and registration fees for real estate agreements

Amendments proposed in Budget 2025

- No deemed dividend for listed foreign corporate entity having presence in GIFT IFSC
- Exemption from Capital Gains on transfer of equity shares of a ship leasing entity set up in GIFT IFSC
- Exemption on payment of dividend by company being unit of IFSC engaged in ship leasing to a unit of IFSC engaged in ship leasing
- Extension of sunset clauses as mentioned in ensuing slide

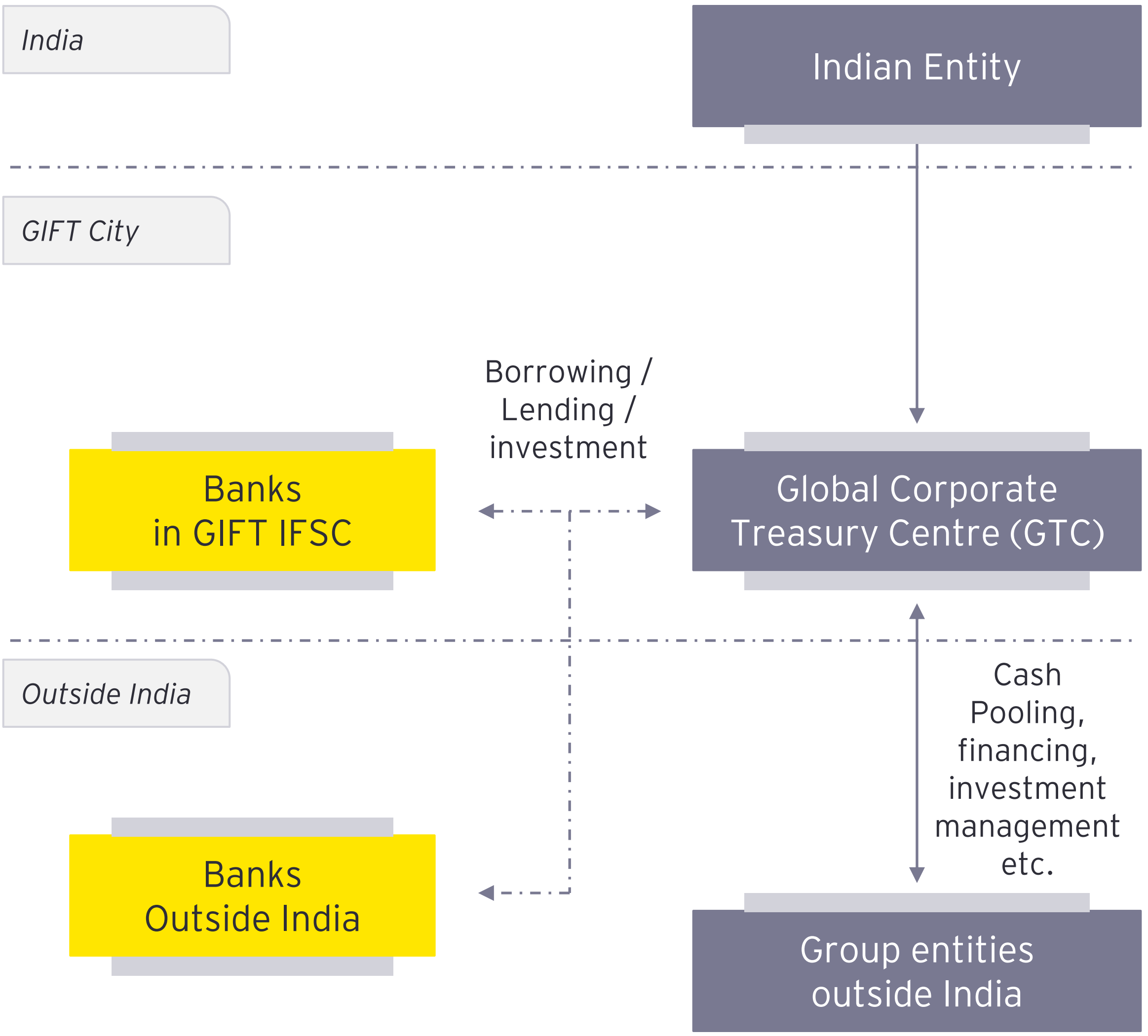
Compliance Requirements

- Filing a form to begin claiming 10 year tax holiday
- Transfer pricing provisions applicable for transactions between GIFT IFSC based entity and non-residents
- Exemption from tax withholding for specified payments to IFSC based entities subject to a form filing
- No requirement to file any forms prior to remittance to non-residents where income is not chargeable to tax - only quarterly statement prescribed

Extension of sunset clauses

Section of Income Tax Act, 1961	Applicable to	Deduction/ benefit available	Sunset clause
10(4D)	Investment Division of non-resident IBU	Income from foreign securities, capital gains from Indian securities (other than equity shares), capital gains from securities listed on IFSC exchanges, business income from securitisation trust.	The sunset clause for commencement of investment operations by such IBUs has been extended from 31 March 2025 to 31 March 2030
10(4F)	Non-residents leasing aircraft/ship to IFSC unit	Income of a non-resident by way of royalty or interest on account of lease of an aircraft/ship paid by a unit of an IFSC is exempt from tax.	The sunset clause for commencement of operations of such aircraft/ship leasing IFSC units for the purpose of this exemption has been extended from 31 March 2025 to 31 March 2030
10(4H)	Capital gain tax exemption for non-resident	Capital gain tax exemption for a non-resident shareholder or unit of an IFSC engaged primarily in aircraft leasing, from the transfer of equity shares of domestic company, being an IFSC Unit engaged primarily in aircraft leasing	The sunset clause for commencement of operations of such aircraft leasing IFSC units for the purpose of this exemption has been extended from 31 March 2026 to 31 March 2030
80LA	Aircraft / Ship leasing companies in IFSC	Income arising from transfer of a leased aircraft or ship by an IFSC unit is exempt from tax.	The sunset clause for commencement of operations of such aircraft/ship leasing IFSC units for the purpose of this exemption, has been extended from 31 March 2025 to 31 March 2030
9A	Fund managers in IFSC	Fund management activities carried out by an eligible fund manager in IFSC for on behalf of an eligible investment fund shall not constitute business connection in India	The sunset clause for commencement of operations of such IFSC fund manager for the purpose of this exemption, has been extended from 31 March 2025 to 31 March 2030
47(viiad)	Tax neutral relocation of funds to IFSC	Income from transfer of assets from an offshore fund to a resultant fund in IFSC has been exempted from tax	The sunset clause for transfer of assets for the purpose of this exemption, has been extended from 31 March 2025 to 31 March 2030

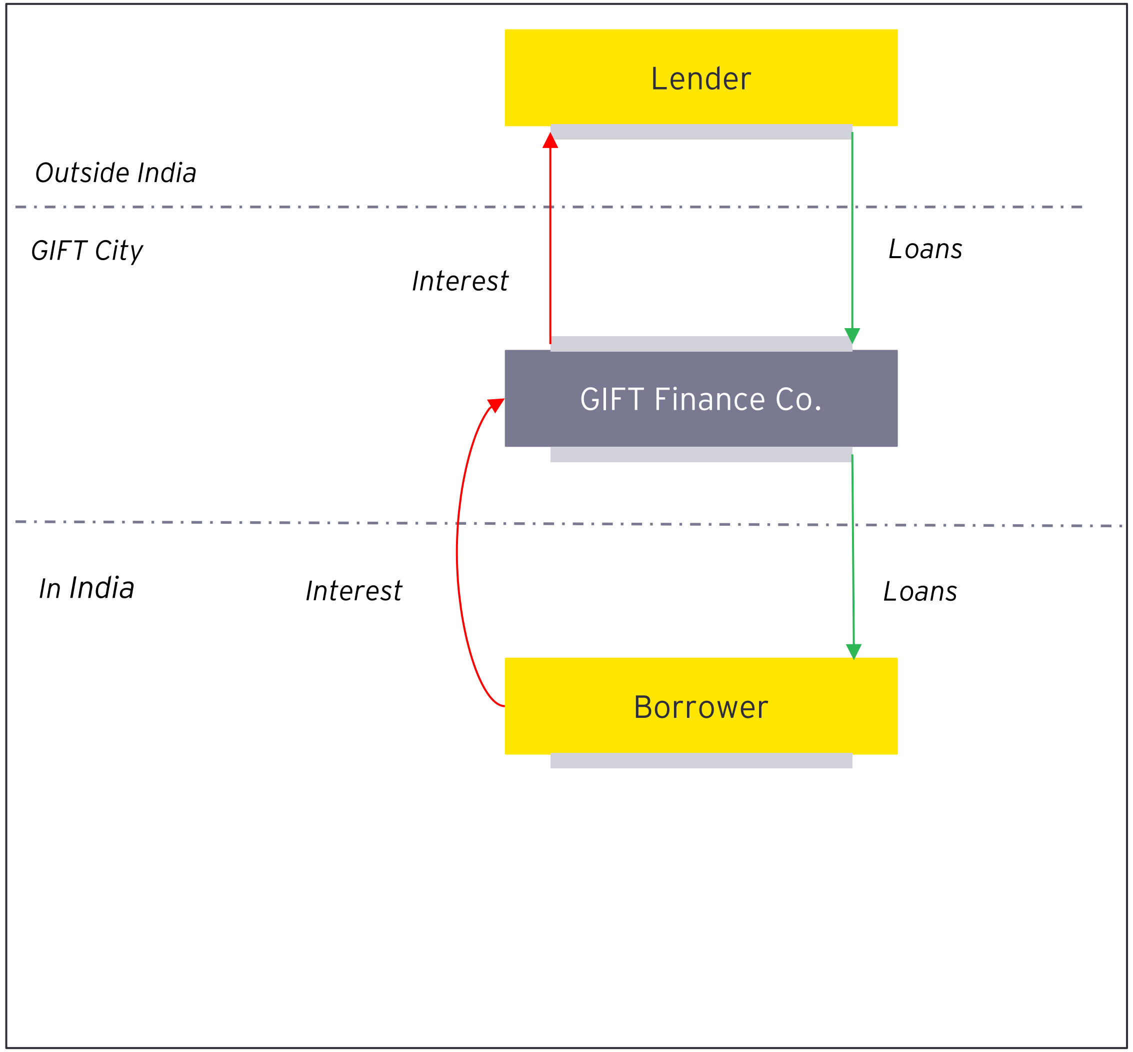
Global / Regional Treasury from GIFT IFSC



Key considerations

- Interest paid to non-residents exempt from tax in India
- Interest received on monies lent enjoys benefit of tax holiday
- In the period outside tax holiday, tax payable only on the net profits
- Risk of creating 'place of effective management' not applicable since operations are in India
- No deemed dividend for listed foreign corporate entity having presence in GIFT IFSC
- Thin capitalisation norms relaxed for finance company in GIFT IFSC

Captive Finance Company In GIFT IFSC

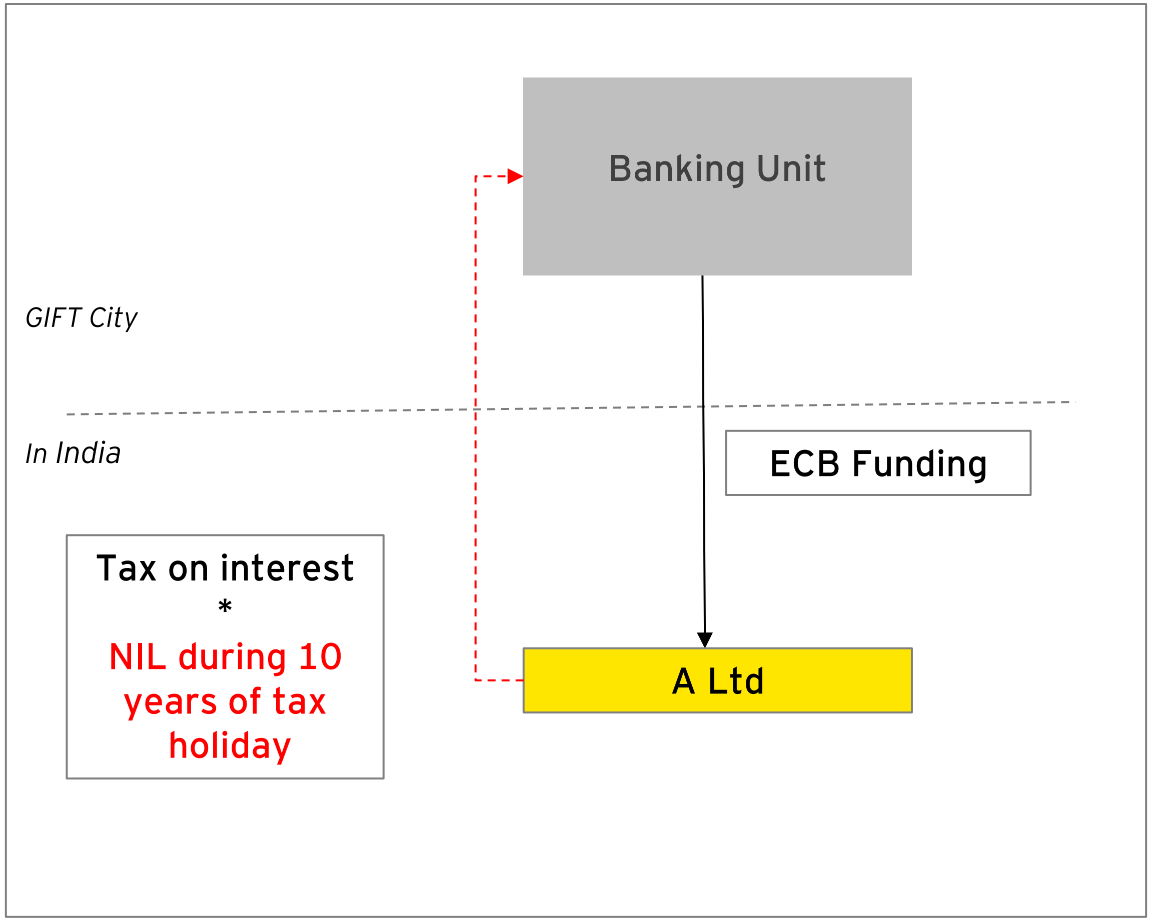


Key considerations

- Interest payment to GIFT Finance Co. should enjoy tax holiday
- Interest payment by GIFT Finance Co. to non resident lender should be exempted

Banking from GIFT IFSC

Beneficial regime available in GIFT City



Key considerations

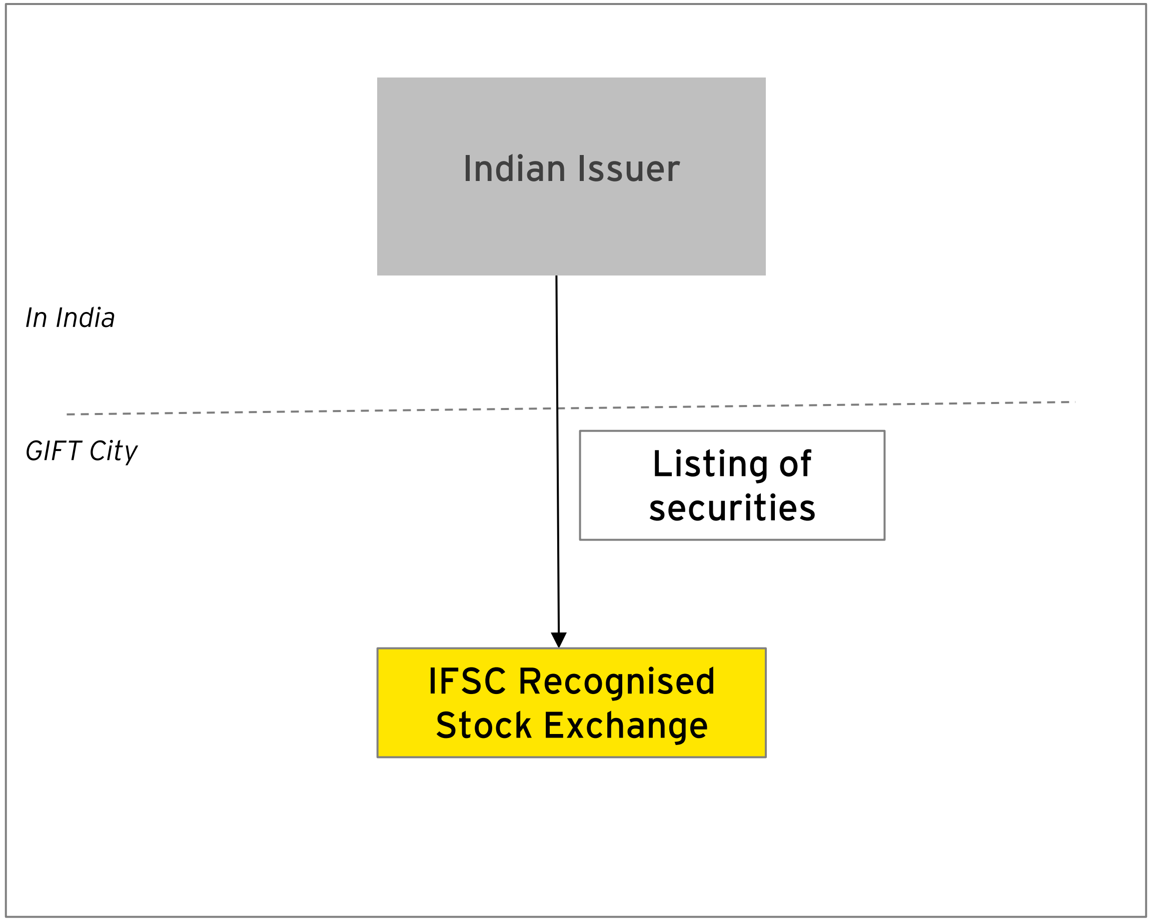
- Interest income on ECB lending from GIFT IBU to Indian Resident is exempt during 10 year tax holiday period

Other tax advantages for GIFT IBU

- Interest on deposits paid to non-residents exempt from tax in India
- Payments made to non-residents on transfer of OTC derivatives exempt from tax in India

Listing of securities by Indian issuers

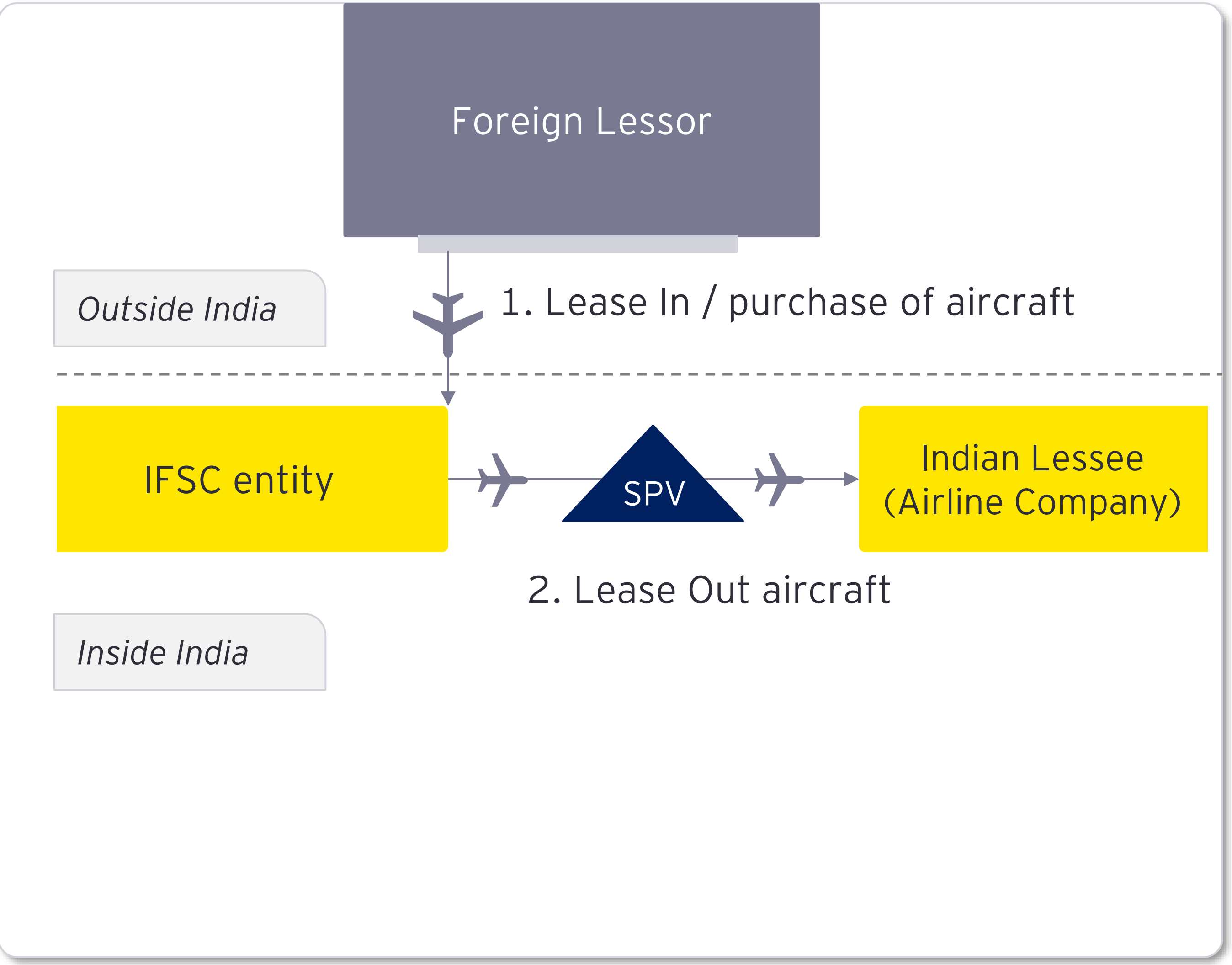
Listing of securities in GIFT IFSC



Key considerations

- Investments in specified securities listed on the GIFT IFSC stock exchange is exempt from capital gains tax for non-residents
- Interest income on bonds listed on recognised stock exchanges in GIFT IFSC taxable at 9% (plus surcharge and cess)
- No STT, CTT, Stamp duty and GST on transactions carried out on GIFT IFSC exchanges

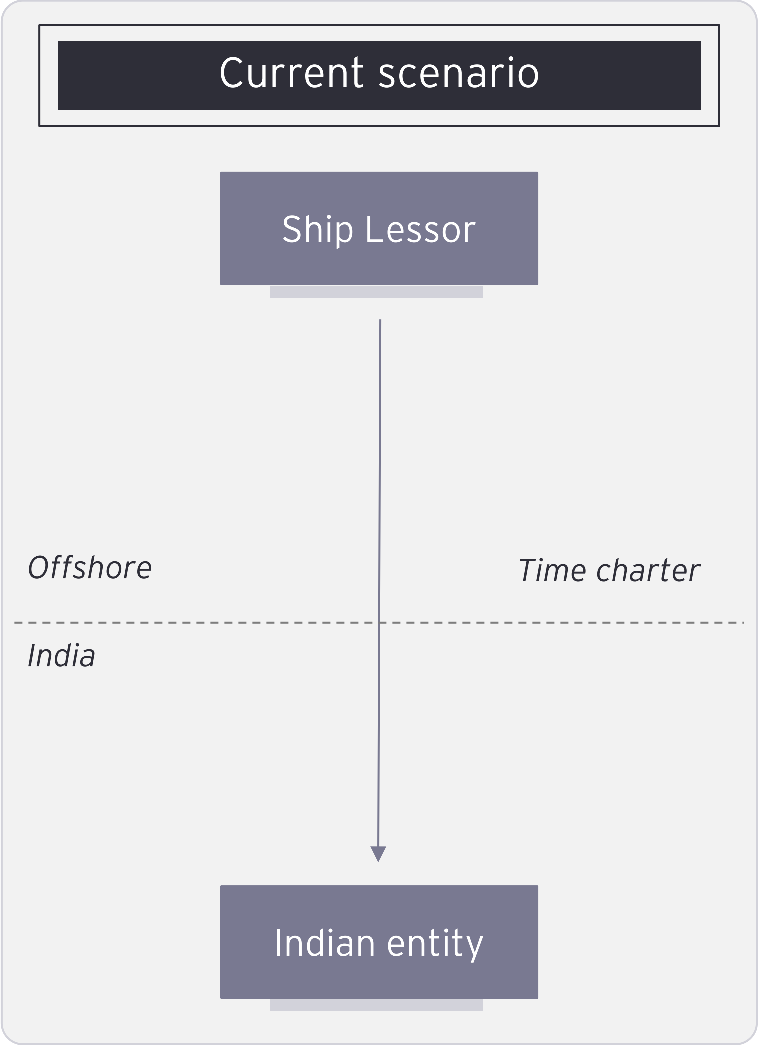
Aircraft Leasing from GIFT IFSC

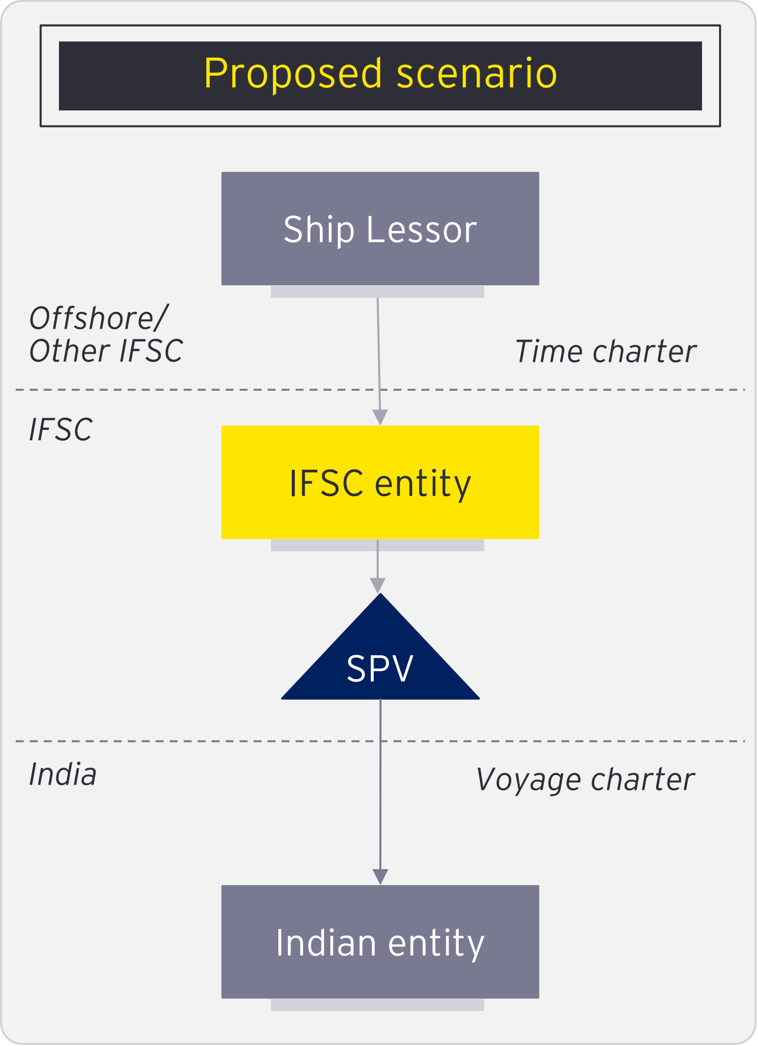


Key considerations

- Royalty and interest earned by non-resident lessor from IFSC unit exempt
- Income on disposal of leased aircraft eligible for tax holiday
- Capital gains arising to a non-resident or an IFSC unit from transfer of shares of an IFSC company engaged in aircraft leasing exempt from tax subject to conditions
- Customs Duty and GST (on forward charge basis) applicable on aircraft leased by GIFT IFSC to Indian airline operators

Ship Leasing from GIFT IFSC



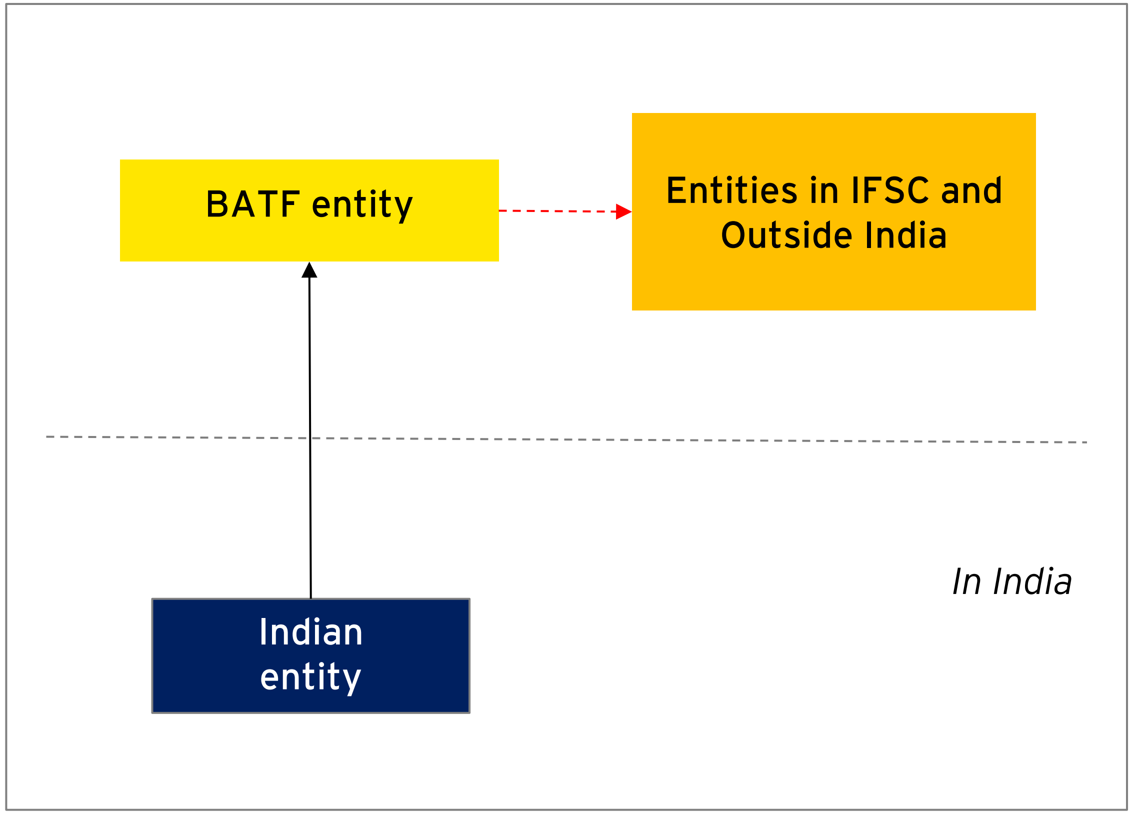


Key considerations

- Tax holiday for 10 consecutive years out of 15 years on income earned by entity in IFSC
- No WHT on lease payments by Indian entity to IFSC entity
- No BCD and IGST on import of ships

BATF from GIFT IFSC

Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF)



Key considerations

- Tax holiday on income earned
- Capex Support - One time reimbursement upto 30% of eligible Capex
- Opex Support – Upto 15% of annual eligible opex
- Special incentives like Employment Generation Incentives (EGI), Employee Provident Fund (EPF), etc.
- Total Capex, OpEx incentive and special incentives shall be capped upto 75% of eligible Gross Fixed Capital Investments

Set up Process

Application Process / Step Plan

Indicative IFSC setup process

1. Identify Suitable Office Space
2. Obtain Provisional Letter of Allotment (PLOA)
3. Application for the name and incorporation (in-case of set-up of new entity)
4. Apply for IFSCA and SEZ Approval (Single Window IT System)
5. Obtain Letter of Approval from SEZ authorities
6. Obtain IFSCA approval / Certificate of Registration
7. Submit Bond-cum-letter of undertaking and obtain Eligibility Certificate from SEZ authority
8. Obtain GST registration
9. Open bank account with IBUs in IFSC in co-ordination with AD Bankers and remit funds to Bank account

Considerations

- Minimum fund requirements USD 0.2 million to USD 3 million
- Develop a business plan/Roadmap
- Board approved Governance framework
- Minimum two employees required for treasury support services
- Physical office required in GIFT City

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GIFT City SEZ
Gandhinagar - 382 355, Gujarat
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Bengaluru
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"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

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11, 'A' wing
Divyasree Chambers
Langford Town
Bengaluru - 560 025
Tel: + 91 80 6727 5000

3rd & 4th Floor
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Shantala Nagar
Bengaluru - 560 001
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1st & 8th Floor, Tower A
Prestige Shantiniketan
Mahadevapura Post
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Chandaka SEZ, Bhubaneswar
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Horizon Tower, JLN Marg
Opp Jaipur Stock Exchange
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Building Omega, Bengal Intelligent
Park, Salt Lake Electronics
Complex, Bidhan Nagar
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Dadar (W), Mumbai - 400 028
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IT Park, MIDC, Plot No. IT-5
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