



GIFT IFSC

Public Sector Enterprise 2047- GIFT IFSC Opportunities
Outcome Document



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01

**Public Sector Enterprises
2047- GIFT IFSC
Opportunities**



1.1 GIFT IFSC and business opportunities for Public Sector enterprises

GIFT IFSC, envisioned as a global financial hub in India, represents a groundbreaking initiative in the world of international finance as it meticulously amalgamates an enabling and advanced regulatory framework with cutting-edge infrastructure.

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 this development is the role of International Financial Services Centers Authority (IFSCA), which has been instrumental in shaping GIFT IFSC's growth.

GIFT IFSC has witnessed a remarkable transformation and is supported by a robust regulatory environment, with over 27 new regulations and more than 12 frameworks introduced since Oct 2020, aligning with international best practices. The banking sector within GIFT IFSC has shown impressive growth with its total asset size expanding from \$14 billion in September 2020 to \$52 billion in December 2023. This expansion is complemented by a significant increase in banking transactions, rising 10x to \$ 674 billion as of December 2023.

The fund management sector in GIFT IFSC has also witnessed remarkable growth with 83 Fund Management Entities launching 95 funds with a targeted corpus of \$25.9 billion. This underscores GIFT IFSC evolving financial landscape which also includes the successful launch of GIFT Nifty and the International Bullion Exchange. The aircraft and ship leasing activities in GIFT IFSC are thriving, benefiting from favorable regulatory and taxation policies. Additionally, the listing of \$52.95 billion in debt securities on IFSC exchanges, including \$10.43

billion in ESG-labeled debt, highlights GIFT IFSC's commitment to sustainable finance and environmentally responsible financial practices. The FinTech Ecosystem at GIFT IFSC has also gained strong momentum. IFSCA received over 100 applications under its FinTech Entity Framework from over 14 jurisdictions. The total number of FinTech Entities registered under the FinTech Entity Framework of IFSCA was 47 as at 31st Dec 2023.



Shri. Amardeep Singh Chowdhary, Principal Adviser, DPE

"We shall have shared vision of future where PSE are not just institutions but catalyst for faster change that contributes to prosperity and well-being of the nation."

"Together we can unlock the full potential of PSEs by harnessing the power of GIFT IFSC to develop prosperous and sustainable future"





Shri K. Rajaraman, Chairperson, IFSCA

“PSEs are encouraged to prioritize their efforts towards supporting the objectives delineated for Viksit Bharat @2047, potentially by means of innovation, policy reforms, and leveraging opportunities in GIFT IFSC.”

To carry forward this growth momentum and to sensitize and showcase business opportunities for Public Sector Enterprises in GIFT IFSC across areas such as capital raising, sustainable finance, treasury centers operations, aircraft leasing, ship leasing, insurance, InVITs, REITs, etc., IFSCA organized “Public Sector Enterprises 2047 – the GIFT IFSC Opportunity” summit on 23rd February, 2024.

The summit brought together 200+ representatives including policy makers, industry leaders, financial experts apart from CEOs, CFOs and senior management of CPSEs and leading State Public Sector Enterprises.

The event featured insightful keynote addresses and discussion, showcasing the potential business opportunities for Public Sector enterprises in GIFT IFSC, along the course of contemporary global financial services. Public Sector enterprises that have been licensed by IFSCA also

presented case studies for respective business cases.

Public Sector Enterprises 2047- GIFT IFSC Opportunities summit featured an inaugural session followed by three distinct business sessions focusing on public sector enterprises leveraging global opportunities through GIFT IFSC.



Shri. Dipesh Shah, ED(Development), IFSCA

“GIFT IFSC City serves as a dynamic canvas for companies and start-ups to begin exploring their true potential and competitiveness within global markets”



02

GIFT IFSC: Opportunities for Public Sector Enterprises



2. GIFT IFSC: Opportunities for Public Sector Enterprises

GIFT IFSC is a key player in financing, as to serve India's growing Investment needs. The recommendations focus on enhancing the market for innovation and product development within GIFT IFSC to meet the evolving business needs of public sector enterprises.



Shri. Pradeep Ramakrishnan, ED, Capital Markets, IFSCA

“Public Sector Enterprises can utilize the GIFT IFSC platform to diversify funding resources, with direct listing, bonds issuance etc.

“PSEs shall also explore sustainable finance opportunities in IFSC”

2.1 Capital Market: Opportunities for PSEs and wider ecosystem

- Encourage stakeholders, including legacy shareholders and future investors, to shift financial operations and investments from abroad to GIFT IFSC.
- Expect PSEs to list more bonds to meet their financing needs, potentially exploring different types of bonds and debt instruments to diversify funding sources.
- Encourage innovation and product development within GIFT IFSC to meet the evolving

- business needs of public sector enterprises.
- Promote sustainable finance initiatives within GIFT IFSC, aligning with global trends towards environmental, social, and governance (ESG) considerations in investment decisions.
- Equity direct listing guidelines will provide opportunities for diversifying the investor base through IFSC.



Shri. Rajarshi Gupta, MD & CEO, ONGC Videsh

“GIFT IFSC, Offshore Jurisdiction of OUR OWN’ that can offer customized solutions as required for India companies and India”



*Smt. Parminder Chopra, Chairman & MD,
Power Finance Corporation*

“Hon’ble Prime Minister’s vision of transforming IFSC into the Climate Financing Hub, aligns perfectly with the global focus on the green funding and open door for financing opportunities”



Shri. Anuj Jain, Director (Finance), Indian Oil Corporation

“Time has come to that we can lease in our own ships through GIFT IFSC”

2.2 Regulatory Enablers

- Encourage international lending institutions, to provide financing for infrastructure projects in India, potentially through collaborations and partnerships facilitated by IFSC.
- Promote knowledge sharing and awareness among professionals in fields like accounting, cost accountancy, and company secretarial practices to understand the benefits and opportunities offered by GIFT IFSC.
- Promote the use of external commercial borrowings (ECBs) for infrastructure projects, facilitated by coverage from international agencies, potentially reducing financing costs and attracting international capital.



Shri. Vinod Hejmadi, CFO, Air India

“As we started Aircraft leasing in GIFT city, we are also exploring other financial products which would be beneficial to our growth.”

- Facilitate infrastructure financing through innovative financing models, such as the one utilized by DFCCIL, which combines multi-lateral support with commercial lending, potentially attracting more investment into infrastructure development.

- PSEs shall consider establishing subsidiaries or operations in GIFT IFSC for strategic financial operations, such as treasury management, financing, and risk mitigation.
- PSEs shall take advantage offered by IFSC and leverage financial services such as ship leasing, insurance, aircraft leasing and financing from GIFT IFSC
- Engage with stakeholders, including government agencies, financial institutions, industry bodies, and investors, to solicit feedback, address concerns, and foster a conducive environment for financial activities in GIFT IFSC.



03

Leveraging Services and Products offered by IFSC entities



3. Leveraging Services and Products offered by IFSC entities

GIFT IFSC must redefine its stature as a global financial hub, driving innovations and efficiencies in financial services. The following recommendations encapsulate strategic initiatives and actionable measures designed to elevate GIFT IFSC's role in Global financial landscape.



Shri. Supriyo Bhattacharjee, CGM, IFSCA

“Public sector enterprises (PSEs) are encouraged to demand innovative and high-quality financial services from entities within IFSC, leveraging the hub’s expertise and resources”

3.1 Financial Services and Product Innovation

- Explore opportunities for commodity hedging for oil marketing companies in IFSC and encourage PSUs to participate in alternative investment funds, diversifying their investment portfolios.
- Establishment of a local currency clearing system within the International Financial Services Centre (IFSC) to facilitate transactions and settlements in Indian currency.
- Expand insurance offerings within IFSC, catering to diverse needs such as health insurance for international students, retirement

solutions for NRIs, and group insurance for employees of companies operating within IFSC.



Shri. Anuj Bhargava, GM & Head of IBU, Bank of Baroda

“At present, regulatory challenges are increasingly daunting in the other jurisdiction, yet here in IFSC, we observe a regulatory environment conducive to business

Apart from Tax benefit, operating cost of Bank of Baroda IFSC unit is less than 1/10th of other foreign jurisdiction.”

- Enable settlement in foreign currency within IFSC, providing a convenient platform for international transactions and mitigating currency exchange risks.
- Facilitate retail deposits from both residents and non-residents within IFSC, potentially tapping into diaspora opportunities and providing a stable source of funding for banking activities.
- Enhance market infrastructure within IFSC, potentially introducing electronic trading platforms for bonds, facilitating remote broker-dealer memberships, and fostering partnerships with international exchanges to promote innovation and market growth.



Shri. V. Balasubramaniam, MD & CEO, NSE IFSC

“The direct listing of Indian private companies, PSEs, and unlisted startups has the potential to be a game-changer in raising funds globally, thereby fueling the growth of the Indian economy in the years ahead.”

3.2 Regulatory Innovation

- Facilitate the establishment of wholly owned subsidiaries of banks within IFSC to capitalize on the business-friendly regulatory environment and the potential for growth in banking activities.
- Enable settlement in foreign currency within IFSC, providing a convenient platform for international transactions and mitigating currency exchange risks.
- Facilitate retail deposits from both residents and non-residents within IFSC, potentially tapping into diaspora opportunities and providing a stable source of funding for banking activities.

3.3 Sustainable Finance

- Promote sustainable finance initiatives within IFSC, including the issuance of green bonds, sustainability bonds, and climate bonds, tapping into growing investor interest in ESG-compliant investments.



Shri. Anuj Bhargava, GM & Head of IBU, Bank of Baroda

“The GIFT IFSC possesses immense potential to access and capitalize on the global insurance and reinsurance markets.”

- Involve CPSEs in sustainable and Climate Finance Focus groups and areas such as commodity trading, ship leasing, aircraft leasing, infrastructure financing etc.



Shri. Rahul Prasad, CEO, HDFC International Life

“We recognize the tremendous potential within the GIFT IFSC to serve as a catalyst for the expansion of the retail insurance sector worldwide.”



04

Business Session: Setting up an entity in GIFT IFSC



4. Business Session: Setting up an entity in GIFT IFSC



For GIFT IFSC to progress in its next growth phase, it's crucial to provide conducive regulatory environment with social and physical infrastructure. This call for an integrated approach encompassing regulatory excellence and strategic urban planning, focusing on creating an environment conducive to business and innovation

4.1 Ease of application and operations

- Establish a streamlined setup process for entities in GIFT IFSC, including single window clearance facilitated by IFSCA, SEZ-related applications made online, and swift application processing for core and non-core activities by IFSCA.
- Provide flexibility in choosing applicable laws for transactions in IFSC, allowing entities to opt for Indian or international laws based on their preferences and requirements.
- Expand insurance offerings within IFSC, catering to diverse needs such as health insurance for international students, retirement solutions for NRIs, and group insurance for employees of companies operating within IFSC.

4.2 Infrastructure: Physical and social

- Develop residential and social facilities in GIFT City, such as schools, sports facilities, and a central park, to attract residents and ensure integrated development.



Shri. Ashutosh Sharma, CGM, IFSCA

"IFSCA and PSUs can work together to become a joint catalyst for many overseas opportunities"

4.3 Outreach, Awareness and Collaboration

- IFSCA may create a working group of CPSE's CFO which would assist in discussions and deliberations on various issues and opportunities
- Encourage PSUs to establish corporate centers and back offices in IFSC (DTA), leveraging the tax benefits, infrastructure, and streamlined setup process available in the financial center.
- Educate students and stakeholders about tax matters and opportunities in IFSC, ensuring they understand the benefits and implications of conducting business in the international financial center.
- Encourage collaboration between PSUs, private entities, and regulators to foster innovation, knowledge sharing, and the development of thought leadership documents to address challenges faced by MSMEs and exporters.
- Facilitate initiatives to promote Make in India within IFSC, encouraging PSUs to provide necessary services and support.
- Regular CPSEs focused roundtables and interactions to be organized in Delhi, Mumbai
- Prioritize digital transformation initiatives to enhance efficiency and competitiveness in the global marketplace.
- Facilitate initiatives within IFSC that support 'Make in India' initiative through efficient financial structures and products in IFSC
- Collaborate with PSEs in organizing High impact thematic events.
- Key focused areas to be taken with PSEs are Treasury Centers, Fund Raising.



Thank you note by Shri. Himanshu Jain, AGM, IFSCA

5. List of organizations represented in the summit

- Ai Fleet Services Pvt Ltd
- Alliance Air
- Alphavalue Consulting Private Limited
- Alphavalue Legal
- Apex Fund Services LLP
- Arvind Limited
- Ascent Fund Services (India) Pvt Ltd
- Astramar Shipping
- Axis Bank Limited
- Axis Trustee Services Limited
- Bank Of Baroda, Ifsc Banking Unit
- Bank Of India
- BEML Limited
- Bharat Dynamics Limited
- Bharat Electronics Limited
- Bharat Petroleum Corporation Limited
- Bharat Petroresources Limited
- Bondevalue Pte Ltd
- Canara Bank Gift City
- Catalyst Trusteeship Limited
- Citibank N.A.
- Coal India Limited
- Cochin Shipyard Limited
- Cyril Amarchand Mangaldas-Ofc
- Deutsche Bank IBU
- DFCCIL
- ECGC Ltd
- Electronics Corporation of India Ltd
- Epigral Limited
- E&Y
- Federal Bank
- Gail (India) Ltd
- Garden Reach Shipbuilders & Engineers Ltd.
- GCMMF
- Gujarat Alkalies and Chemicals Limited
- Gujarat Industries Power Company Limited
- Gujarat Infrastructure Development Board
- Gujarat State Fertilizers & Chemicals Limited
- Gujarat State Petroleum Corporation Limited
- HDFC Bank IBU
- Hindustan Aeronautics Limited
- Hindustan Petroleum Corporation Ltd.
- HSBC
- ICICI Bank IBU
- ICICI Bank Limited
- IDBI Bank
- IDFC First Bank Ltd
- IIFCL Projects Limited
- India International Clearing Corporation (IFSC) Limited
- India International Exchange Ifsc Limited
- India Juris
- Indian Bank
- Indian Oil Corporation Limited

5. List of organizations represented in the summit

- Indian Railway Catering and Tourism Corp Ltd (Irctc)
- Indusind Bank
- IOC Global
- IRCON International Limited
- IRFC Ltd
- J P Morgan Chase Bank
- Jawaharlal Nehru Port Authority
- JP Morgan Chase Bank Gift City Branch
- Khandhar Mehta & Shah
- Kotak Mahindra Bank
- Mangalore Refinery and Petrochemicals Ltd.
- Mazagon Dock Shipbuilders Limited
- MECON Limited
- Ministry of Road Transport and Highways
- Moon Group of Consultant
- NaBFID
- National Fertilizers Limited
- NBCC (India) Ltd.
- Newspace India Limited
- NHAI
- NIIF
- NLC India Limited
- NMDC Ltd
- NSE IFSC Clearing Corporation Ltd
- NSE International Exchange
- Oil and Natural Gas Corporation Limited
- Oil India Limited
- ONGC Videsh Limited
- OVL Overseas IFSC Ltd.
- PNB
- Power Finance Corporation Limited
- Power Grid Corporation of India Limited
- Price Waterhouse & Co LLP
- Rail Tel
- Raval And Trivedi Associates
- Rec Limited
- Rites Ltd
- Sankhya Ventures LLP
- SBI
- SCI
- SJVN Green Energy Limited
- Small Industries Development Bank of India
- Standard Chartered Bank
- Steel Authority Of India
- Tamilnadu Industrial Investment Corporation
- The New India Assurance Co Ltd
- The Shipping Corporation of India Ltd.,
- TIIC Limited
- Vistara
- Wells Fargo Bank
- Western Coalfields Limited
- Yes Bank Ltd. IFSC Banking Unit

