



# A Financial & Technology Gateway of India

# **Content:** **GICs in IFSC at GIFT City**

## **Section 01**

**GIFT International Financial  
Services Centre (IFSC): About  
IFSC and Key Highlights**

## **Section 02**

**Milestones and IFSC Ecosystem**

## **Section 03**

**Overview of IFSC Tax and  
Regulatory framework**

## **Section 04**

**GICs in IFSC at GIFT City**

## **Section 05**

**Education landscape and talent  
availability study in Gujarat**



# GIFT City Introduction:



**Global  
Benchmarking**



**Integrated  
Development**



**Strong  
Promoters**



**Central  
Business Hub**



**India's 1st IFSC**



**State of the Art  
Infrastructure**



**Strategic  
Location**



**Ease of Doing  
business**

## **Ideal destination for Financial services, IT & ITeS Companies to setup following businesses**

- Accounting and Audit
- Research and Analytics
- High End Processing
- Shared Services
- Global Delivery Centres
- BPO & KPO
- Vertical IT/ITeS Parks
- Risk Management
- Legal and compliance

### Technology offerings and platforms

- Artificial Intelligence
- Data Analytics
- Robotics
- E-commerce Companies
- Tier IV Data Centre

- Research and Development
- Data/Information management
- Innovation Centre
- ERP/Software and application development
- Web/Digital Content Development

# International Financial Services Centre at GIFT City

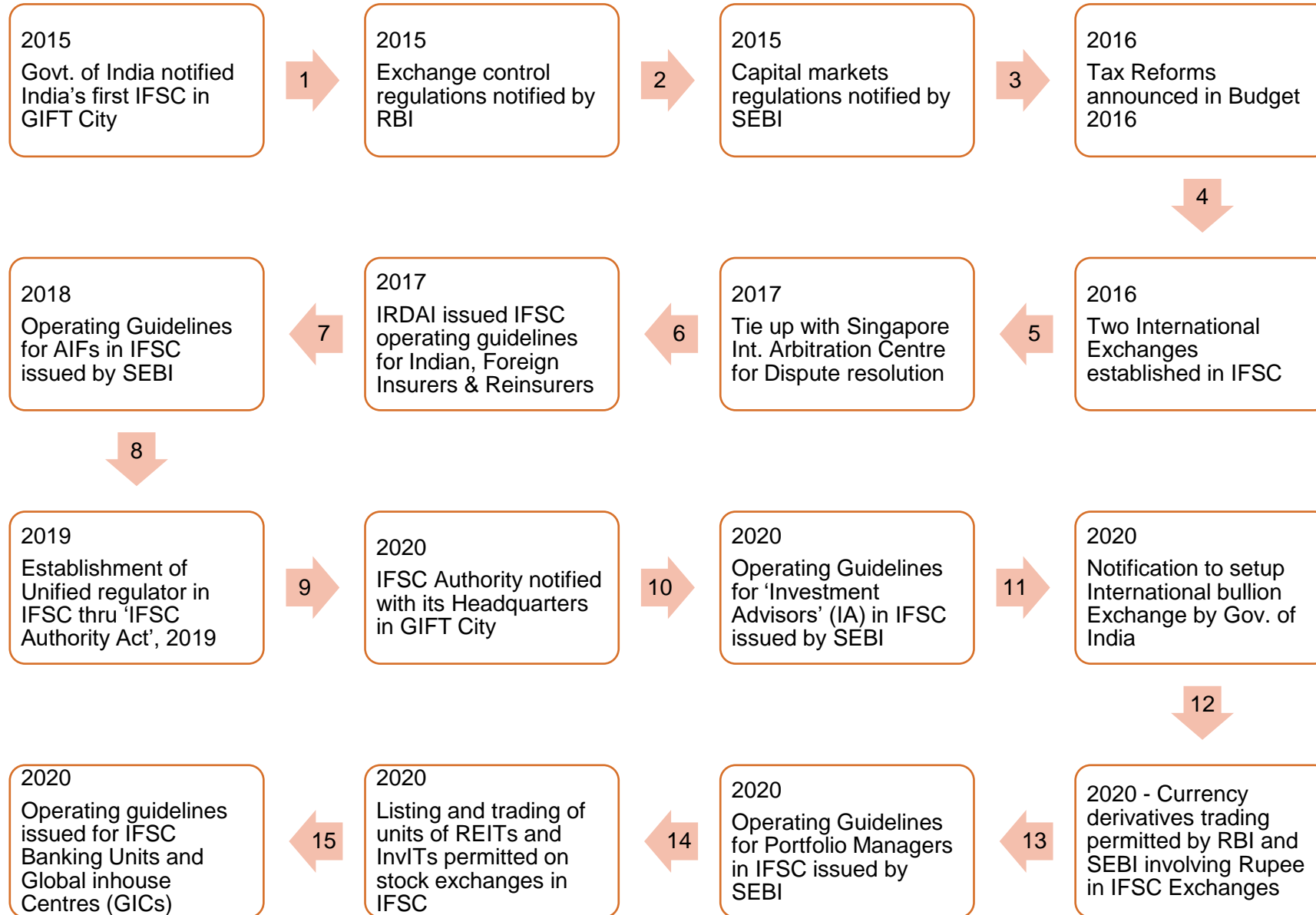
## IFSC in India

- In India, an IFSC is approved and regulated by the Government of India under the Special Economic Zones Act, 2005
- Government of India has approved GIFT City as a Multi Services Special Economic Zone ('GIFT SEZ') and has also notified this zone as India's IFSC
- The launch of the IFSC at GIFT City is the first step towards bringing financial services transactions relatable to India, back to Indian shores
- IFSC unit is treated as a non-resident under extant Foreign Exchange Management regulations

## Key activities in IFSC

Capital Markets	Offshore Banking	Offshore Insurance	Offshore Asset Management	Ancillary Services
<ul style="list-style-type: none"> <li>• Stock Exchanges</li> <li>• Trading members</li> <li>• Segregated Nominee Account Providers</li> <li>• Clearing Corporations, Depositories, other intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Banking</li> <li>• ECB Lending</li> <li>• Servicing JV/WOS of Indian companies registered abroad</li> <li>• Factoring/ Forfaiting of export receivables</li> </ul>	<ul style="list-style-type: none"> <li>• General / Life Insurance</li> <li>• Co-Insurance</li> <li>• Reinsurance</li> <li>• Captive Insurance etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative Investment Funds</li> <li>• Mutual Funds</li> <li>• Portfolio Management Services</li> <li>• Investment Advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Legal, Accounting &amp; Audit</li> <li>• Research &amp; Analytics etc.</li> <li>• Fund Accounting</li> <li>• Risk Management etc.</li> </ul>

# IFSC Journey thus far...





# IFSC Ecosystem and Business Growth

Sr No	Participants	Key business activities and features	Volume and No. of players
1	International Stock exchanges	<ul style="list-style-type: none"> <li>Dollar denominated products</li> <li>No transaction cost (other than brokerage)</li> <li>Trading - 22 hours</li> </ul>	<ul style="list-style-type: none"> <li>India INX and NSE IFSC stock exchange</li> <li>Avg. Daily volume crossed USD 6 Bn+</li> </ul>
2	IFSC Banking units	<ul style="list-style-type: none"> <li>External Commercial Borrowing (ECB) Lending</li> <li>Loan syndication and trade finance</li> </ul>	<ul style="list-style-type: none"> <li>15 IBUs</li> <li>Business - USD 28 Bn+</li> </ul>
3	Brokers & Intermediaries	<ul style="list-style-type: none"> <li>Broking services</li> <li>Proprietary trading</li> </ul>	<ul style="list-style-type: none"> <li>100+ brokers, Depository</li> <li>Clearing corporations, Custodian</li> </ul>
4	Insurers & Intermediaries	<ul style="list-style-type: none"> <li>Non-life, Reinsurance business</li> <li>Insurance intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>18+ Companies</li> <li>Sum insured - USD 30 Bn+</li> </ul>
5	IT & ITeS service providers	<ul style="list-style-type: none"> <li>Legal &amp; consultancy firm</li> <li>IT companies</li> </ul>	<ul style="list-style-type: none"> <li>50+ entities</li> </ul>

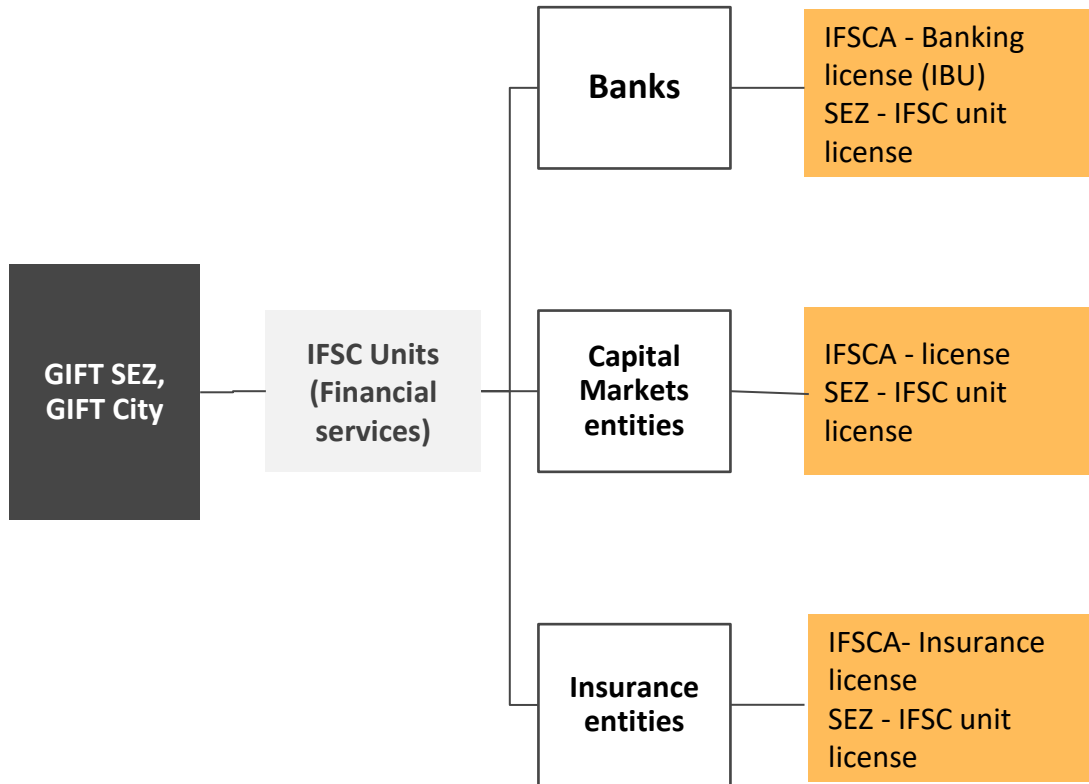
**Dispute resolution -**  
Singapore International  
Arbitration Centre (SIAC)

Connectivity - 20 min.  
from Ahmedabad Airport, well  
connected thru public  
transport

Social amenities –  
Business club, school, hotels,  
residential apartments, etc.

~12000 employees in  
GIFT City

# Overview of IFSC Framework



The Regulatory Powers of RBI, SEBI, IRDAI and PFRDA have been vested in IFSCA for regulating financial institutions, financial products, and services in IFSC at GIFT City exercisable by IFSCA from 1st October 2020

**Financial Institution being a branch or entity in IFSC deemed as a 'person resident outside India' for Exchange control purposes.**

# IFSC Tax Incentives

Particulars	Units in IFSC	Investors
<b>Income-tax</b>	<ul style="list-style-type: none"> <li><b>100% tax exemption for 10 consecutive years out of 15 years</b></li> <li>MAT / AMT @ 9% of book profits applies to Company / others setup as a unit in IFSC. MAT not applicable to companies in IFSC opting for new tax regime</li> <li>From 01 April 2020, dividend income distributed by Company in IFSC to be taxed in the hands of the shareholder.</li> </ul>	<ul style="list-style-type: none"> <li>Interest income paid to non-residents               <ul style="list-style-type: none"> <li>✓ Monies lent to IFSC units not taxable</li> <li>✓ Long Term Bonds &amp; Rupee Denominated Bonds listed on IFSC exchanges taxable at lower rate of 4%</li> </ul> </li> <li>Transfer of specified securities listed on IFSC exchanges by a non-resident or Category III AIF located in IFSC not treated as transfer - Gains accruing not chargeable to tax in India</li> <li>Specified securities include Bond, GDR, Foreign currency denominated bond, Rupee-denominated bond of an Indian company, Derivatives, Unit of a Mutual Fund, Unit of a business trust, Unit of Alternative Investment Fund and Foreign currency denominated equity share of a company</li> </ul>
<b>Goods and Services Tax</b>	<ul style="list-style-type: none"> <li>No GST on services –               <ul style="list-style-type: none"> <li>✓ received by unit in IFSC</li> <li>✓ provided to IFSC / SEZ units or Offshore clients</li> </ul> </li> <li>GST applicable on services provided to DTA</li> </ul>	<ul style="list-style-type: none"> <li>No GST on transactions carried out in IFSC exchanges</li> </ul>
<b>Other taxes and duties</b>	<ul style="list-style-type: none"> <li>State Subsidies – Lease rental, PF contribution, electricity charges</li> </ul>	<ul style="list-style-type: none"> <li>Exemption from STT, CTT, stamp duty in respect of transactions carried out on IFSC exchanges</li> </ul>

# Global In-House Centres in IFSC at GIFT City

- In October 2020, Government of India, on the recommendation of the IFSCA, notified GIC as financial service to provide services relating to financial products and financial services
- In November 2020, the IFSCA notified the IFSCA (GIC) Regulations, 2020 ('GIC Regulations') to provide for a framework to recognise and operationalise GICs in the IFSC

A 'GIC' in IFSC can provide support services, directly or indirectly, to entities within its financial services group



Including but not limited to:

- Banks
- Non-banking financial companies
- Financial intermediaries
- Investment banks
- Insurance companies
- Reinsurance companies
- Actuaries
- Brokerage firms
- Funds
- Stock exchanges
- Clearing houses
- Depositories, and
- Custodians.



# Global In-House Centres in IFSC at GIFT City



## Eligibility criteria

- Entity belonging to a financial services group eligible to set up a GIC in IFSC
- 'Financial services group' to include:
  - an entity that is regulated by a financial services regulator, and
  - includes its holding, subsidiary or associate companies, branch, or subsidiary of a holding company to which it is also a subsidiary
- Exclusively serve group entities located in FATF compliant jurisdiction
- Purpose to carry out financial service in respect of financial products
- Services only to non-resident entities



## Mode, Approval and Fees

- Business can be setup as a Company or LLP or a Branch or any other form of entity
- Approval required from IFSCA as well as SEZ authorities
- Annual membership fee to be paid – ranging from USD 5,000 to USD 10,000



## Relocation of employees

- New employees will need to be hired in the GIC. Relocation of employees from Indian entities not allowed subject to exception.
  - Only supervisory personnel are permitted to be transferred from existing entity - subject to maximum of 20% of such personnel in GICs with prior approval of the IFSCA



## Currency

- To deal in freely convertible foreign currency only
- GIC is permitted to defray its administrative expenses in INR by maintaining an INR account

# Permissible services in GICs

## Permissible products under IFSCA Act, 2019

GIC entity is permitted to provide support services for the following financial products:

- Securities
- Deposits
- Foreign currency contracts
- Contracts of insurance
- Credit arrangements
- Any other

## Permissible services under IFSCA Act, 2019

GIC entity is permitted to provide support services for the purpose, of carrying out the following financial services:

- buying, selling, or subscribing to a financial product;
- acceptance of deposits;
- safeguarding or administering or offering or managing or agreeing to manage assets consisting of financial products belonging to another person;
- effecting contracts of insurance;
- exercising any right associated with a financial product or financial service;
- establishing or operating an investment scheme;
- maintaining or transferring records of ownership of a financial product;
- underwriting the issuance or subscription of a financial product;
- providing information about a person's financial standing or creditworthiness;
- selling, providing, or issuing stored value or payment instruments or providing payment services;
- making arrangements for carrying on any of the above services.

# Tax Incentives for GIC units

GIC units in IFSC	
<b>Regulatory regime</b>	
FEMA – Regulatory benefit	<ul style="list-style-type: none"> <li>Regarded as non-resident from Indian exchange control perspective</li> <li>Restrictions applicable to domestic establishments does not apply to units in IFSC</li> <li>Transaction in fully convertible foreign currency only</li> </ul>
<b>Tax regime</b>	
<b>Income-tax</b>	<ul style="list-style-type: none"> <li>100% tax exemption for 10 consecutive years out of 15 years</li> <li>MAT / AMT @ 9% of book profits applies to Company / others setup as a unit in IFSC <ul style="list-style-type: none"> <li>MAT not applicable to companies in IFSC opting for new tax regime</li> </ul> </li> <li>Dividend paid to shareholders of company in IFSC <ul style="list-style-type: none"> <li>May be taxable in the hands of recipient; Exemption not relevant due to withdrawal of DDT regime</li> </ul> </li> </ul>
<b>Goods and Services Tax (GST)</b>	<ul style="list-style-type: none"> <li>No GST on services – <ul style="list-style-type: none"> <li>received by unit in IFSC</li> <li>provided by IFSC / SEZ units to offshore clients</li> </ul> </li> </ul>

State Subsidies as per the IT & ITeS Policy	
Stamp Duty & Registration / Conversion fee exemption	Wherever cost is incurred 100% reimbursement of Stamp Duty and Registration Fee paid
Electricity duty and subsidy on tariff	100 % Reimbursement of Electricity duty and Re. 1 subsidy on power tariff for a period of 5 years.
Reimbursement of Provident Fund contribution by employer	<ul style="list-style-type: none"> <li>100% of EPF amount paid in case of female employees</li> <li>75% of EPF amount paid in case of male employees</li> </ul>
Lease rental subsidy for every 50 sq ft per employee	Up to 20 employees      Rs. 8 per sq. ft.
	20 – 100 employees      Rs. 5 per sq. ft.
	Above 100 employees      Rs. 3 per sq. ft.
<b>Capital Subsidy</b>	Capital subsidy @ 25% of capital expenditure for one-time purchase of Computers, networking and related hardware, subject to a ceiling of Rs. 1 crore

# Gujarat: Educational landscape summary

Gujarat has a number of internationally well-known educational organizations catering to ~0.6m students every year

## An Overview of Higher Education

The Gujarat has:  
**55 universities**  
Including **03 central universities**  
and over **2000 institutes** of higher education affiliated to these universities

Approximately **631,535 students** graduate every year in Gujarat from these Institutes and Universities

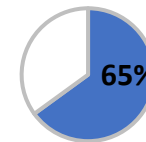
## Placement Trends in Top 10 Universities/Institutes

## Top Universities/Institutes

- Indian Institute of Technology Gandhinagar
- Dhirubhai Ambani Institute of Information and Communication Technology
- National Institute of Design
- Sardar Vallabhbhai National Institute of Technology, Surat
- Nirma University of Science and Technology
- The Maharaja Sayajirao University of Baroda
- Pandit Deendayal Petroleum University
- Ahmedabad University
- Gujarat National Law University
- Indian Institute of Management Ahmedabad

The top Institutes/ Universities caters to approximately **59,339 students** (~9% of total Institutes/universities in Gujarat)

~85%  
**Total Placements**



Approximately **65%** of students placed in other states

### Top Recruiters

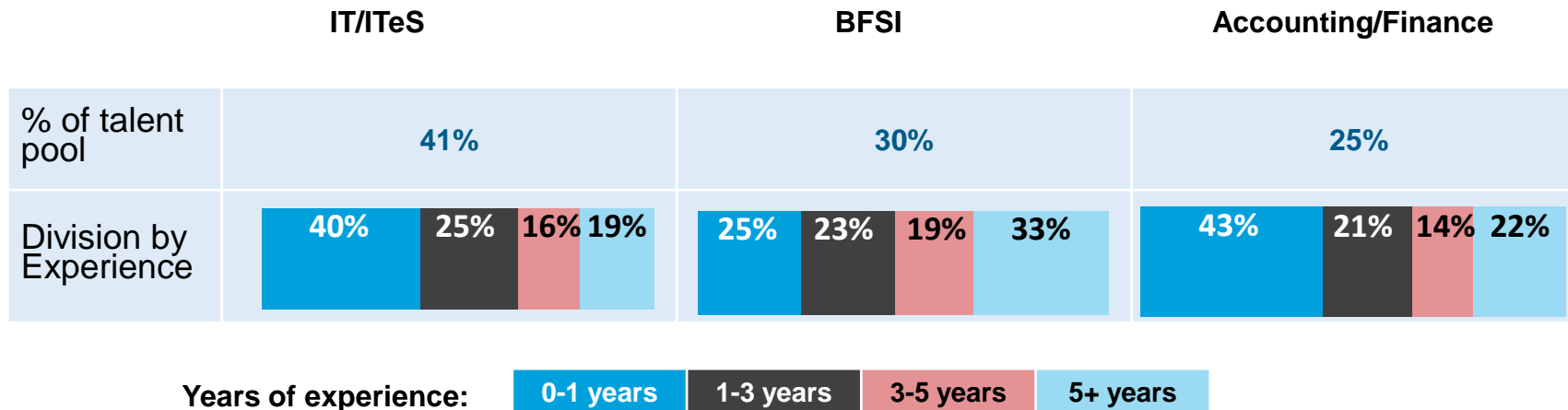


# Talent Availability by Industry Vertical

Gujarat has become attractive destination for IT/ITeS companies due to attractive IT/ITeS policy, world class infrastructure, talent availability and low operational cost

**Total talent pool = 11,19,075**

## Experienced Talent Available



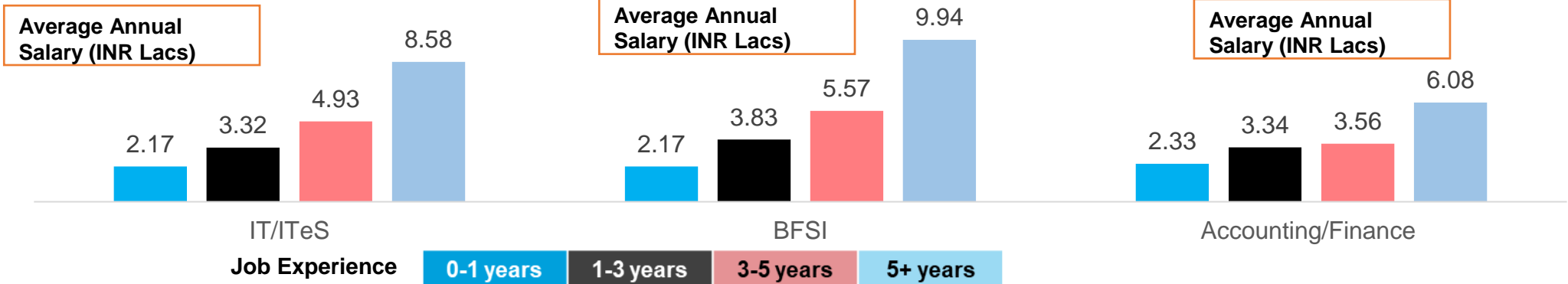
### Key Notes:

- Total number of IT companies is 1,608
- Top 3 Cities being which have IT Companies - Ahmedabad 883, Surat - 208 & Vadodara - 212
- Fresh talent pool is ~40% or the Total Talent pool and experience between 1-3 years ~25%

# Indicative estimation of salaries in Gujarat

Gujarat has low operational cost with average annual salary for candidates with 0-1 year experience is 0.22m in all major industries

## Average Annual Salaries in Gujarat Across Industries for Top Companies



### Top IT/ITeS Companies\*



### Top BFSI Companies\*



### Top Accounting/ Finance & Security/ Law Enforcement Companies\*



Note: Latest data available on Naukri.com

\* Based on number of employees in Gujarat



# Indicative benefits during the business operations in GIFT

## \*Operational Cost Benefits For 1000 Staff Operations

01	EPF Contribution by Employer	SAVINGS UPTO	≈ ₹2-3 Crores per annum
02	Rental	SAVINGS UPTO	≈ ₹30-40 Lakhs per annum
03	Capital Subsidy for Hardware, Networking & related Hardware	SAVINGS UPTO	Upto ₹1 Crore (one time)
04	HVAC (Cooling System)	SAVINGS UPTO	≈ ₹50-60 Lakhs per annum
05	Power Subsidy	SAVINGS UPTO	≈ ₹10-11 Lakhs per annum

≈ **Assumptions:** 1000 employees with average salary of ₹5,00,000 per annum occupying office space of 1,00,000 Sq. Ft.

The developer or institution developing own tower of 0.5 mn sq. ft. will also be eligible for subsidy of ₹300 per sq. ft. i.e saving of around ₹15 Crores (₹150 million).

\*The benefits are as per Government of Gujarat IT Policy for 2016-21.

- **Business cost efficiency:** ~20% reduction in operating costs in relation to comparable locations
- **Govt. of Gujarat incentives:** Attractive IT/ITeS policy offers various incentives like EPF reimbursement, lease rental subsidy, power subsidy etc.
- **Talent availability:** Adequate IT/ITeS, fintech, financial services talent available for business requirements
- **Talent Retention:** Low attrition which helps to reduce cost in new recruitment, retention, training etc.

## Operational buildings in GIFT City



**GIFT One Tower (DTA)**  
Basement + 28 floors  
0.8 Mn Sq. Ft BUA (DTA)  
Tallest Tower in Gujarat



**GIFT Two Tower (DTA)**  
Basement + 28 floors  
0.8 Mn Sq. Ft BUA (DTA)  
Tallest Tower in Gujarat



**Signature Tower by  
Hiranandani Group (SEZ)**  
16 floors  
0.3 Mn Sq. Ft BUA (SEZ)



**Brigade Tower by  
Brigade Group (SEZ)**  
14 floors  
0.4 Mn Sq. Ft BUA (SEZ)



**Hotel Grand Mercure**  
Brigade Group Hotel - 150 Rooms



**GIFT City Business Club**



**Jamnabai Narsee School**  
ICSE Board. (1200 students)

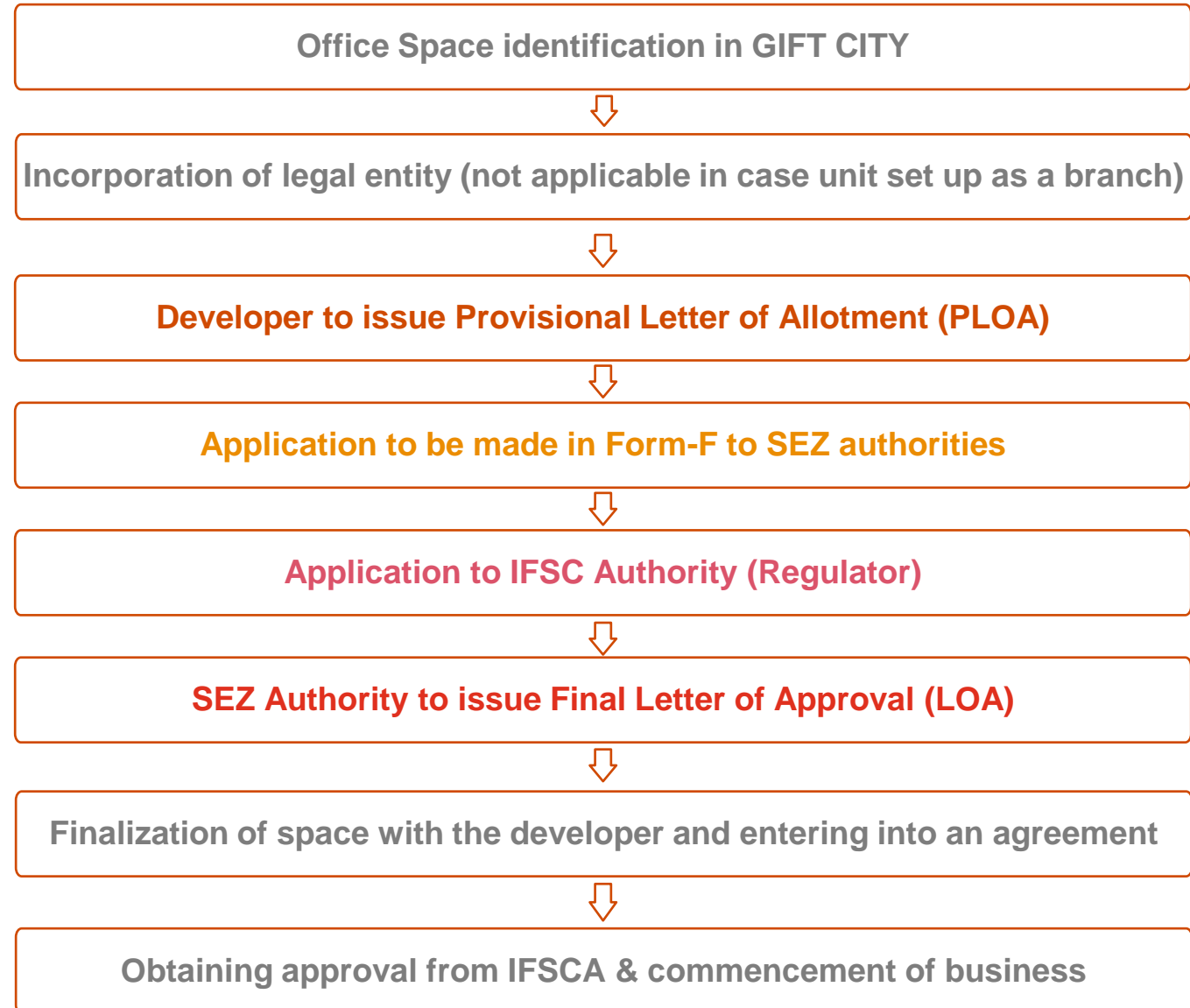


**Tata communications Tier IV Data  
Centre- 900 Racks**



**PRAGYA TOWER (SEZ- IFSC)**  
24 Storey - 0.5 Mn Sq. Ft BUA

# Overview of setting up office in GIFT IFSC



# GIFT IFSC – Emerging businesses

**Aircraft leasing & Financing**

**International Bullion  
Exchange**

**Foreign Exchange local  
clearing - IFSC**

**Asset and Wealth  
Management**

**Listing of GDR / Equity /  
REITs / Bonds**

**INR / USD Currency trading**

**High End processing  
Global inhouse Centres**

**Insurance & Reinsurance  
business**

# Notable Companies in GIFT City

## GIFT IFSC

1. BANKING	2. INSURERS AND INTERMEDIARIES	3. CAPITAL MARKETS
<ul style="list-style-type: none"> <li>State Bank of India</li> <li>IDBI Bank</li> <li>Bank of Baroda</li> <li>Indian Bank</li> <li>Axis Bank</li> <li>HDFC Bank</li> <li>Kotak Bank</li> <li>ICICI Bank</li> <li>Yes Bank</li> <li>IndusInd Bank</li> <li>RBL Bank</li> <li>Federal Bank</li> <li>Standard Chartered Bank</li> <li>HSBC Bank</li> <li>Citi Bank</li> <li>BA Continuum (Non-IFSC)</li> </ul>	<p><b>Insurers</b></p> <ul style="list-style-type: none"> <li>GIC Re</li> <li>ECGC</li> <li>The New India Assurance company</li> </ul> <p><b>Intermediaries</b></p> <ul style="list-style-type: none"> <li>J B Boda and Co Pvt Ltd.</li> <li>Unison Insurance Brokers</li> <li>Xperitus Insurance Brokers</li> <li>Pioneer Investcorp Ltd.</li> <li>Trinity Group</li> <li>Marsh Insurance Brokers</li> <li>Allied Insurance Brokers</li> <li>Bharat Re Insurance Brokers</li> </ul>	<p><b>Exchanges</b></p> <ul style="list-style-type: none"> <li>NSE IFSC LTD.</li> <li>INDIA INX LTD.</li> </ul> <p><b>Trading members</b></p> <ul style="list-style-type: none"> <li>Edelweiss IFSC Ltd</li> <li>Kotak Securities IFSC Ltd</li> <li>IIFL IFSC Ltd</li> <li>Phillip Capital IFSC Ltd</li> <li>Stockholding clearing IFSC Ltd</li> <li>100+ SEBI registered entities</li> </ul> <p><b>Clearing Corporation</b></p> <ul style="list-style-type: none"> <li>NSE IFSC Clearing Corporation</li> <li>India ICC</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>Depository - CDSL</li> <li>Clearing Banks</li> <li>SEBI registered Custodian</li> <li>Fund Administrator</li> <li>Trustee company</li> </ul>

## GIFT DTA

1. Financial Services	2. IT & ITeS
<ul style="list-style-type: none"> <li>SIDBI</li> <li>Bank of India</li> <li>IDBI Bank</li> <li>Bank of Baroda</li> <li>HDFC Bank</li> <li>Andhra Bank</li> <li>Canara Bank</li> <li>Syndicate Bank</li> <li>GSC Bank</li> <li>MCX</li> </ul>	<ul style="list-style-type: none"> <li>Oracle</li> <li>Tata Consultancy Ltd (TCS)</li> <li>InfiBeam</li> <li>BeFree</li> <li>Maxim Integrated</li> <li>N-Code solutions</li> <li>Software Technology Parks of India (STPI)</li> </ul> <p><b>OTHERS</b></p> <ul style="list-style-type: none"> <li>GERC</li> <li>GNFC</li> <li>Kennis</li> <li>TATA Chemicals Ltd and</li> <li>Many more...</li> </ul>



*Thank you*

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