

Gujarat International Finance Tech-City (GIFT City)

Gujarat International Finance Tech-City (GIFT City) is a business district currently being constructed in the state of Gujarat. GIFT City is India's first operational smart city with the development of world-class infrastructure and sustainable master planning, which will make GIFT at par or above par with renowned centres like London, Shanghai, New York, Hong Kong, Singapore, Dubai, etc.

Promoted by the state government of Gujarat as a greenfield project, it will include commercial and residential complexes.

This article will give further details about the Gujarat International Finance Tech-City within the context of the [Civil Services Examination](#).

GIFT City IFSC Latest News

In April 2023, the Reserve Bank of India (RBI) removed a major hurdle for investments in the International Financial Services Centre (IFSC) at GIFT City, Gujarat, through the [Liberalised Remittance Scheme](#) (LRS) route.

More on the news

- Making remittances to IFSCs under the LRS ecosystem has been allowed.
- Can open a foreign currency account (FCA) in IFSC.
- Until now, unused funds in FCA for up to 15 days needed to be sent to the domestic rupee account.
- Now unutilised funds can be repatriated and surrendered within 180 days.
- Banks can now offer interest-bearing accounts to residents.
- The move will help banks raise low-cost funds and get more sticky deposits.

Challenges

- The end-use restrictions of making permissible investments in [IFSC](#) still remain.
- The funds can be remitted to IFSC for investment in securities only, and not for other purposes such as educational or medical requirements.
- The combined limit for investment still stands at \$250,000.
- Residents cannot settle domestic transactions with other residents using IFSC foreign currency accounts.

Gujarat International Finance Tech-City

- GIFT City is an integrated development on 886 acres of land with 62 mn sq. ft. of built-up area which includes office space, residential, schools, hospitals, hotels, clubs, retail and various recreation facilities.
- GIFT is a vertical city that will optimise the land area consumption for the development.
- GIFT is located on the banks of Sabarmati river, connecting business capital (Ahmedabad) and political capital (Gandhinagar) of Gujarat state - **The Growth Engine of India.**
- The GIFT City is located 12 km from Ahmedabad International Airport.
- GIFT City has a dedicated multi-services Special Economic Zone (SEZ) for International operations for various services sector players.
- Also, GIFT multi-services SEZ has the status of India's first International Financial Services Centre (IFSC) approved by the Government of India.
- The establishment of IFSC in India is expected to increase employment opportunities, thereby, enhancing economic activity and revenue generation.

Aim of the GIFT City project

As per official statements, the Gujarat International Finance Tech City will be a major boost to India's [Smart-City missions](#) by playing a key role in the burgeoning finance and technology sectors.

The concept of GIFT City was ideated in 2007 and its planning was awarded to East China Architectural Design & Research Institute (ECADI), which is credited with the planning of much of modern-day Shanghai.

Overview of Gujarat International Finance Tech-City

The GIFT City's plan is for the 359 hectares (886 acres) of land area to have approximately 110 buildings with 62,000,000 sq ft of built-up area, of which around 67% is commercial, 22% is for residential and 11% is social facilities. Currently, 2,000,000 sq ft of commercial space is operational, and another 3,000,000 sq ft is under development.

The proposed utilities for the city are as follows:

1. **Electricity:** A 400 MV electrical supply line is proposed to be laid which will reduce the chances of power outages. The cables will be laid in a utility tunnel consisting of thick concrete walls in redundant paths.
2. **Telecommunication Services:** GIFT City will have state-of-the-art telecommunications systems which will be based on the concept of FTTX (Fiber to home/office). The communications lines will be laid in fault-tolerant rich architecture to ensure maximum uptime of services

3. **Piped gas:** Natural gas is distributed to every house and building via pipes, which is cheaper and safer than cylinders. Gas supply to the city is done from the existing gas network of the state-owned company for gas transmission pipelines. Piped natural gas is already in distribution in the nearby cities of Ahmedabad and Gandhinagar.
4. **Solid waste management:** All waste in the city are collected and taken to the processing plant by vacuum chutes installed at every floor of all buildings. The waste is automatically sucked through underground chutes at a high speed of 90 km/h and is being treated through various methods including plasma gasification.
5. **Transportation:** Transportation in GIFT City will consist of the following:
 - Metro, Light Rail and Bus Rapid Transportation System
 - Use of electric personal rapid transit systems within the city.

Latest developments regarding GIFT City

- On October 18, 2014, it was announced that Bengaluru-based Brigade Group would invest Rs. 500 Core to develop 100,000 square metres of built-up area with further options in developing and additional 160,000 square metres at a cost of Rs.600 crore.
- The government of India has provisioned for a Single regulator for GIFT City in the annual budget of the year 2020.
- The major customers in the city are Oracle Inc., TCS, Bank of America, Cybage, BSE, NSE, MCX, STT (Singapore Telemedia), etc.
- GUDC (Gujarat Urban Development Corporation) is developing a software development centre for various IT companies in Gujarat. This centre will focus on new innovations in the field of IoT, Analytics, BI and Robotics.
- GIFT City's first housing project of affordable housing 'Janmangala' was inaugurated in the year 2017. The project has around 300 dwellings.
- On 5 December 2019, Business Standard reported that Bank of America opens Global Business Services Center at GIFT City
- India's biggest real estate developer Sobha Developer is constructing premium housing in GIFT City. This will be 32 storied building with world-class amenities
- On 6 January 2020, Accor opens the first international hotel in GIFT City.