

Public Sector Enterprises 2047the GIFT IFSC opportunity

Air India & AI Fleet Services IFSC



Why GIFT City? - Key Differentiators

Leasing & Lending

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

Lending **FX and other Products** Leasing Lending in USD, EUR and any other freely Regulations to enable leasing of aircraft, ships Regulations to set up Regional Treasury convertible currency – access to global and associated products Centre: markets and global liquidity Tax benefits to promote leasing Access to lower cost of funding Flexibility in structuring deals in line with No WHT on lease rentals to and from GIFT Optimized hedging of interest, FX, and international norms e.g., ease of refinancing commodities City No WHT on ECB loans Air India has established a subsidiary which will serve as the primary leasing vehicle for the group Air India has already leased 6 Wide Body aircraft from GIFT City valued at ~US\$1bn

Gift City provides an avenue to move the India centric business from Offshore Global Finance Centers to Onshore



GIFT City - Our Experience

Air India has set up a wholly owned subsidiary, AI Fleet Services IFSC Ltd, in GIFT City to carry out aircraft leasing activities

- Air India started process of setting up a subsidiary in GIFT City in May'23 and was able to operationalize the entity in Sep'23.
- The first transaction through AI Fleet Services was also completed in Sep'23.
- IFSCA authorities have been very approachable and helpful in every step of the 3-stage process, as well as in day-to-day operations

Company Incorporation

- Name approval
- Premise Allotment
- Company incorporation
- Done on the MCA Portal
- We faced some delay in the company incorporation stage due MCA portal – IFSCA team assisted us in getting the issues resolved

SEZ Approval

 Application for SEZ approval

IFSCA Registration

- Application for IFSCA registration
- Provisional Registration
- Permanent Registration

Day-to-day Operations

- Customs clearance for incoming aircraft
- Payment of lease rentals
- Regulatory and reporting requirements

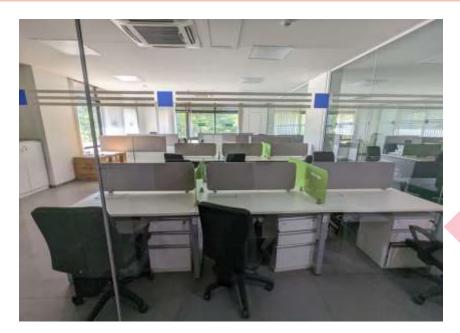
- to technical issues in the
 - SEZ and IFSCA approval/registration was completed smoothly with provisional approvals received within 15 days
 - IFSCA officials were also very proactive and cooperative with us in getting their necessary clarifications resolved and processes completed ahead of permanent registration

- Customs clearance completed smoothly by GIFT officers
- Challenges with respect to regulatory and reporting requirements are being addressed by IFSCA officials

GIFT City - Our Experience

Office Premise Selection

- Selection and leasing of Office Premise is a key step in the incorporation of company
- Limited availability of office space currently, available in Pragya, Brigade BIFC and Hiranandani
- GIFT City is already working on expanding the premises available to incoming companies with construction of new buildings to supplement existing structures





AIFS Office Space in Brigade BIFC

- GIFT officials recommend using ready-to-move-in offices and/or coworking spaces available in GIFT House, Aspire and Pragya
- These offices / co-working spaces can be used as both temporary and permanent office premises
- AI Fleet Services is currently operating out of a temporary office space in GIFT House, with our permanent office in Brigade BIFC under works



AIFS Office in GIFT House

