

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION No. 2624
TO BE ANSWERED ON MONDAY, MARCH 9, 2026/PHALGUNA 18, 1947 (SAKA)
ESTABLISHING GIFT CITY IN CHANDIGARH**

2624. Shri Manish Tewari:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received any proposal from the Chandigarh Administration to set up a GIFT City (Gujarat International Finance Tec-City) like International Financial Services Centre (IFSC) in Chandigarh, if so, the details thereof;
- (b) whether there is any provision in the International Financial Services Centres Authority (IFSCA) Act, 2019 that restricts the establishment of only one IFSC or Free Trade Zone in the entire country, if not, the legal position regarding the creation of additional IFSCs;
- (c) whether the Government is aware of the representation submitted by the Member of Parliament from Chandigarh requesting consideration of an IFSC in view of the region's unique limitations, particularly the inability to expand manufacturing due to spatial, environmental and administrative constraints, if so, the details thereof; and
- (d) the reasons for the Government's refusal or inaction on this representation, despite the potential economic benefits to the Chandigarh–Mohali–Panchkula–New Chandigarh region?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) The Government of India has not received any such proposal from the Chandigarh Administration.
- (b) There is no provision in the International Financial Services Centres Authority (IFSCA) Act, 2019 for setting up of an International Financial Services Centres (IFSCs). IFSCs are established under Section 18 of the Special Economic Zones (SEZ) Act, 2005.
- (c) & (d) Communication was received from the Hon'ble Member of Parliament from Chandigarh on 6th January 2025 which has been duly responded to on 23rd Jan 2025. Concentrating offshore activities in one location enables effective regulatory oversight without impacting mainland financial activities while allowing continuous upgradation of regulatory infrastructure and maximising efficiency gains. Further, as stated by former Finance Minister, late Shri Arun Jaitley on the floor of the Lok Sabha on 22nd December 2017, there is a limit to how many IFSCs can be set up and since GIFT City is under development in Gandhinagar, Gujarat there is a need to first optimally utilise GIFT City before considering other requests.