

GIFT City group CEO quits after IL&FS expresses inability to pay him

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AJAY PANDEY, managing director and Group CEO of Gujarat International Finance Tec-City (GIFT City) Co. Ltd, had to step down after the crisis-hit Infrastructure Leasing and Financial Services Ltd (IL&FS) decided to discontinue his services. According to Gujarat government sources, IL&FS could no longer “afford” paying his salary.

GIFT City is a 50:50 joint venture between IL&FS and the state government-owned Gujarat Urban Development Company Limited (GUDCL). “IL&FS has informed that they were not in a position to continue paying the salary of Ajay Pandey and so his term was not renewed. Salaries in the private sector are very high and IL&FS is not in a position to continue with Pandey’s salary. He was a nominee from IL&FS, while the chairman is a state government nominee,” Gujarat Chief

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Loss of face for ambitious project

THE INABILITY of GIFT City to pay the salary of Ajay Pandey, leading to his exit, comes as loss of face for the pet project of Prime Minister Narendra Modi that was meant to provide over 10 lakh jobs in the banking and financial services and insurance sector in Gujarat. According to official sources, IL&FS had informed Pandey of its inability to pay his salary in October 2018, but had decided to continue with him till March 2019 in wake of the state government’s Vibrant Gujarat summit in January. His exit pegs back Gujarat’s dream of attracting human resources from places like Mumbai, Pune and Gurugram. Pandey is the fourth IL&FS nominee to exit after crisis hit IL&FS.

Secretary JN Singh told The Indian Express.

“We are now trying to see how quickly a replacement can take over,” he said.

GIFT is conceptualised as a global financial and IT services hub — a first-of-its-kind in India

— that is expected to be at par with global benchmarked financial centres in Tokyo, Dubai, Paris, London, etc. It is spread over 886 acres, of which a Special Economic Zone that houses the country’s first International Financial Services Centre (IFSC).

Recently, in order to provide mass transportation connectivity, the Union cabinet had approved Phase-II of Ahmedabad Metro project that will provide the crucial link to the GIFT City to residents of Ahmedabad and Gandhinagar.

Pandey had taken over the charge in August 2015 and his three-year term ended in August 2018. He was appointed for an additional period of three years with effect from August 1, 2018.

Under Pandey, GIFT City recorded substantial progress, with approvals granted to 100 capital market intermediaries, four consultants, one alternative investment fund, 11 banks, three insurance companies, seven reinsurance brokers, 13 IT/ITes companies. It was in his tenure that two international stock exchanges — Indian International Exchange (India INX-BSE) and NSE International Exchange — operationalised in IFSC. There are currently over 6,000 people working in close to 180 firms in GIFT City.