



Today's topic:

# India's Gateway to the World: Navigating the GIFT City Ecosystem

Upcoming FOFs:

Thursday, June 18, 2026

Thursday, July 23, 2026

Tuesday, August 25, 2026.

All archives available at:



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# Part A

What is global positioning of GIFT IFSC amongst various International Finance Centers (IFCs)

# /// What Makes an IFC Succeed ///

## Pre-requisites

Institutional quality and rule of law

Reputational alignment with global standards

Accessibility — capital, currency, connectivity

## Generally, develops overtime

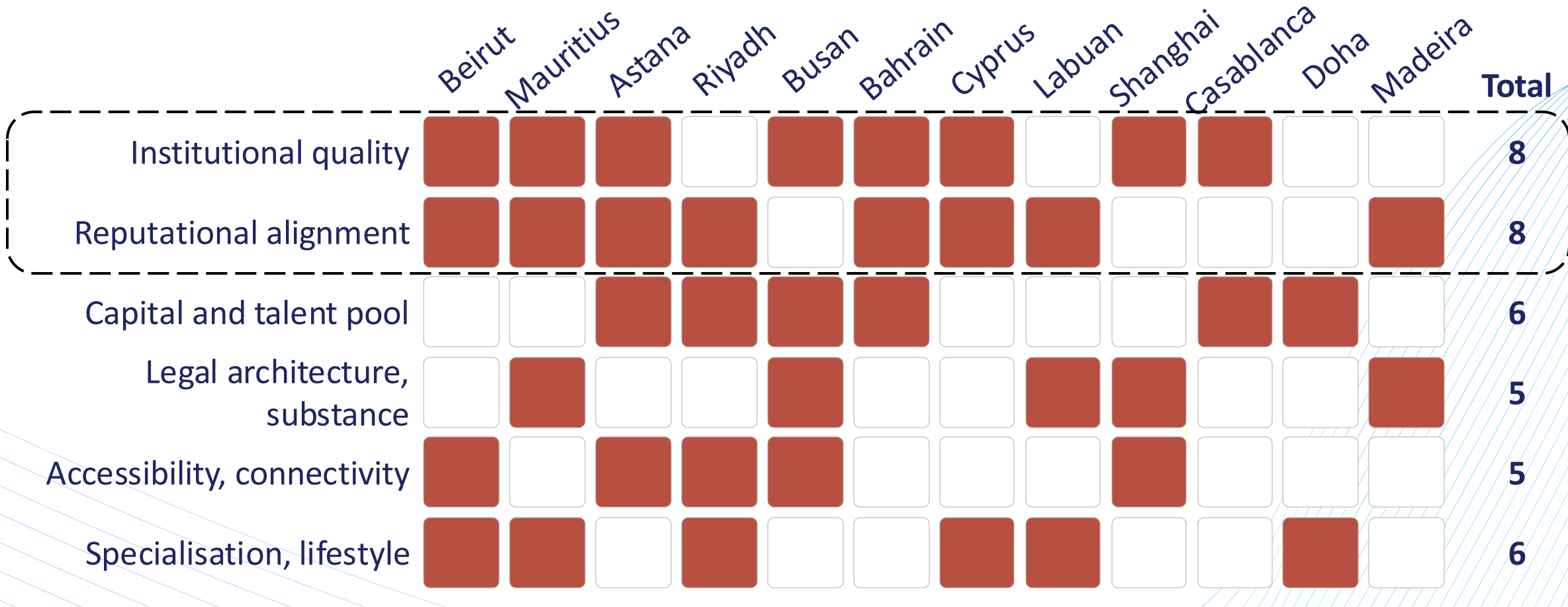
Deep pool of capital, talent and intermediaries

Credible legal architecture with real substance

Strategic specialization and supporting infrastructure

“Trust” is primary the currency for financial markets

# Why Most IFC Aspirants Stall/progressing slow?

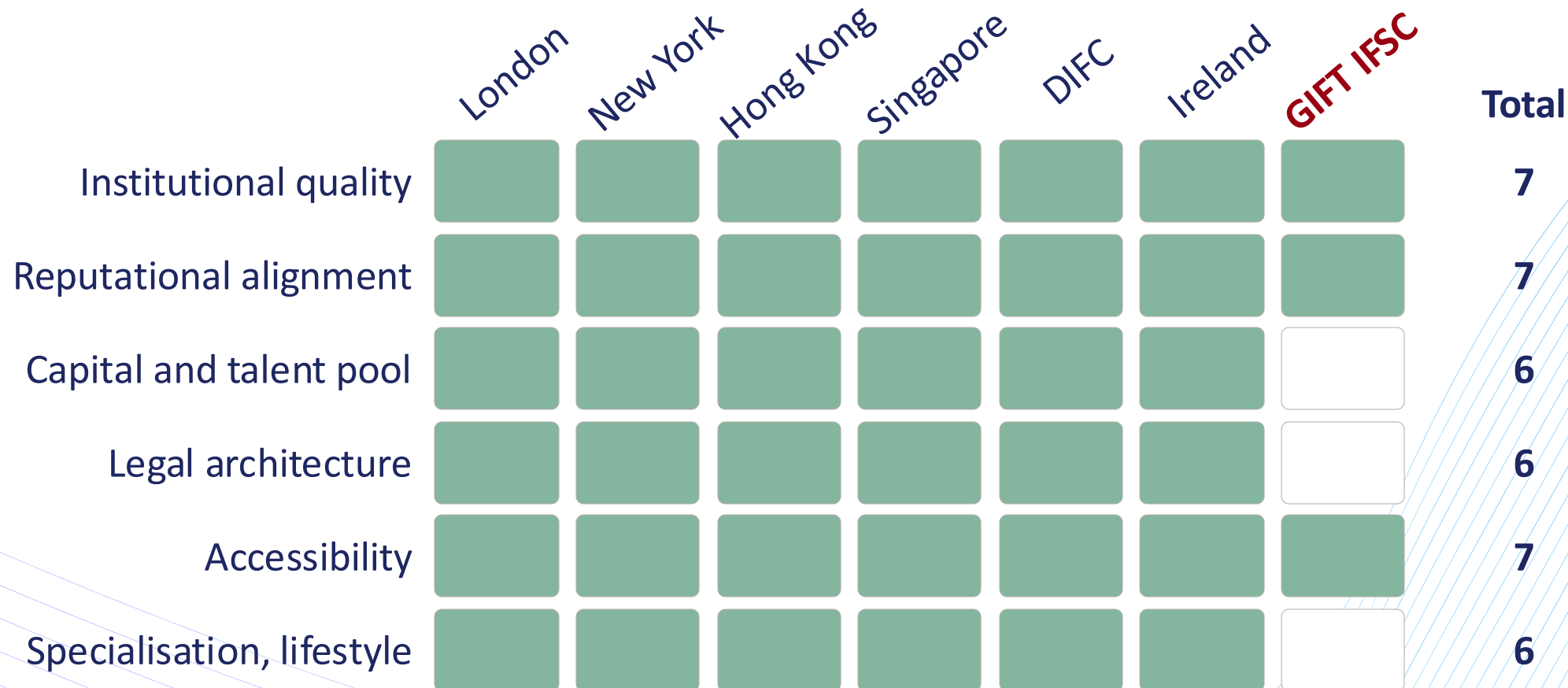


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Passed Weak on this characteristic

# Where the Established IFCs Excel and Where GIFT Stands Today



Total full passes

6

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6

6

6

6

3



Partial pass - Developing



Passed

# /// GIFT's GFCI Trajectory: From Rank 92 to 46 in Five Years ///

Date	Hong Kong	Singapore	Dubai	Dublin	Mumbai	GIFT City
Mar 2019	3	4	12	31	73	-
Mar 2020	6	5	17	33	70	-
Mar 2021	4	5	19	32	71	92 (debut)
Mar 2022	3	4	17	22	65	74
Mar 2023	4	3	17	25	63	75
Mar 2024	4	3	16	28	59	67
Sep 2024	3	4	16	26	54	52
Mar 2025	3	4	12	26	52	46
Sep 2025	3	4	11	20	46	43
Mar 2026	3	4	7	27	52	46

# /// GIFT IFSC at a Glance ///



## Banking Sector

### Banking Assets

USD (\$) **106.33 Bn**  
(as on Dec 31, 2025)

### Cumulative Banking Transactions

USD (\$) **142.76 Bn**  
(during Oct-Dec 2025)

### Cumulative Derivatives Trade (including NDF)

USD (\$) **105.37 Bn**  
(during Oct-Dec 2025)



## Capital Markets

### Avg. Monthly Turnover (IFSC Exchanges)

USD (\$) **91.44 Bn**  
(during Oct-Dec 2025)

### Debt Listing on IFSC Exchanges

USD (\$) **1424 Mn**  
(during Oct-Dec 2025)

### Aggregate Open Interest of all Derivatives Contract

USD (\$) **15.02 Bn**  
(as on Dec 31, 2025)



## Fund Management

### No. of FMEs | Funds/Schemes

**202 | 313**  
(as on Dec 31, 2025)

### Cumulative Commitments Raised (Non-Retail)

USD (\$) **32.13 Bn**  
(as on Dec 31, 2025)

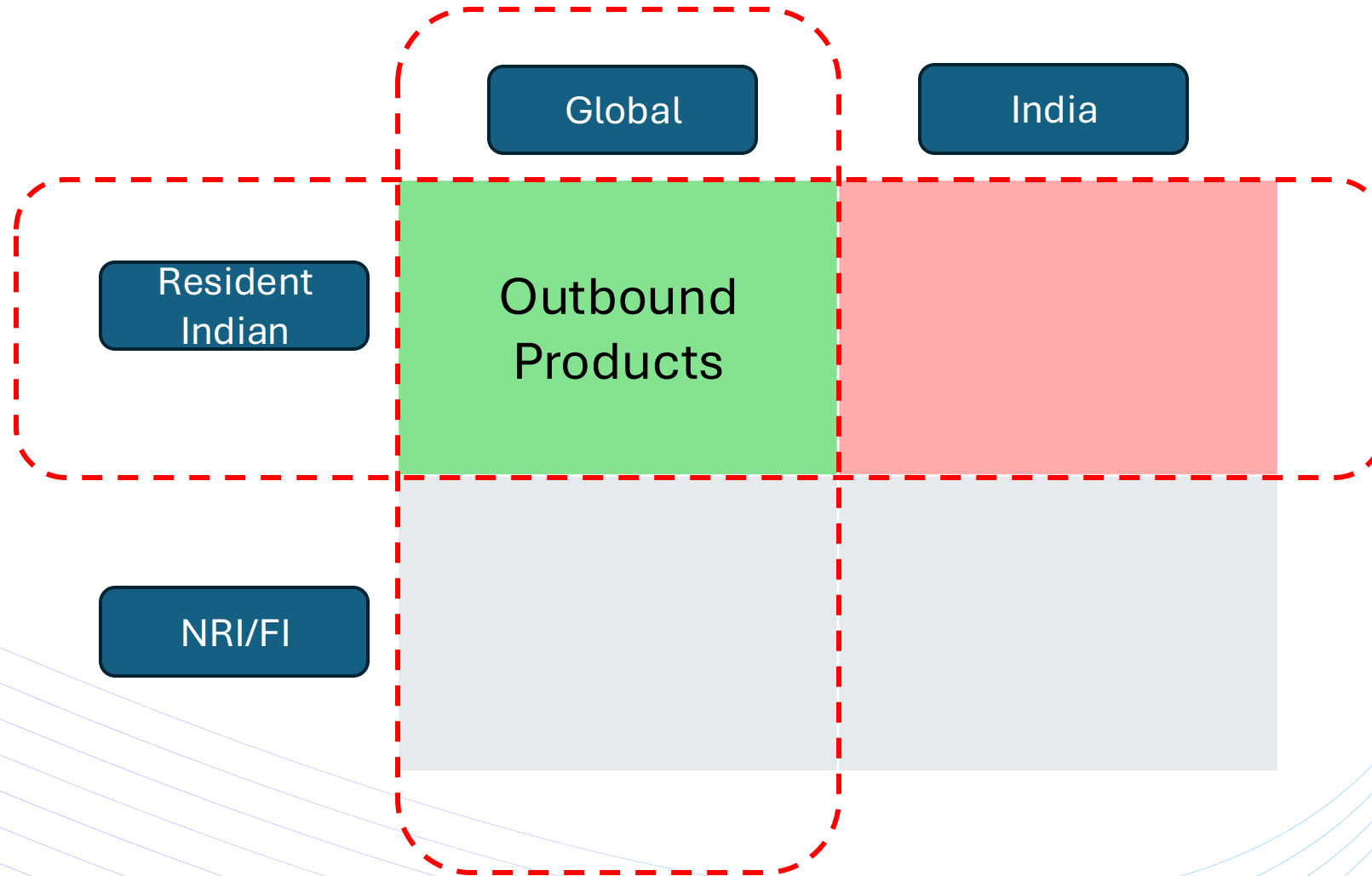
### Cumulative Funds Raised (Non-Retail)

USD (\$) **17.34 Bn**  
(as on Dec 31, 2025)

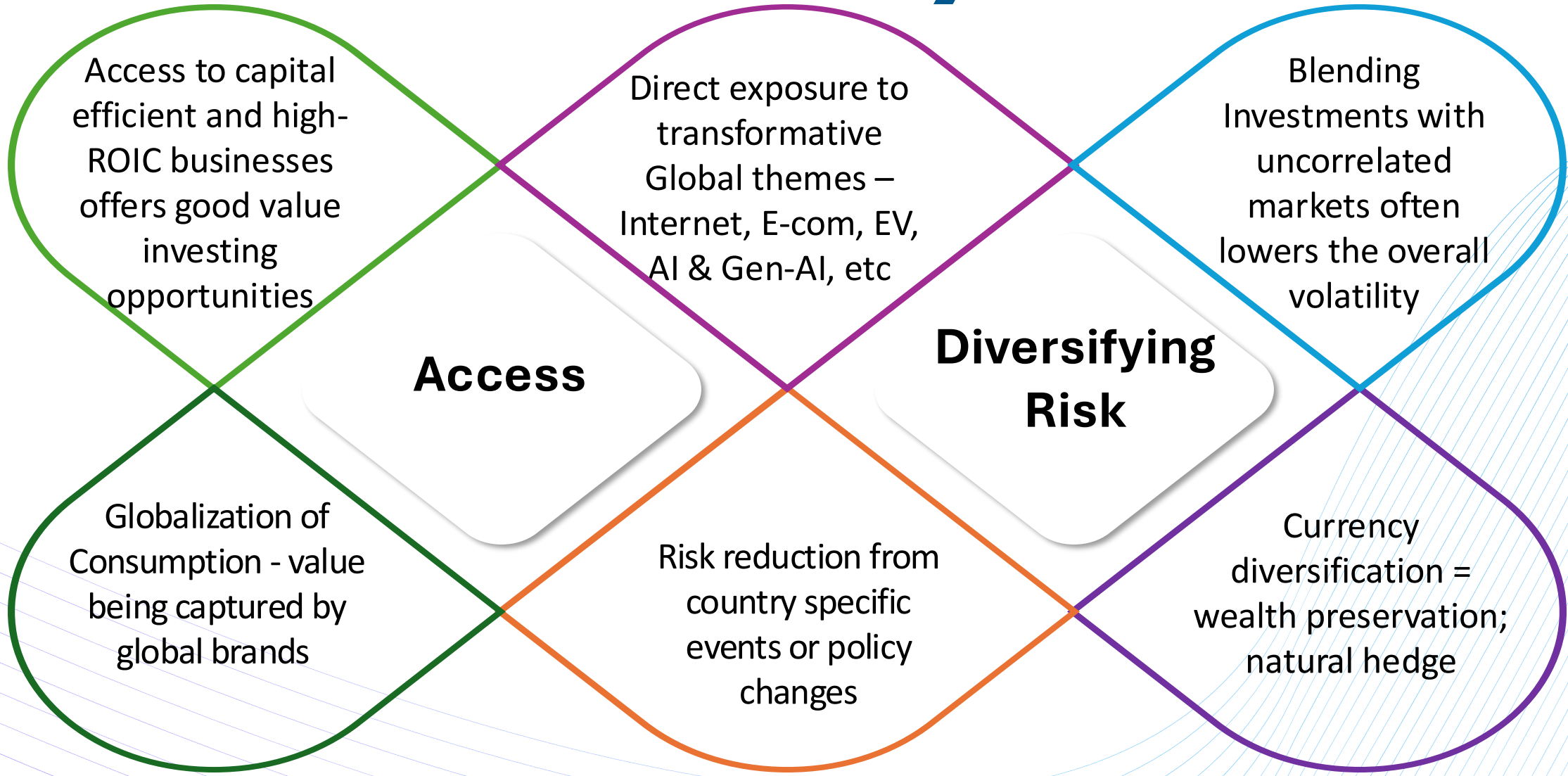
# Part B

## Global Diversification for Indians

# Outbound Investment Routes Through GIFT City



# /// The Case for Global Diversification ///



# /// Opportunities in Transformative Global Themes ///



Internet & Cloud



Innovator Pharma, Genomics, Medtech



EV ecosystem



Semiconductor & AI

Source: Website / Google.  
Logo's mentioned are for representation purposes only.

# Timeless Legacies & Globalization of Consumption



LVMH

RICHEMONT



Long-run Legacy Luxury & Premium Fashion



SAMSUNG

SONY



LG



Canon

GARMIN

Consumer Electronics & Technology



BOEING TRANS DIGM GROUP INC.

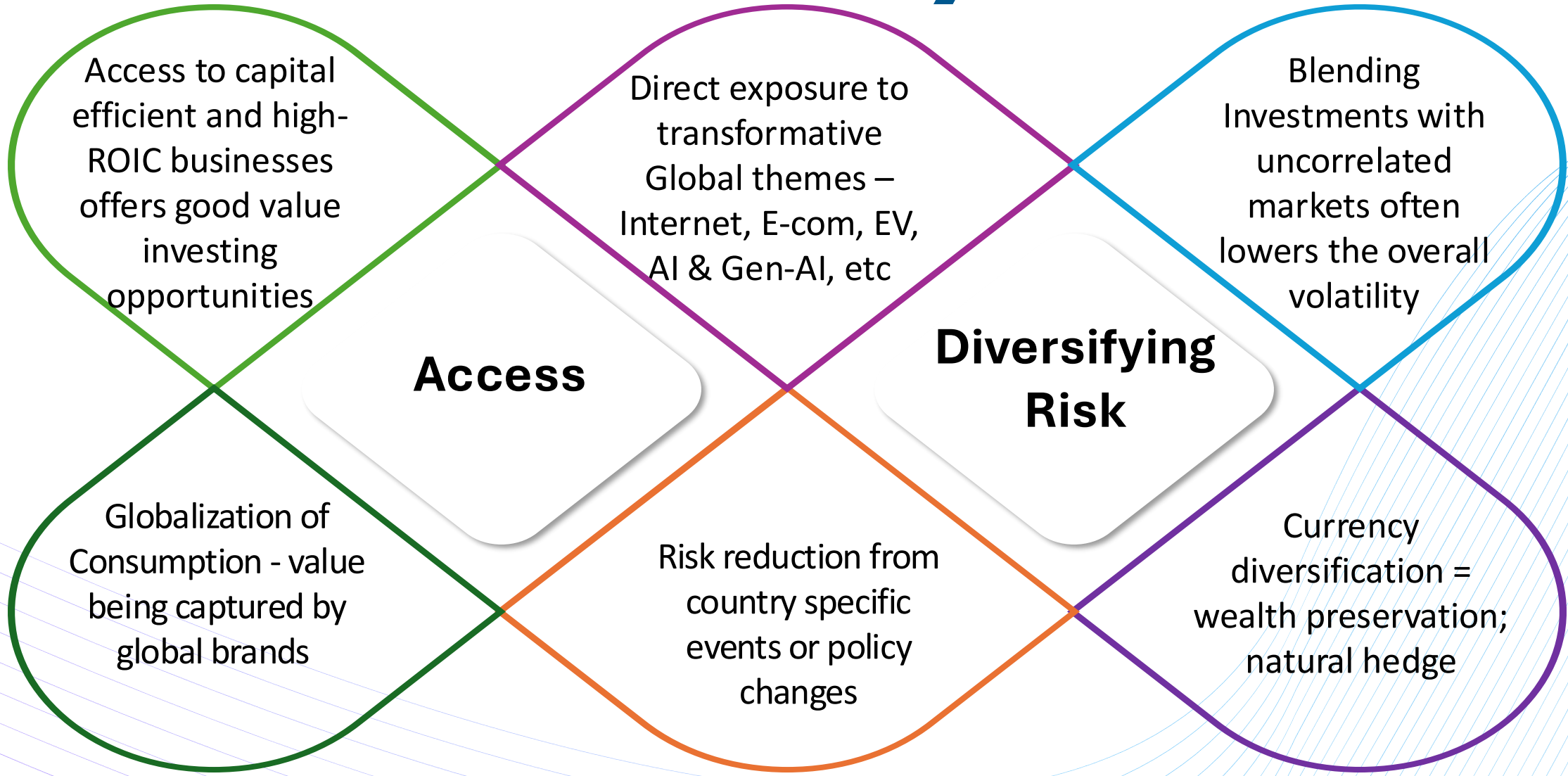
LOCKHEED MARTIN

HEICO

Aviation Ecosystem

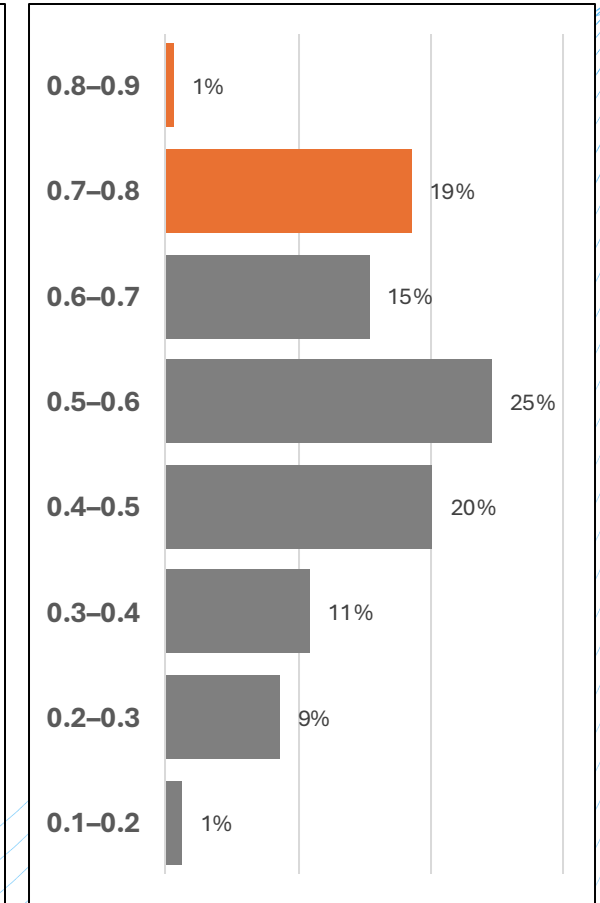
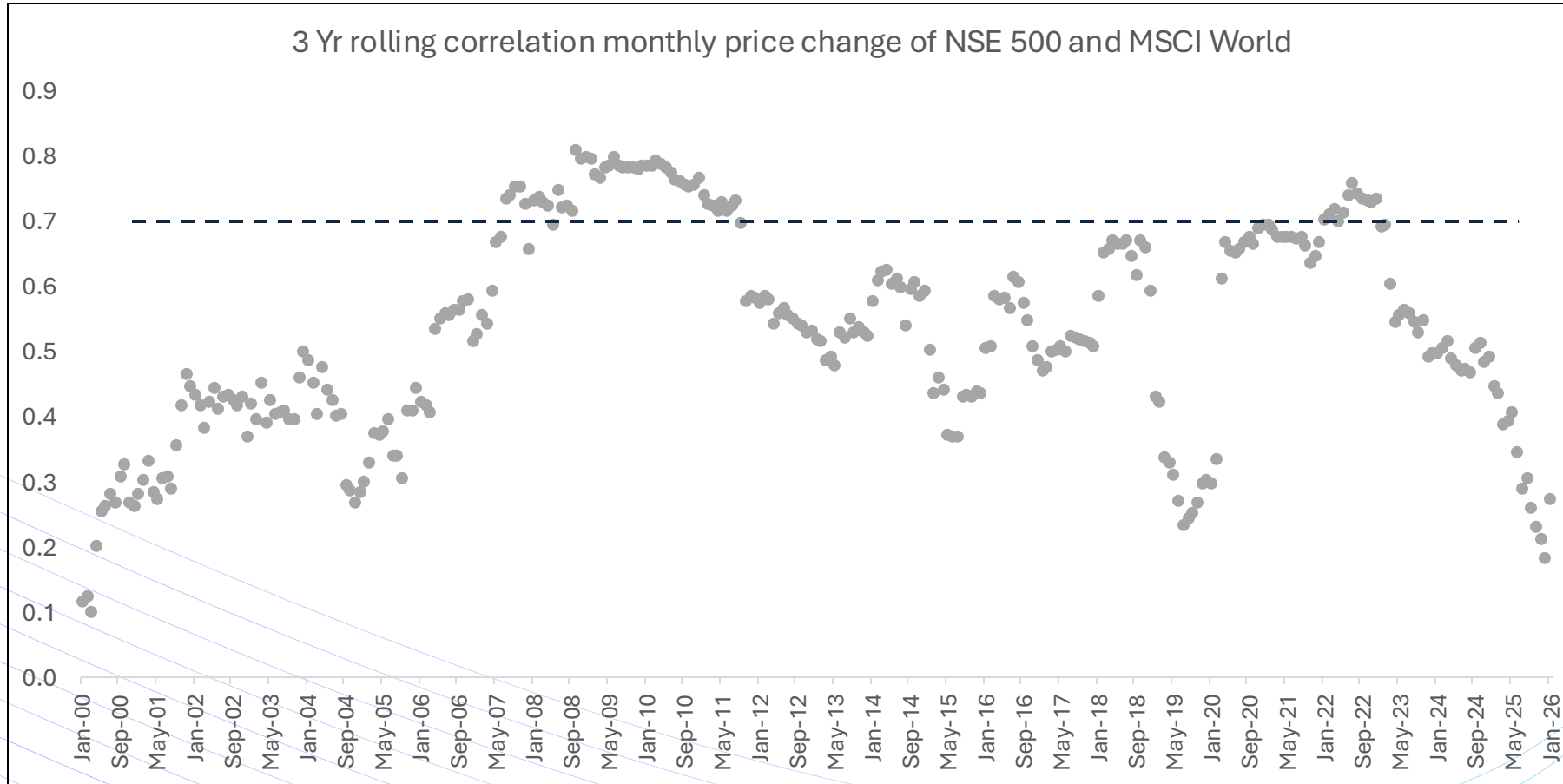
Source: Website / Google.  
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# /// The Case for Global Diversification ///



# India is loosely correlated with global markets

This chart shows the 3-year rolling correlation between NSE 500 and MSCI World returns. Correlation has mostly stayed below 0.7, highlighting the diversification benefits of global equity exposure



Note – for rolling correlation, we have considered monthly returns for respective indices

# /// Four Common Routes Indians Use to Invest Globally ///

## Domestic Stock- Global revenue

- IT services companies
- Indian Pharma Exporters
- Global Commodity play

## Domestic MF – Global Companies

- International Fund of Fund
- Thematic Indian domiciled global funds
- Hybrid Funds

## Global broker – Direct exposure

- India based broker in capacity of sub-broker to foreign broker
- Foreign brokers
- Invest in foreign funds

## Gift City based options

- PMS
- AIFs
- Retail Funds

# How the Four Routes Compare

	Domestic Stock-Global revenue	Domestic MF Global Companies	Global broker Direct exposure	Gift City based Funds
Access to Larger pool of highly efficient companies	X	Limited	✓	✓
Participation in transformative global themes	X	Limited	✓	✓
Accessibility and Large headroom	-	Limited	Limited	✓
No burden of US inheritance tax	-	✓	X	✓
Strong local compliance and governance framework	-	✓	X	✓
Validity for non-individuals	-	✓	X	✓

# Two major routes for foreign investments

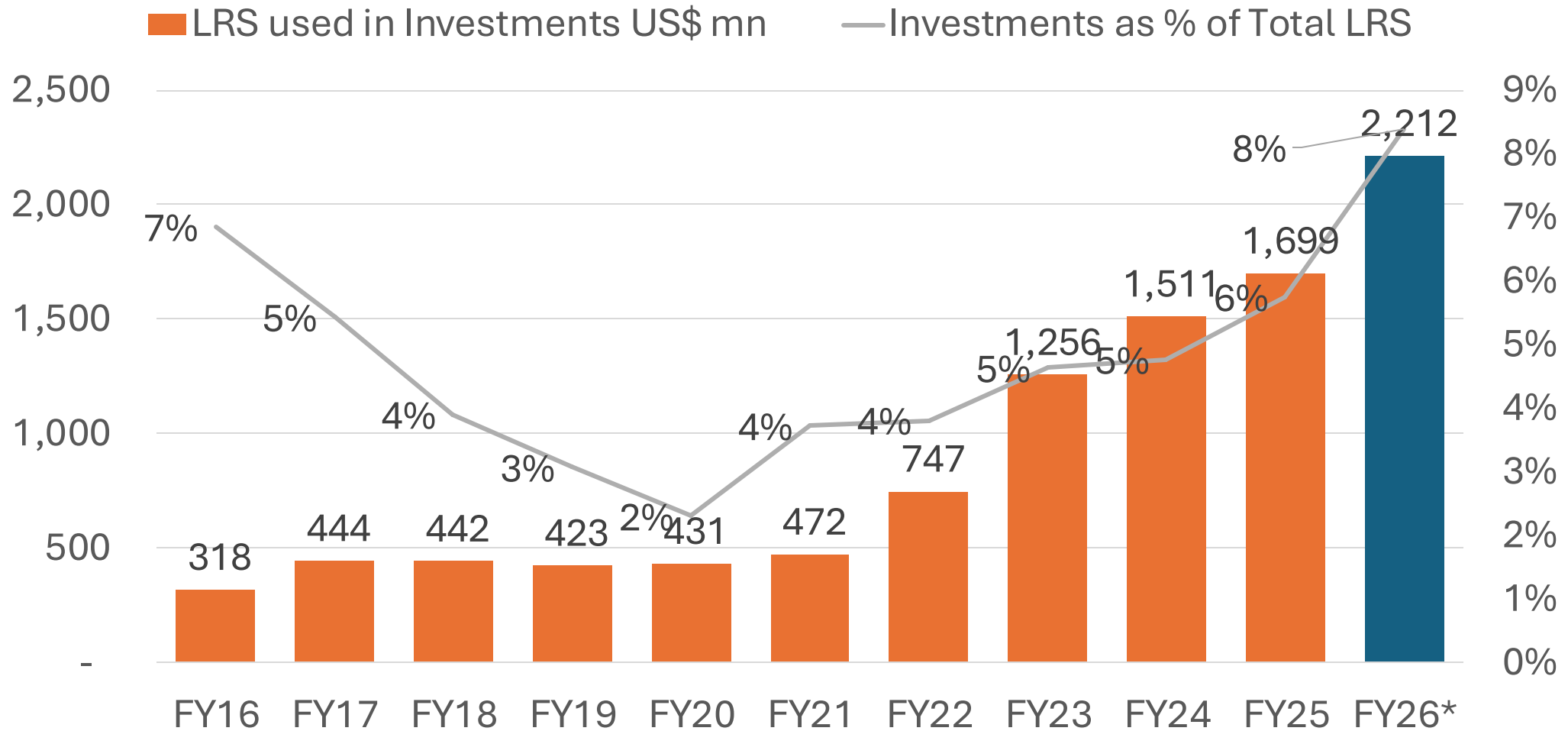
## LRS – Liberalised Remittance Scheme

- Resident Individuals (including minors).
- Maximum limit per financial year \$ 250,000.
- Limit applicable to all foreign remittance like travel, education, investments etc.
- Investment in GIFT City based product has to go through LRS.
- Remittance beyond INR 10lakhs attract TCS 2%/20%
- Repatriation in 6 months if not used

## OPI – Overseas Portfolio Investments

- Corporates, Partnership Firms, LLPs
- Maximum limit is 50% of net worth.
- Investments allowed in only GIFT City based pooled vehicles
- No TCS applicable

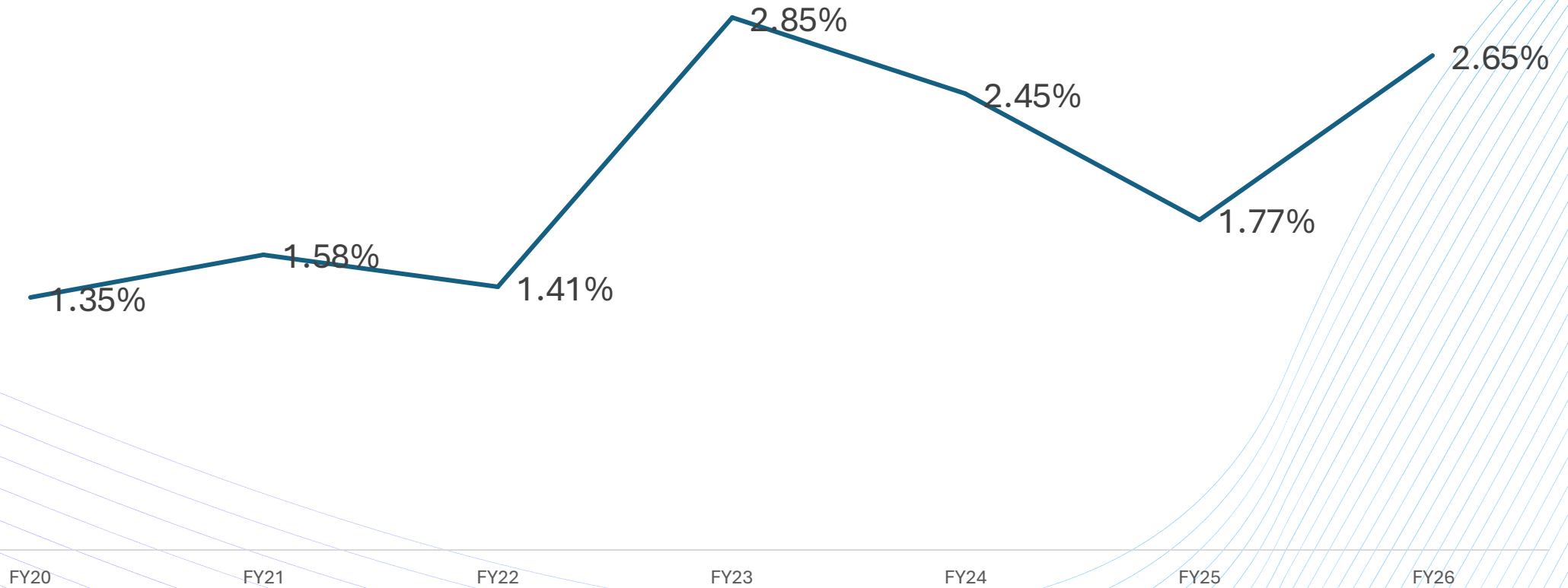
# LRS Outflows for Investment: Demand Is Accelerating (1/2)



\* The data is only available till Feb, for these 11 months, LRS utilisation for Investments was up ~55% YoY

# /// LRS Outflows for Investment vs domestic MF flows ///

LRS for Investments/Gross Equity Inflows

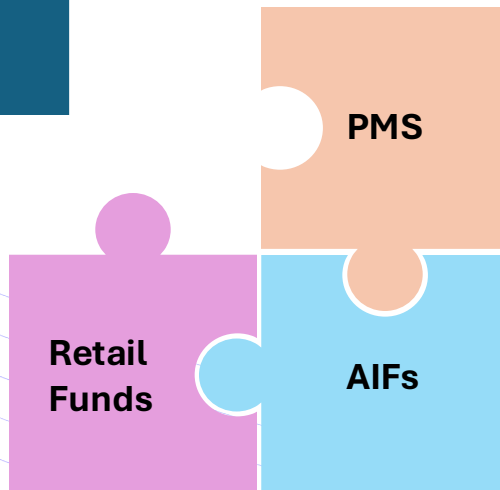


# Common product structures available in GIFT IFSC



# Foreign Stock DRs on GIFT Exchanges

Foreign Stock  
DR on GIFT  
exchanges



## Available for :

- Resident Individuals
- NRIs and Foreign Investors (limited geographies)

**Minimum ticket size :** No minimum requirement

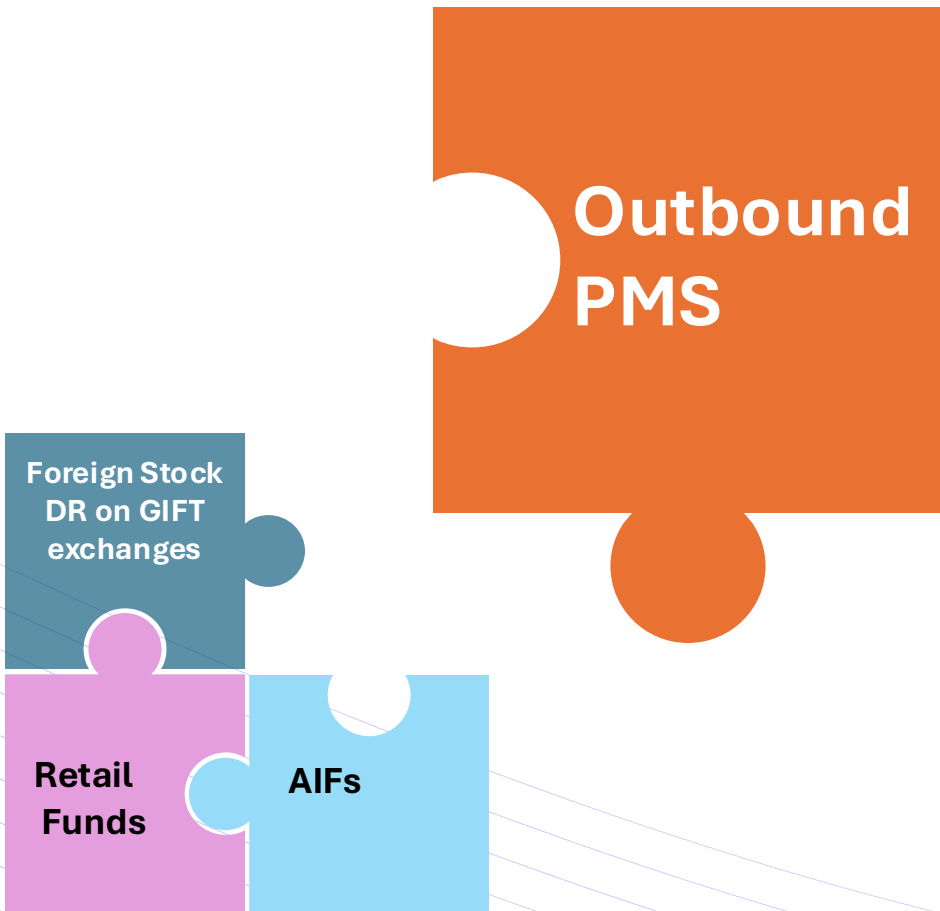
## Pros:

- Direct holding of the stocks
- Smaller denomination
- Strong local compliance and governance framework

## Cons:

- Universe of only 50 stocks
- Negligible Volumes
- Feeble brokers ecosystem

# Outbound PMS in GIFT City



## Available for :

- Resident Individuals
- NRIs and Foreign Investors (limited geographies)

**Minimum ticket size : US\$ 75,000**

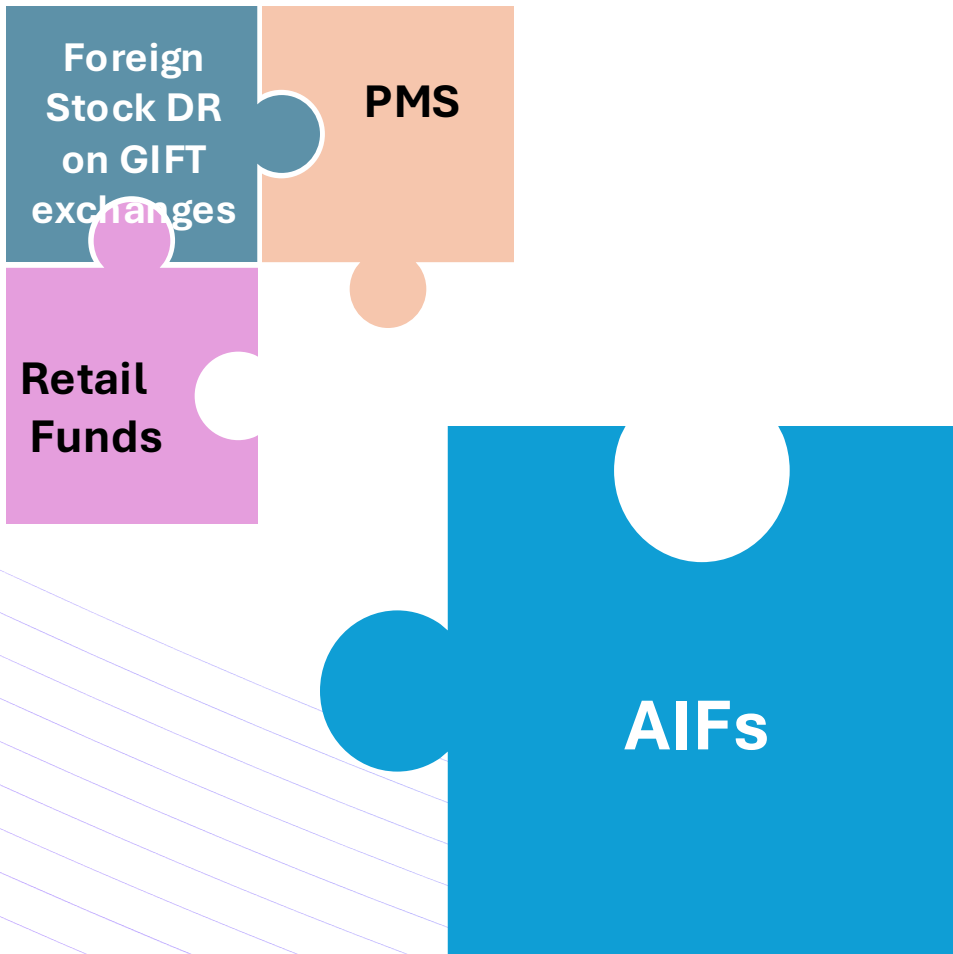
## Pros:

- Direct holding of the stocks
- Stock/ portfolio transfer option available
- Transparency and customization possible
- Joint holding allowed

## Cons:

- Estate tax in certain geographies applicable
- Tax compliance burden on Investors

# /// GIFT IFSC based outbound Alternative Investment Funds (AIFs) ///



## Available for :

- Resident Individuals
- Eligible Resident Non-Individuals
- NRIs and Foreign Investors (limited geographies)

**Minimum ticket size : US\$ 150,000**

## Pros:

- OPI Route is allowed
- Tax calculation & payment are made at fund level
- Estate tax not applicable
- No GST on management fees

## Cons:

- Ticket size is very high
- Maximum investors capped at 1,000
- Complex Fees structure
- Complicated and lengthy onboarding process
- Most of AIFs have lock in applicable

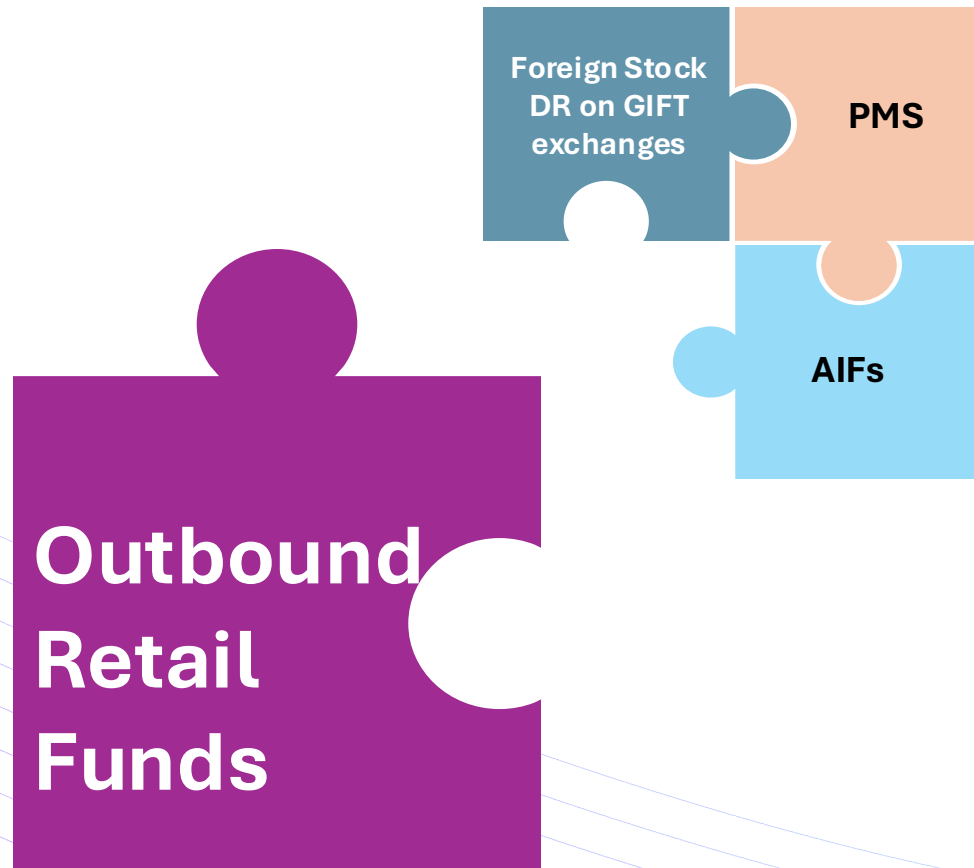
# /// Outbound Retail Funds: The Most Accessible Route ///

## Available for :

- Resident Individuals
- Eligible Resident Non-Individuals
- NRIs and Foreign Investors (limited geographies)

## Pros:

- OPI Route is allowed.
- Very low ticket size
- No restriction on maximum number of investors
- No concentration risk
- Tax calculation & payment are made at fund level
- US Estate tax not applicable
- No GST on management fees
- Simpler Onboarding



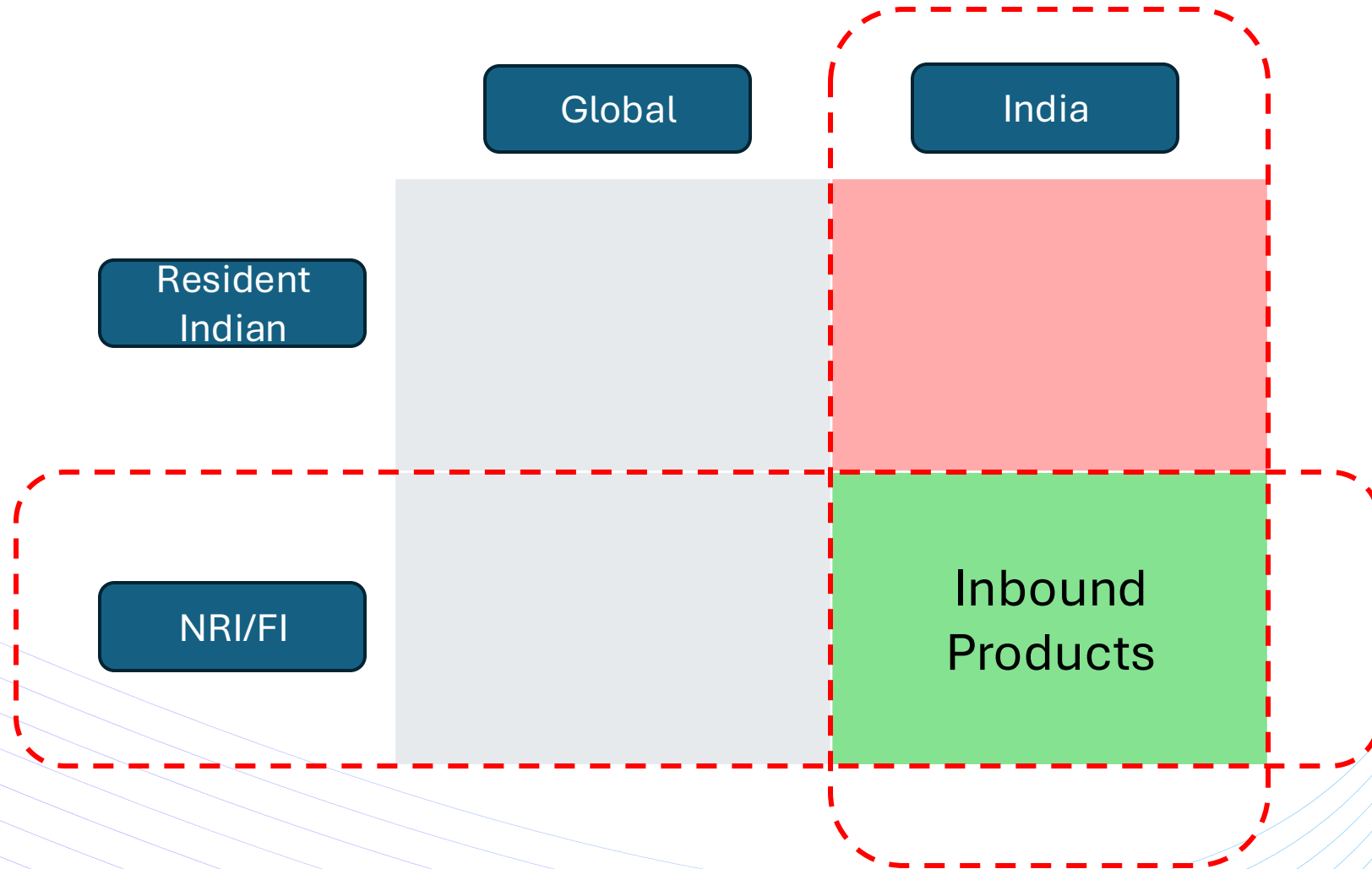
# /// Tax & Structural Comparison: PMS vs. Direct Fund vs. FoFs ///

	PMS/ DIY	Direct Investing Fund Structure	Fund of Fund Structure
Taxation	Investor Level	Fund Level	Fund Level
Long Term Capital Gains	12.5% after 24 months	12.5% after 24 months	12.5% after 24 months
Short Term Capital Gains	Investors' Tax Slab	MMR	MMR
Solve for tax on Churn & Dividend	X	X	✓
Immunity from US estate Tax	X	✓	✓
Can Accept Non-individuals	X	✓	✓

# Part C

## Foreign wealth into India through GIFT IFSC

# Inbound Investment Routes for NRIs and Foreign Investors



# How the Inbound Options Compare

## PMS

- No GIFT City Specific Benefit;
- Similar to direct stock ownership in India

## AIFs – Direct Investing

- Ease of Compliance and repatriation
- Dollar Denominated NAV
- Taxed at fund level

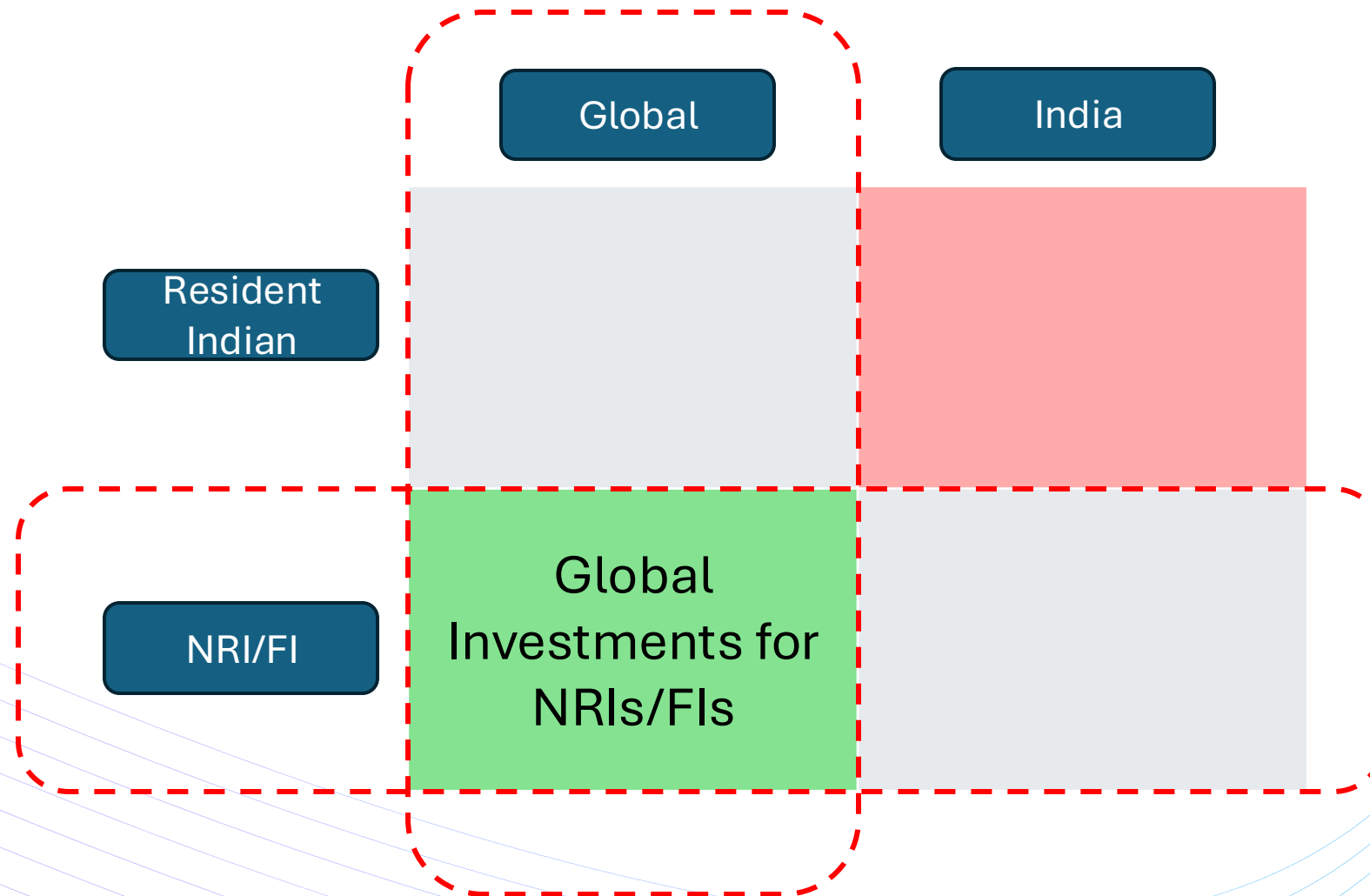
## Feeder funds in Indian Mutual Fund

- Ease of Compliance and repatriation
- Dollar Denominated NAV
- No Tax to be paid in India or GIFT

# Part D

**Foreign money invested globally through GIFT IFSC**

# /// GIFT City for NRIs: Investing Globally From India ///



# Global Investment Options for NRIs and Foreign Investors

## Comingled Investments with RIs

- Fund level taxation leading to tax leakage and impacts long term Compounding
- Fund level taxation in GIFT may not shield from tax liabilities in home jurisdiction

## PMS

- Investors are the direct beneficial owners of the securities
- Taxation at Investor level as per their home jurisdiction
- No tax or reporting requirement in India

## Standalone Funds

- May be shielded from taxation in India by availing benefits under section 9A
- Hardly any option yet

# Challenges in GIFT IFSC

## Onboarding

- KRA Access
- Digital Onboarding for Indians
- Onboarding for NRIs and Foreign Nationals

## Funding

- Time Consuming complex process
- High forex conversion charges
- Recognition of GIFT as a separate jurisdiction
- No SIPs at present

Thank You!