



# **GIFT CITY AS INDIA'S TWO-WAY CAPITAL GATEWAY: INBOUND AND OUTBOUND INVESTMENT OPPORTUNITIES**



India's growth story is increasingly attracting global capital, while Indian investors are simultaneously expanding their search for international opportunities. At the centre of this transformation is **GIFT City**, India's International Financial Services Centre (IFSC), which has evolved into a globally competitive platform for cross-border finance. With a progressive regulatory framework, tax efficiency, and international market infrastructure, GIFT City is emerging as India's **two-way capital gateway**—facilitating both inbound investments into India and outbound investments from India to the world.

**Gateway for Inbound Capital into India**

For global investors seeking exposure to India's high-growth economy, GIFT City provides an efficient and internationally aligned jurisdiction. Through Fund Management Entities (FMEs), Alternative Investment Funds (AIFs), venture capital structures, family office platforms, managed accounts, portfolio management vehicles, and institutional pooling structures, overseas investors can deploy capital into India across sectors such as infrastructure, manufacturing, financial services, real estate, technology, healthcare, logistics, and consumer businesses.

Several global and domestic managers are using GIFT City structures for India-focused private equity, venture capital, private credit, real estate, and public market strategies. The jurisdiction is increasingly preferred for fund domiciliation, co-investment vehicles, warehousing platforms, feeder funds, and continuation funds, offering both operational efficiency and regulatory clarity.

The scale-up of the ecosystem demonstrates growing global confidence. As of **December 2025**, GIFT City hosted **202 Fund Management Entities** and **313 fund schemes**. Non-retail fund activity recorded strong momentum, with **USD 32.13 billion cumulative commitments raised**, **USD 17.34 billion cumulative funds raised**, and **USD 15.58 billion cumulative investments made**.

**Fund Management Growth Snapshot in GIFT City till December 2025**

FMEs	202
Fund Schemes	313
Commitments Raised	USD 32.13 Bn
Funds Raised	USD 17.34 Bn
Investments Made	USD 15.58 Bn

Source: IFSCA Bulletin Oct - Dec 2025

**Platform for Outbound Investments from India**

At the same time, GIFT City is enabling Indian capital to participate in global markets. Indian family offices, ultra-HNIs, institutions, corporate treasury centres, and sophisticated investors are increasingly seeking geographic diversification and access to global asset classes.

Through GIFT City, outbound strategies are being structured via offshore feeder funds, fund-of-funds platforms, discretionary portfolio management accounts, treasury investment vehicles, global ETF access platforms, overseas debt products, hedge fund exposure routes, and global asset allocation mandates. This allows investors to access international equities, fixed income,

private markets, structured products, and thematic opportunities through a regulated ecosystem based in India.

In effect, GIFT City is connecting India's growing domestic wealth base with the world's investment universe.

### Where GIFT City Funds Are Investing

GIFT City-based funds have shown increasing diversification across sectors aligned with India's structural growth themes and global megatrends. While strategies vary by manager, investments are largely concentrated in the following sectors:

#### Key Sector Focus Areas

**Technology & Digital:** SaaS, AI, fintech, enterprise tech, digital infrastructure

**Financial Services:** NBFCs, insurtech, wealth platforms, payments

**Infrastructure & Energy:** Roads, renewables, logistics parks, utilities

**Healthcare:** Hospitals, diagnostics, pharma, healthtech

**Manufacturing:** Electronics, semiconductors, specialty chemicals, industrials

**Real Estate:** Warehousing, commercial assets, yield platforms

**Consumer:** Brands, e-commerce, food services, lifestyle

**Climate & ESG:** Clean mobility, circular economy, energy transition assets

These allocations reflect how GIFT City structures are increasingly being used to capture both India domestic growth and global sector opportunities.

### Recent Developments Strengthening the Ecosystem

Recent regulatory reforms have further strengthened GIFT City's attractiveness. Amendments to the **IFSCA (Fund Management) Regulations, 2025**, approved in December 2025 and notified in February 2026, introduced major ease-of-doing-business measures, including:

- Relaxation in eligibility norms for Key Managerial Personnel through certification-based alternatives
- Wider recognition of relevant professional experience, including advisory and consulting roles
- Additional flexibility in validity of Placement Memorandum for Venture Capital and Restricted Schemes
- One-time extension window for expired Placement Memorandums
- 24-month migration window for appointment of IFSCA-registered custodians where required



These changes are expected to accelerate fund launches, reduce friction for managers, and deepen the ecosystem.

Additionally, investor participation across fund categories continues to expand. As of December 2025, IFSCA Bulletin.

- **722 investors** in Venture Capital schemes
- **1,503 investors** in Category I & II AIFs
- **3,257 investors** in Category III AIFs
- **1,239 investors** in Retail Schemes

This reflects broadening market depth and rising confidence in the jurisdiction.

## The Road Ahead

As India advances toward becoming one of the world's largest economies, the need for a globally integrated financial gateway will only increase. GIFT City's dual ability to attract international capital into India while enabling Indian investors to access global markets gives it unique strategic relevance.

More than a financial centre, GIFT City represents India's next-generation platform for global capital flows - **the world's gateway to India, and India's gateway to the world.**

