

Funds in GIFT City

Scaling New Heights

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Mr. Tapan Ray

Managing Director & Group CEO, GIFT IFSC

Foreword

India stands on the cusp of an extraordinary transformation, propelled by the forward-thinking leadership of our Hon'ble Prime Minister, leading not merely to an accelerated economic growth but to a carefully crafted roadmap to position India as a global powerhouse. Within this broader vision, Gujarat International Finance Tec-City (GIFT City) emerges as a critical enabler-serving as the financial and technological nucleus that will catalyse India's rise in the global economic hierarchy.

Today, GIFT City is much more than a financial hub; it is a thriving, multifaceted ecosystem that exemplifies the vision of a modern, confident, and inclusive India. The smart city has been meticulously designed to integrate living, working, and recreational spaces, making it an ideal environment for global professionals to excel in their careers while experiencing a high quality of life.

GIFT City has rapidly developed into a thriving fund ecosystem, attracting 116 Fund Management Entities (FMEs) as of June 30, 2024, with 143 schemes collectively targeting a corpus of approximately USD 38.42 billion. This growth is

a testament to GIFT City's 'work-life-play' ethos, which blends professional opportunities with a high quality of life, making it a prime destination for global talent.

Recent regulatory developments have further strengthened GIFT City's appeal in the fund management space. The International Financial Services Centres Authority (IFSCA) has introduced several progressive measures, including easing restrictions on Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) to invest in funds based in GIFT IFSC, which has led to significant foreign investments. With the introduction of a taxation regime for retail funds and ETFs, GIFT City is set to attract even more diverse investment strategies and expand its footprint in global finance.

Our goal is to build a supportive environment that fosters fund management excellence and innovation. This report offers the latest insights into regulatory frameworks and market trends, serving as a valuable resource for both new and existing stakeholders in navigating the dynamic landscape of GIFT City.



Mr. Jayesh Khaitan

Managing Director - India, The Ascent Group

Perspectives by Knowledge Partners

GIFT City is establishing itself as a leading global financial hub, thanks to India's supportive regulations and attractive tax incentives. The government's commitment to GIFT IFSC highlights its goal to create a financial centre that meets the needs of the global investment community.

At The Ascent Group, we see great potential in GIFT IFSC for various fund structures. Its streamlined regulations and cost-effective setup make it an ideal destination for private equity and credit-focused funds. The favourable tax treaties for investors from many jurisdictions add to its appeal.

We understand our clients' needs and support funds in GIFT IFSC with our services, including Fund Solutions, Corporate Solutions, and Fintech Solutions. With headquarters in Singapore and offices in over 20 locations across 12 countries, we offer global expertise with local support.

The strategic location of GIFT City offers funds unprecedented opportunities to set up a variety of structures and simplify deal structuring. The ease of doing business and strong infrastructure make GIFT IFSC an attractive option for hedge funds and Portfolio Management Services looking to establish a base in India.

The Ascent Group is committed to improving our services to stay ahead in the alternative investment landscape. Currently, we administer over 800 funds with an AUA exceeding USD 30 billion. Our comprehensive services and global reach make us well-equipped to support clients navigate GIFT City's opportunities and challenges.

We look forward to working with you to make the most of GIFT IFSC and succeed in this growing financial hub.



Mr. Umesh Salvi

Managing Director, Catalyst Trusteeship Limited

Perspectives by Knowledge Partners

The Government of India has been promoting GIFT (Gujarat International Finance Tec-City) as a "gateway for global capital and financial services for the economy." Furthermore, it has stated that foreign funds established at GIFT City in Gujarat can receive complete investment from Non-Resident Indians and other Indian-origin citizens.

Over the past three years, more than 100 Fund Management Entities (FMEs) with combined commitments totaling over \$7 billion and investments exceeding \$2.93 billion have set up funds in GIFT City. To facilitate broader participation from investors, tokenization through blockchain technology, providing a platform for small investors, is a welcome step at GIFT City. Pinvest Exchange & Terazo by Collated Ventures offers tokenization for trading in real estate, a first-of-its-kind initiative. Toro Investment

Managers aims to generate Rs 1,600 crore by launching the first-ever real estate Alternative Investment Fund (AIF).

The Vibrant Gujarat Summit 2024 witnessed remarkable success, with a memorandum of understanding signed for 41,299 projects. IFSC has emerged as a hub for aircraft leasing, with 26 companies and over 129 aircraft leasing transactions.

Innovations are unstoppable, with the introduction of direct listing of equities, Variable Capital Company (VCC) structures, and a new influx of global investors and sovereign funds allocating resources to GIFT City.

GIFT City has a single-window clearance system for most processes. Through the "National Single Window System," one can obtain all necessary permissions and approvals from a single

regulated body. Overseas universities have established campuses, and more talent pools and expatriates are attracted to GIFT City, citing a desirable lifestyle. The current change in the treaty with Mauritius regarding substance requirements may gradually shift jurisdiction to GIFT City.

Catalyst Trusteeship Limited has been a leader in its field for 27 years, earning the top ranking as the number one Trusteeship Company by Prime Database with a team of over 175 professionals. We specialise in providing comprehensive services to setups at the GIFT City - International Financial Services Centre (IFSC).

Our comprehensive offerings encompass end-to-end solutions for clients entering GIFT City IFSC, including assistance with setting up operations, investor onboarding checks, meeting

compliance requirements, handling secretarial support, managing fund operations and administration, as well as serving as Bond Trustee, listing, and Facility Agent. With our extensive experience and advanced technology, we are also well-positioned to provide valuable guidance to GIFT City and the IFSCA Regulatory body, suggesting innovative practices and supporting the growth and development of the financial hub.

At Catalyst Trusteeship Ltd, we play a crucial role in fostering a collaborative ecosystem in GIFT City. We participate in networking events, workshops, and seminars, bringing together stakeholders from various industries. These events provide funds and businesses with opportunities to connect, collaborate, and form partnerships, facilitating knowledge sharing and innovation.



Mr. Harish Agarwal

President & COO, EAAA Alternatives

Perspectives by Knowledge Partners

The Gujarat International Finance Tec-City, commonly known as GIFT City, is a visionary smart city conceived with the ambition of fostering economic growth, driving innovation, and promoting sustainability. As India's first operational Greenfield smart city, GIFT City is steadily establishing itself as a premier financial and technology hub. With modern infrastructure and a strategic location in the heart of India's financial landscape, GIFT City presents opportunities for collaboration and growth to global organisations.

Indeed, GIFT City stands as a transformative initiative for India, offering immense growth potential and promising prospects. It aspires to become a global financial hub, providing a conducive environment for domestic and international financial institutions, banks, insurance companies, and other service

providers. The city's modern infrastructure, supportive regulatory framework, and strategic positioning make it an attractive destination for businesses, and we are proud to be among one of the well diversified alternative asset management platform to have depicted our commitment to its potential. Regulated by the International Financial Services Centres Authority (IFSCA), GIFT City is committed to ensuring streamlined operations and single-window clearance for all necessary approvals, significantly simplifying the business setup process.

As a financial institution, we have firmly established our presence in GIFT City, [holding a certificate of registration as a 'Registered Fund Management Entity (Non-Retail)'] with the IFSCA for over a year. GIFT City currently offers two structural options for funds: new fund setups and

relocations. Over the past year, our operations have thrived, with six funds now live and assets under management totaling approximately USD 1.87 billion as of August 30, 2024.

Our funds in GIFT City span across special situations, performing credit, and real assets.

While our experience with financial jurisdictions like Singapore has been invaluable, yet GIFT City represents a forward-looking environment that aligns with our vision. GIFT is a combination of offshore jurisdiction benefits located within India and easily accessible.

We are enthusiastic about the future developments at GIFT City and the immense potential it holds. The evolving scenario here,

coupled with our strategic investments, positions us to contribute significantly to this financial ecosystem. As GIFT City continues to develop, we are committed to educating and integrating local talent, ensuring they are equipped to thrive in this dynamic environment. We are also looking forward to further innovations on regulatory structures that would help enhance our operational efficiency.

As we head deeper into India's decade of growth, GIFT City's fusion of modern infrastructure, supportive regulatory framework, and skilled workforce makes it a beacon of growth and opportunity for India's financial future. We are proud to be part of this transformative journey and look forward to the promising prospects that lie ahead.



M N S S & ASSOCIATES

Mr. Nehal Sheth

Co-founder and Partner, M N S S & Associates

Perspectives by Knowledge Partners

As an integral part of the GIFT IFSC ecosystem, we recognize the significant strides made by the jurisdiction in establishing itself as a premier global financial hub in India. The growth is evident in the substantial number of funds registered, reflecting the confidence of market participants in the jurisdiction's regulatory framework and infrastructure. Key milestones, such as the introduction of regulatory frameworks to streamline operations and the facilitation of innovative financial products, permitting 100% NRI participation in Funds have further cemented GIFT IFSC's position as a dynamic and forward-looking financial ecosystem.

At M N S S & Associates, we take pride in our role as a boutique firm specializing in financial services advisory. With a commitment to excellence, we provide comprehensive support throughout the entire fund lifecycle, offering

tailored solutions from conceptualization to eventual exit strategies. Our expertise spans across diverse regulatory frameworks, including the SEBI framework, the Indian IFSC Framework in GIFT City, and offshore fund setups.

In the realm of IFSC fund setup, we serve as trusted advisors, guiding our clients through every step of the process. From facilitating the application process to structuring the Fund Managing Entity and aligning fund schemes with commercial objectives, we provide hands-on assistance to ensure a seamless transition from concept to execution. Our track record speaks for itself, as we have successfully assisted numerous managers in setting up their Fund Management Entities within the IFSC jurisdiction and launching their schemes with confidence.

Amidst the progress, it's crucial to acknowledge the challenges that persist and the areas where further work is required. Regulatory clarity and the

streamlining of regulatory processes are paramount for sustained growth and development. Challenges such as the lack of clarity on taxation of Offshore Funds, regulatory ambiguity in investments in Family Investment Funds, and the need for robust onboarding and KYC processes underscore the importance of a holistic review and approach in regulatory framework establishment.

As stakeholders invested in the success of the GIFT IFSC, we recognize the potential for exponential growth in the business of funds if regulatory uncertainties are addressed comprehensively. We urge the IFSC authority and the Indian Government to collaborate in providing clarifications on these critical issues, paving the way for enhanced confidence and growth in the IFSC jurisdiction.



Mr. Dipesh Shah

Head, Nuvama Asset Services

Perspectives by Knowledge Partners

As we approach 2025, the midpoint of the transformative decade that India is witnessing, GIFT City is ideally poised to become a major financial and investment hub, playing a crucial role in the country's vision of becoming a developed nation by 2047. Unquestionably, India is now a driving force in the global economy, positioned to bridge the developed Western world and the Global South. As the world's largest democracy continues its journey towards financial prominence on the global stage, the aspirations of its people to become innovators and entrepreneurs are more attainable than ever.

At Nuvama Asset Services, we foresee GIFT City as a key enabler of these aspirations, offering a conducive environment for growth and innovation.

Today, GIFT City represents a fusion of finance and future-ready verticals, designed to provide India's fund and business ecosystem with unparalleled access to global financial markets. While the ecosystem already encompasses core verticals like Banking, Capital Markets, Fund Management, Insurance, and Global In-House Centres (GICs), it is also integrating segments such as Aircraft Leasing, Ship Leasing, Foreign Universities, and Ancillary Services, to become a full-fledged financial ecosystem capable of propelling India's vision for the future.

We have witnessed the remarkable evolution of the GIFT City landscape, with depositories, exchanges, and enabling regulations all coming into place and as we bear witness to India's ongoing decade of growth, we are excited about the future developments here and the immense potential that lies ahead.

Nuvama Asset Services is enthusiastic about GIFT City and the IFSC, having partnered with them from the very beginning – our collaboration with GIFT City dates back to its inception, making us one of the pioneering institutions in this space. As a One-Stop India Access Platform that meets the evolving needs of asset managers by offering an integrated suite of Securities Services across asset classes, we offer a plug and play model that suits the requirements of modern day asset managers

We believe that GIFT City stands out as a unique financial centre globally, serving as a gateway to a substantial economy. This unique positioning bodes well for its continued growth. From the inbound perspective, the financial markets in India are expanding and maturing, even as funds

within GIFT City continue to benefit from favourable regulations across taxation, NRI participation, and other aspects. As we envision the development of India's premier financial destination, our partners, such as leading banks, chosen for their capability and reliability, along with supportive service providers, remain integral to this growth.

The unique combination of supportive regulations, advanced infrastructure, and technological integration makes GIFT City a beacon of growth and opportunity for India's financial future. Our commitment to GIFT City and the IFSC remains unwavering, and we are confident that GIFT City will continue to grow and evolve, solidifying its position as a premier international financial hub.



Deepika Asthana

Co-founder & Director



Preface

The landscape of global finance is undergoing a profound transformation, and at the centre of this shift lies GIFT City – India’s first and only International Financial Services Centre (IFSC). This report, ‘Funds in GIFT City: Scaling new Heights’, is a reflection of the immense strides towards positioning itself as a global financial hub of note.

As a catalyst for innovation, GIFT City provides not only a competitive regulatory framework but also an ideal ecosystem for fund management and investment. This progress is poised to redefine the global narrative around fund management in emerging markets.

GIFT City’s evolution as a financial powerhouse is not coincidental – its unified regulatory framework, sustainable urban design, and business-friendly policies have collectively contributed to its rapid rise. As of April 2024, there were 140+ registered funds including a significant number of Category III Alternative Investment Funds (AIFs). The influx of new fund registrations and the targeted corpus of ~ USD 38.42 Billion as of June 2024, further illustrates the GIFT City’s growing allure for global investors and fund managers alike.

The introduction of the Fund Management Entity (FME) Regulations in 2022 has been pivotal in accelerating this progress – by simplifying the registration process and offering an enabling environment, the International Financial Services Centres Authority (IFSCA) has attracted a range of funds previously located in other international financial hubs. The flexibility to leverage high-yielding opportunities, coupled with favourable tax incentives, is rapidly positioning GIFT City as a top-tier destination for fund

managers seeking to scale operations efficiently and profitably. The proactive and approachable stance of the IFSCA has furthered this growth – widely regarded as one of the most responsive and forward-thinking financial regulators, the IFSCA’s openness to addressing fund managers’ challenges has cemented its reputation as a supportive and agile authority.

At Eleveight, we are enthused by the current and potential range of possibilities offered by GIFT City to not just the fund management community but to all stakeholders in the ecosystem. Our role as knowledge partners and strategy consultants is twofold in nature. One, it is to ensure that all stakeholders are aware of the nuanced and wide-ranging benefits of establishing presence at GIFT City and two, it is to enable firms to optimally leverage the prevailing opportunities.

This report is a comprehensive examination of how GIFT City is creating a new paradigm for international financial services in India. Since its inception, GIFT City has emerged as a bold testament to India’s mission to foster innovation, attract investment, and accelerate economic growth. It serves not only as a financial centre but as a symbol of the nation’s ambition to stand at the forefront of the global financial landscape.

By exploring key developments, regulatory advancements, strategic opportunities, and potential challenges, this report aims to provide a detailed insight into how GIFT City is poised to become a global beacon for funds and financial innovation. It is my hope that this report serves as a valuable resource for fund managers, investors, and stakeholders who are looking to tap into the unique opportunities that GIFT City offers as it



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A man in a dark suit stands with his back to the camera, looking out from a high-rise office window. The view outside shows a city skyline at sunset, with a river and a long tree-lined promenade in the foreground. The sky is filled with vibrant orange, pink, and blue hues. The man's reflection is visible on the polished floor.

■ Chapter 1:

**Fulfilling visionary ambitions:
GIFT City's journey towards
financial eminence**

In alignment with Hon'ble Prime Minister (PM) Shri. Narendra Modi's visionary perspective to make GIFT City the global nerve centre of new-age financial and technology services, its meteoric rise as India's premier IFSC heralds a new era of economic distinction. GIFT City acts as a testament to our nation's mission to enable innovation, attract investment, and spur rapid development. As it continues to evolve and increase its influence, GIFT City is becoming a beacon of opportunity, promising boundless potential for businesses, investors, and talent alike.

Despite its nascence, GIFT City, India's International Financial Services Centre, is rapidly evolving into a formidable contender in the global financial landscape.

As of April 2024, there were a total of **140+ funds** registered in GIFT City with a majority of them

registered as **Category III AIFs**.

Moreover, there has been a rapid influx of funds establishing themselves in GIFT City, with **26 new registrations** recorded in the initial four months of 2024. This marks a notable **53% increase** in fund launches compared to the corresponding period last year. Many top funds in GIFT City are successfully raising and deploying capital.

Prominent fund managers that have raised capital include Blume Ventures, EAAA Alternatives, Airavat Capital, HDFC AMC International (IFSC) Ltd., Aditya Birla Capital, Kotak Alternate Asset Managers Ltd., Sameeksha Capital, Alchemy Capital Management Pvt Ltd.

The total commitments raised in GIFT City stands at **USD 11+ Bn** as on June 30, 2024. The fund managers who have contributed to this report

First Operational Smart City



1

- Green infrastructure with vertical development
- 20 EV buses covering Ahmedabad, Gandhinagar & GIFT City

2



Ease of Inter and Intra City Transit

- 15 minutes away from the bullet train terminus
- National highway NH48 (Delhi-Mumbai Industrial Corridor)



Global Connectivity

- 20 minutes away from Ahmedabad's international and domestic airport

4

Domestic Connectivity

- 1.5 hours by flight to major domestic destinations
- 15 mins from nearest railway station

3

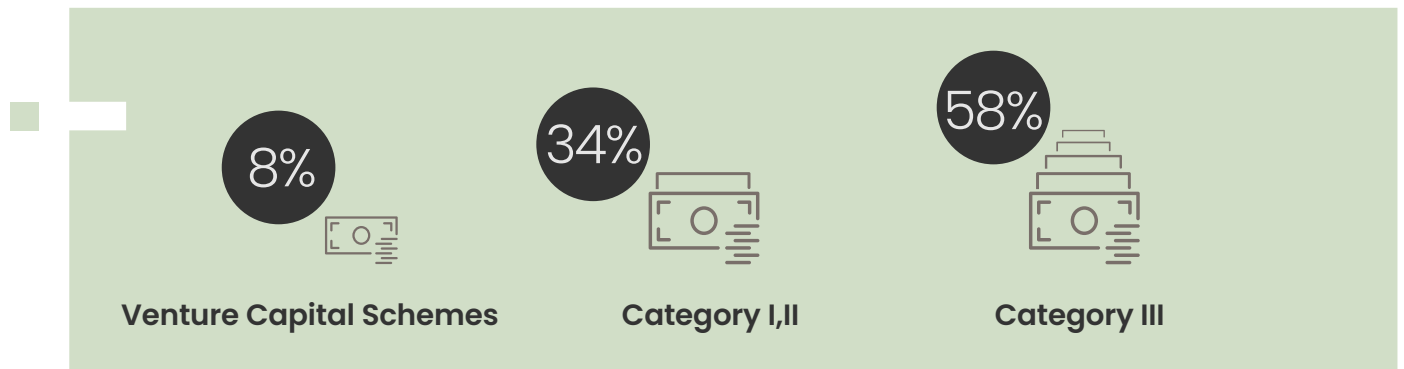


Number of entities

	As on June 2023	As on September 2023	As on December 2023	As on June 2024
Fund Management Entities	63	73	83	116
Funds	60	68	95	143

Source: IFSCA data | Data as on Jun'24

Categories of funds in GIFT City



Source: Eleveight analysis of IFSCA data | Data as on Jun'24 (Venture Capital schemes include angel fund schemes)



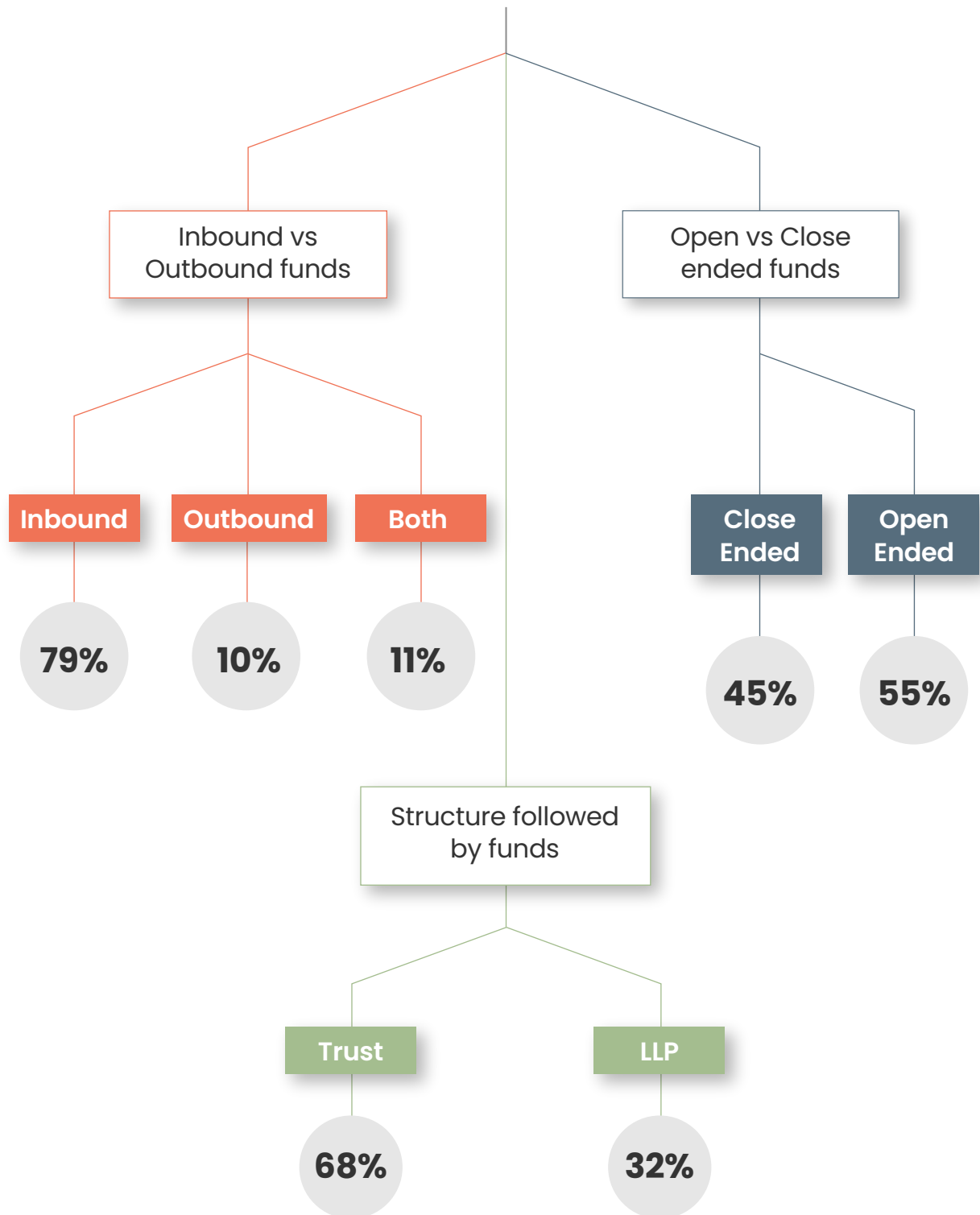
We had been looking at launching offshore funds for a long time and evaluated various offshore locations, but the routes were very convoluted. In GIFT City, we finally found a clear workable option, and now that all the moving parts are in place, we have established our base here. Our fund has been operational from GIFT City since March of this year. In a short time of four months, we have been able to onboard as many investors as we did in four years with our domestic PMS. The proximity to our headquarters in Ahmedabad made the location even more attractive for us. Investors who are keen on investing in India without dealing with local tax compliance requirements are quite interested in GIFT City. We are counting on the stability of the current government regime to promote the future development of GIFT City.

Bhavin Shah

Founder & Fund Manager, Sameeksha Capital

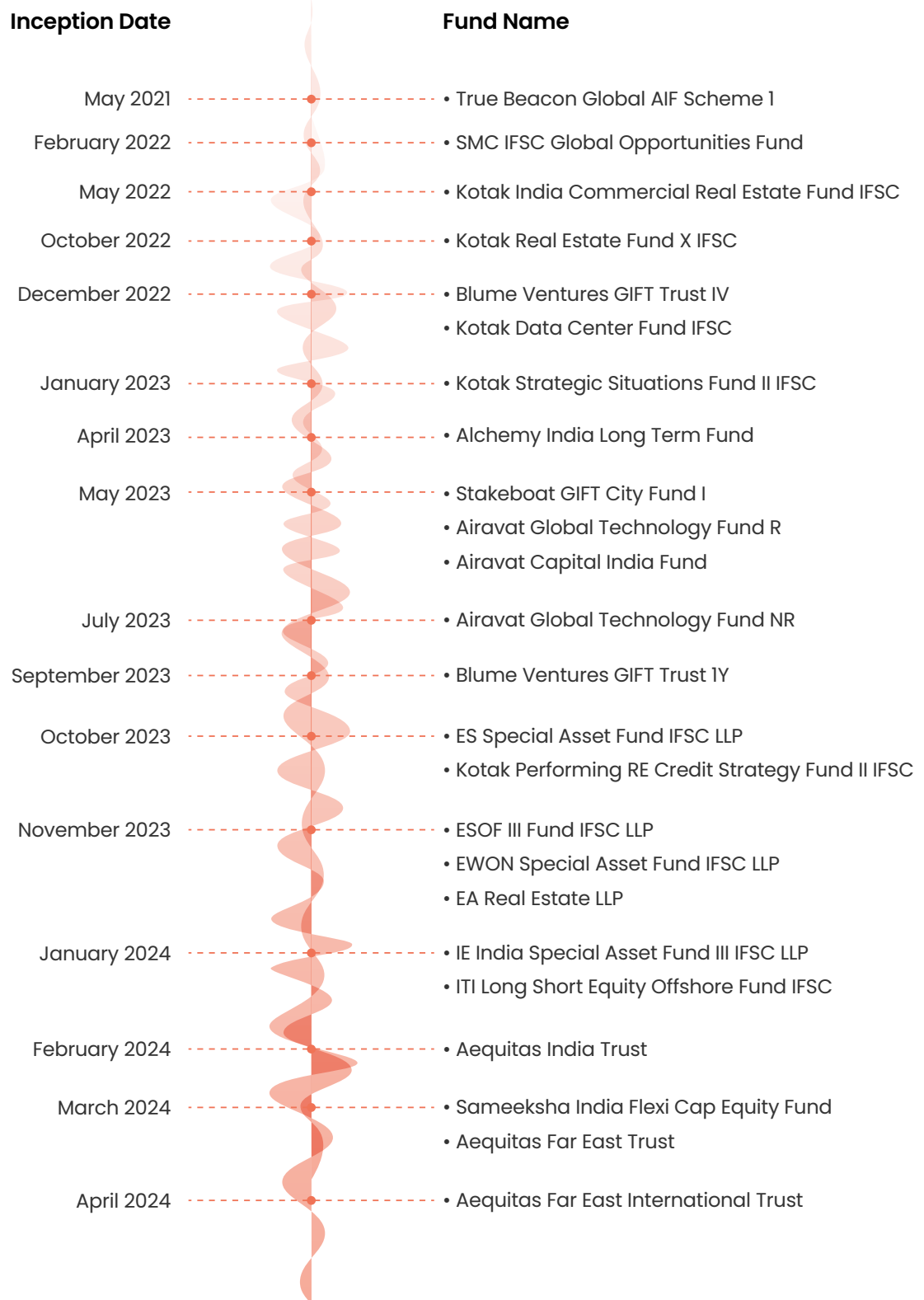


Fund management landscape in GIFT City



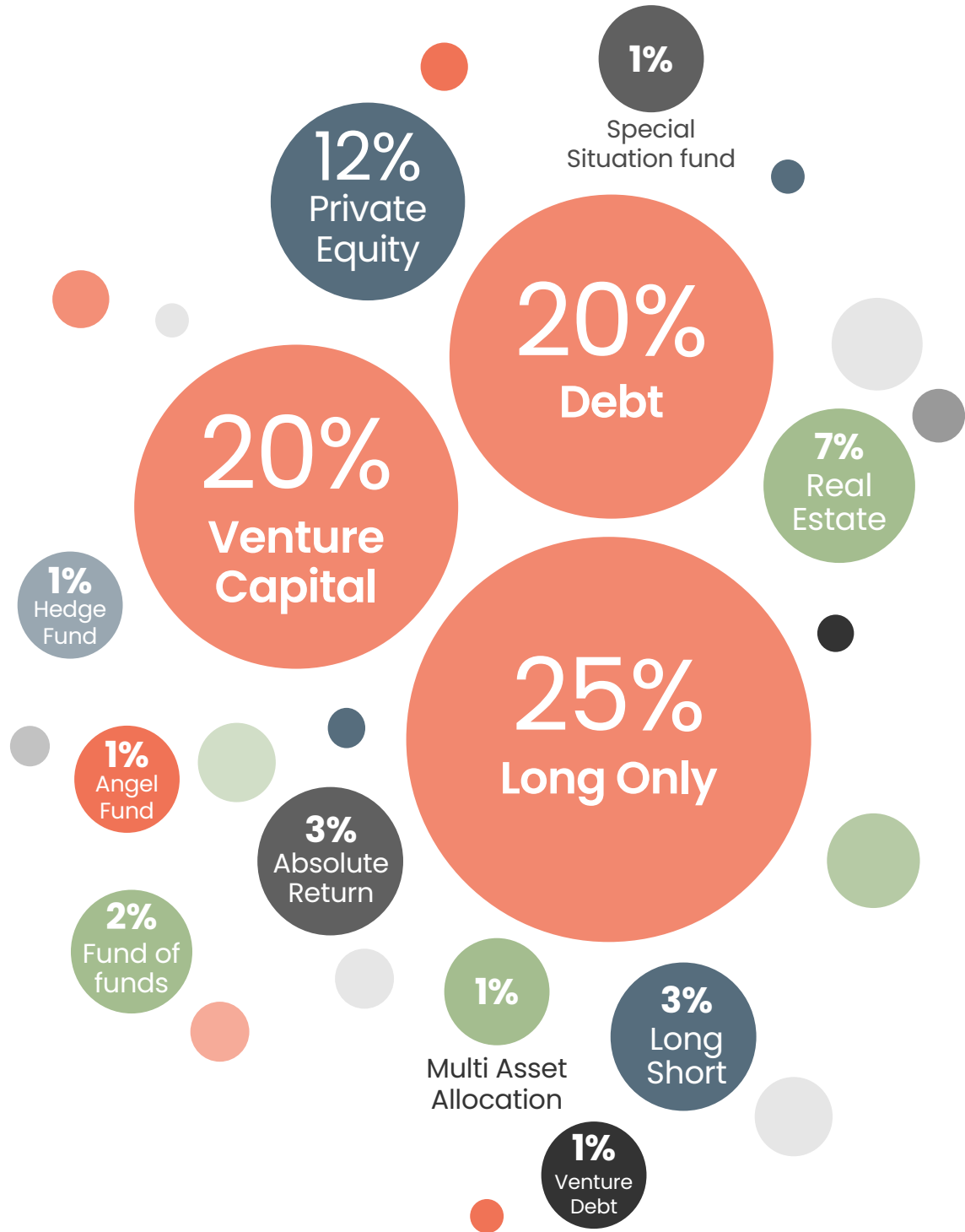
Source: Eleveight analysis of IFSCA data | Coverage of select funds | Data as on Jun'24

Timeline of some of the prominent funds launched in GIFT City



Source: Eleveight analysis of IFSCA data | Coverage of select funds

Strategies offered by funds in GIFT City



Source: Eleveight analysis of IFSCA data | Data as on Jun'24

List of funds in GIFT IFSC

3one4 Capital IFSC Fund	Centre Court Capital IFSC Fund I	India Alternatives Fund	Multiples Private Equity GIFT Fund IV (FUND)
A91 Partners GIFT Trust II	Chanakya Wealth Creation Fund	India ESG Engagement Fund	Neo Special Credit Opportunities Fund I
Abans Diversified Fund	Chiratae Ventures International Fund V	India Life Sciences Fund IV	Next 5 Capital
Abans Investment Fund	CX Partners Fund 3	India Offshore Credit Opportunities Fund	Next Bharat Venture Fund - 1
Abans Investment Trust	Daibiru Hines Trust	India Opportunities Fund	Nuvama India Edge Fund
ABSL Global Emerging Market Equity Fund (IFSC)	Dovetail Investment Fund (IFSC)	India Opportunities IFSC Fund Trust	Nuvama Late-Stage Growth Equity Fund 4
ABSL Index Linked Fund (IFSC)	DSP India Absolute Return Fund	India Realty Excellence	PCGF 1.6 GIFT CITY FUND
Aequitas Far East International Trust	DSP India IFSC Fund	Investcorp India Warehousing IFSC Trust	Phillip Greater India Engagement Fund
Aequitas India Trust ("the Trust")	EA Real Estate LLP	ITI Long-Short Equity Offshore Fund (IFSC)	Playbook Partners GIFT
Airavat Capital India Fund	EH Fund IFSC LLP	IYP II IFSC LLP	Rangoli India Fund
Airavat Global Technology Fund NR	EISAF II IFSC LLP	Jashvik Capital AIF Trust	Realty Excellence Trust VI GC
Airavat Global Technology Fund R	Equirus Long Horizon Offshore Investments	Kedaara Capital Growth Fund IV	REBOOT Bharat MSME Scheme
Aivot Capital Fund	ES Special Asset IFSC LLP	Kedaara Capital Growth Fund-III LLP	Rising Fintech LLP
Alchemy Alternative Investment Trust	ESOF III Fund IFSC LLP	Kedaara Venna Holding	Sameeksha India Flexicap Equity Fund ("the Fund")
Alpha Alternatives Equity Absolute Return Fund	EWON Special Asset Fund IFSC LLP	Kedaara Victoria Holding	Sattvic Wealth Bharat Fund
Alpha Alternatives Global Fund I	Fireside Ventures Investment IFSC Fund III	Kotak Data Center Fund IFSC	SBI Investment Opportunities Fund (IFSC) - Scheme II
Alpha Alternatives Nifty Plus Fund	Five Rivers India Fund (IFSC)	Kotak India Commercial Real Estate Fund IFSC	Stakeboat GIFT City Fund I
ASK Real Estate Fund 2	Grand Anicut (IFSC) Fund 4	Kotak Strategic Situations Fund - II IFSC	Stride Ventures Global Debt Fund I
ASKWA Global Opportunities Fund	Grand Anicut GIFT Fund 4	LICHFL Real Estate Overseas Fund	Terazo Investment Trust
ASKWA India Opportunities Fund	HDFC Capital Fund of Funds- 3	Lighthouse Canton (IFSC) Fund -II	TradeAir Fund
Athera GIFT Fund IV	HDFC India Balanced Advantage Fund	Lighthouse Canton (IFSC) Fund -III	True Beacon Global AIF
Auxano Growth Fund	HDFC India Equity Savings Fund	Lighthouse Canton (IFSC) Fund I	True North (GIFT) Fund VII
Avinya Ventures Offshore	HDFC India Flexi Cap Fund	LR India Fund II IFSC	True North Credit Opportunities (GIFT) Fund I LLP
Blume Ventures Gift Trust 1Y	HDFC India Mid-Cap Opportunities Fund	Millingtonia Capital AIF	Venture Catalyst Offshore Angel Fund
Blume Ventures Gift Trust IV	HDFC India Nifty 50 Fund	Mirae Asset India Equity Allocation Fund	Vincit Capital
Business Excellence Fund	HDFC India Small Cap Fund	MO India GIFT City Fund	Vivriti Fixed Income Fund-Series 3 IFSC LLP
Carnelian India Amritkaal Fund	IE India Special Asset Fund III IFSC LLP	Morgan Stanley IFSC Fund	Vivriti IFSC CAT 2 Trust
Centre Court Capital Global Fund I	IIFL India Opportunities Fund	Mplier Capital Trust	

Source: Eleveight analysis of IFSCA data | Data as on Jun'24

Funds raised and invested by AIFs in GIFT IFSC

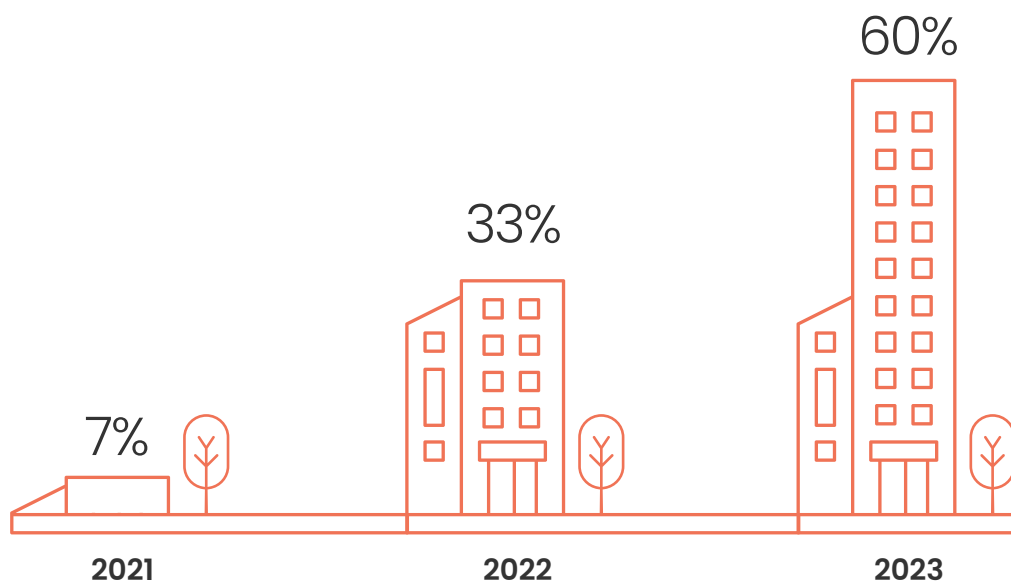
Particulars	No. of Schemes Registered	Total Commitments raised	Total Funds raised	Investments into India (A)	Investments made in Foreign Jurisdiction (B)	Total Investments made (A+B)
Venture Capital Schemes (including Angel Schemes)	11	188	29	14	7	21
Category I and II AIFs	49	7,734	3,098	2,747	143	2,891
Category III AIFs	83	3,771	2,191	1,515	76	1,591
Total	143	11,693	5,319	4,276	227	4,504

Amount in USD million

Source: Eleveight analysis of IFSCA data | Data as on Jun'24

Inarguably, both the breadth and depth of the GIFT City ecosystem has expanded significantly over the years with an increasing number of entities seeking to establish operations in the jurisdiction.

Q. When did you set up your office at GIFT City?



Source: Eleveight primary research interactions.

It is important to note that a majority of the traction seen at GIFT IFSC has been realised following the implementation of the Fund Management Entity (FME) Regulations in 2022.

The International Financial Services Centres Authority (IFSCA) promulgated the International Financial Services Centres Authority (Fund Management) Regulations, 2022 ("FME Regulations"), which became effective on May 19, 2022.

The IFSCA has streamlined the regulatory framework governing the registration of pooling vehicles, such as venture capital schemes and other alternative investment funds (collectively referred to as "AIFs"), within the International Financial Services Centre. Under the revised framework, managers operating these financial

products are required to obtain registration with the IFSCA, rather than registering each individual product separately with the authority.

Since its inception, the IFSCA has significantly accelerated the development and prominence of GIFT City, fostering a more efficient and attractive environment for fund management and investment.

Moreover, funds setting up at GIFT IFSC can also harness several other benefits ranging from operational ease and enabling taxation to reduced / no restrictions on leverage.

“

GIFT IFSC has made significant strides in offering a global platform and solution for the Fintech sector. The compliance, regulatory framework, tax benefits and ease of doing business enhances the value proposition not only for any local entity looking to make investments into India, but also for overseas structures to create their base in GIFT for their global businesses. The single window clearance for regulatory approvals coupled with state-of-the-art infrastructure makes it easier for companies to enhance their global operations, reduce costs and tap into new business opportunities in international financial markets. At IQ-EQ, we are optimistic about the growing fund ecosystem at GIFT IFSC. We provide a full suite of services based on advanced technology and robust processes. We can partner with fund management companies or General Partners to take care of their end-to-end activities so that they can focus on their core activities. Our services include set-up, digital on-boarding, accounting, co-sec, governance, audit, financial reporting, regulatory, tax compliance and many other value-added services which can support and streamline current as well as future business.

Atul Muchhala

Managing Director and Head of India Operations, IQ-EQ

”

Benefits of setting up funds at GIFT IFSC





Chapter 2:

**Pioneering growth:
Setting up funds and scaling
operations in GIFT City**

In order to foster the growth of fund management activities in the IFSC, the IFSC Authority (“IFSCA”) had notified the IFSCA (Fund Management) Regulations, 2022 (“FM Regulations”) on 19 May 2022.

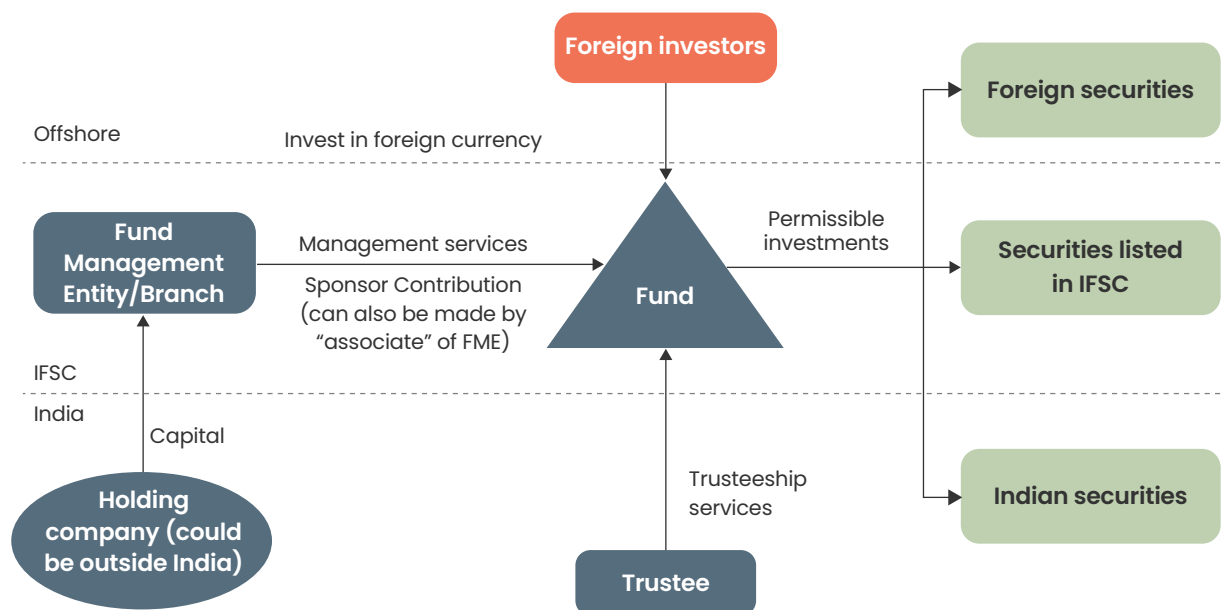
An FME can be set-up as an Authorised FME (to manage Venture Capital Schemes), Non-Retail Registered FME [to manage Non-Retail Restricted

Schemes (i.e. AIFs)] or Retail Registered FME (to manage Retail Schemes). Additionally, Registered FME can also provide portfolio management services to its clients to persons resident outside India as well as persons resident in India for making overseas investment.

The minimum ticket size per investor is USD 150,000.

Typical fund structure in GIFT IFSC

A typical Fund structure in the IFSC is depicted below:



“

GIFT City's unique regulatory advantages and business-friendly environment position it as a premier destination for funds. However, addressing challenges such as market familiarity and ease in onboarding processes, and providing taxation clarity on offshore funds is essential for sustainable growth of the Fund industry in IFSC, GIFT City.

Grishma Mody

Principal, M N S S & Associates

”

Key attributes of Fund Management Entities (FME)

Particulars	Categories of FME		
	Authorised FME	Registered FME (Non-Retail)	Registered FME (Retail)
Types of schemes managed	Venture Capital Schemes offered on a private placement basis	Venture Capital Schemes and Restricted Schemes offered on a private placement basis	All schemes including Retail Schemes offered to all investors including retail investors
Legal structure of FME	Company, limited liability partnership (LLP) or branch thereof		Company
Minimum no. of employees (based out of GIFT IFSC)	1 (1 Principal Officer for overall activities)	2 (1 Principal Officer for overall activities + 1 Compliance and Risk Manager)	3 (1 Principal Officer for overall activities + 1 Compliance and Risk Manager + 1 Additional Key Managerial Personnel for fund management)
FME Experience	FME to employ such employees who shall have relevant experience		FME/ holding company to have > 5 years of experience in managing AUM of at least USD 200 million with more than 25,000 investors; or At least 1 person in control holding more than 25% shareholding in the FME to have at least 5 years of experience in financial services. FME to employ such employees who shall have relevant
Experience and professional qualification of Key Managerial Personnel	Professional Qualification: A professional qualification or postgraduate degree or post-graduate diploma (minimum 2 years) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a recognised university/ institution or a certification from any organisation/ institution/ association/ stock exchange which is recognised/ accredited by Authority or a regulator in India or Foreign Jurisdiction Experience: At least 5 years in related activities in the securities market or financial products including in a portfolio manager, broker-dealer, investment advisor, wealth manager, research analyst, or fund management		
Minimum number of Directors / Partners in the FME			4 (At least 50% to be independent and not associated with FME)

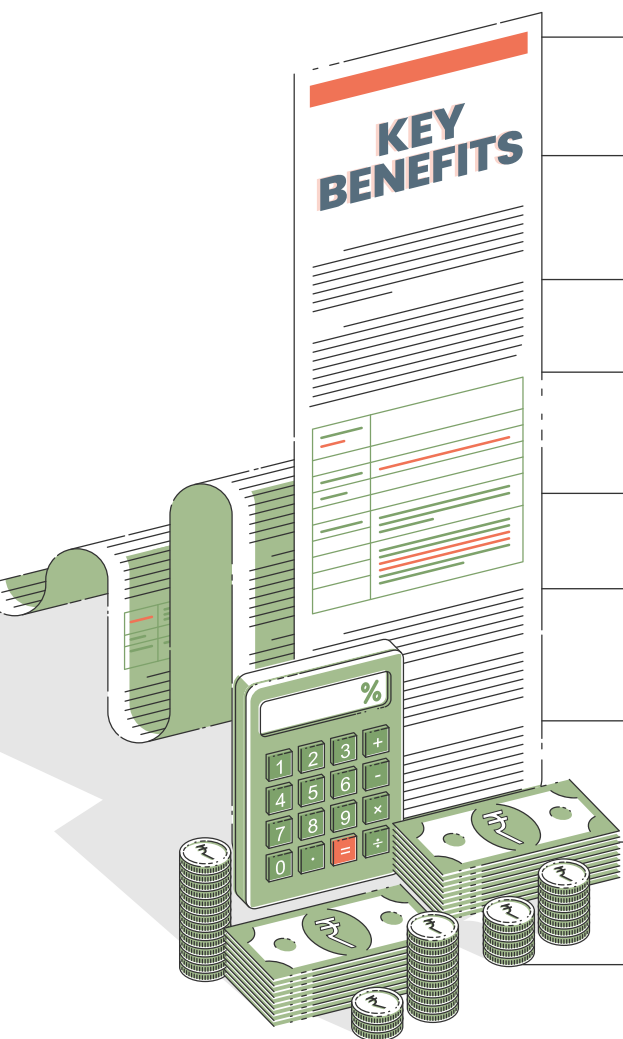
The IFSCA, as a regulatory body, is widely regarded as one of the most approachable and proactive authorities in the financial sector. A majority of fund managers commend the regulator for its receptive and forward-thinking approach, particularly in addressing practical challenges faced by fund managers. The IFSCA's willingness to engage in open dialogue and its

prompt responsiveness in implementing necessary measures have significantly contributed to its favourable reputation. This collaborative and adaptive regulatory environment has further reinforced GIFT City's status as a premier destination for fund management and investment.

Key benefits across taxation and regulatory framework for funds in GIFT City

GIFT City offers a streamlined, business-friendly regulatory framework and a competitive tax regime that rivals other global financial centres. **Fund managers benefit from tax exemptions and incentives, such as exemptions on securities transaction tax, commodities**

transaction tax, and dividend distribution tax, which collectively enhance profitability. Its commitment to providing an advantageous taxation framework demonstrates its dedication to facilitating success for both individuals and organisations.



- **Income tax exemption:** GIFT IFSC offers 100% income tax exemption for a period of 10 out of 15 years. The flexibility is granted to GIFT IFSC units to select any 10 consecutive years from within this 15-year block.
- **Transaction-related exemptions:** Transactions executed on GIFT IFSC stock exchanges are exempt from Securities Transaction Tax (STT), Commodities Transaction Tax (CTT), and stamp duty, further enhancing the attractiveness of the centre.
- **Minimum Alternate Tax (MAT):** Companies established as units in GIFT IFSC are subject to MAT at a rate of 9% of book profits, with exceptions for certain companies.
- **Interest income exemption:** Interest income paid to non-residents on money lent to GIFT IFSC units is not subject to taxation, making it a highly appealing prospect for investors.
- **Capital gains tax exemptions:** Transfers of specified securities listed on GIFT IFSC exchanges by non-residents are exempt from capital gains tax.
- **Goods and Services Tax (GST) & Customs exemption:** Units within GIFT IFSC, as well as services provided to GIFT IFSC/SEZ units and offshore clients, are given exemptions/relaxations under the GST & Customs.
- **State subsidies:** GIFT IFSC extends state subsidies for prescribed eligible activities under the IT/ ITeS policy, including incentives for capital expenditure, operational expenditure, contributions to Provident Funds, and employee upskilling.
- **Exemption from Indian Exchange Control Regulations:** Units within GIFT IFSC are exempt from Indian exchange control regulations, thereby simplifying financial transactions.
- **Open market investment:** Indian residents are permitted to contribute to investment vehicles in GIFT IFSC as Other Persons resident in India, thereby allowing them to establish and sponsor contributions towards funds in GIFT IFSC.

Sr. No.	Entities	Application Fees	License/ Registration/ Authorization Fees		Recurring Fees				Activity based fee	Processing Fees	
			Type of Fee	Amount	Type of Fee	Amount	Basis of Fee	Amount		Modification of terms & conditions of grant of License/ Registration/ Authorization/ Recognition, etc. (of substantive nature (2))	Relaxation/ waiver of provisions of applicable Regulations, Guidelines, Circulars, etc., and/or Removing
i	Authorised FME (except Family Investment Fund)	\$2,500	Registration	\$5,000	Annual	\$2,000	N.A	Nil	Nil	20% of Registration Fee	\$2,500
ii	Family Investment Fund			\$15,000							
iii	Registered FME (Non-retail)			\$7,500							
iv	Registered FME (Retail)			\$10,000							
Fee for filing placement memorandum / offer document with the Authority											
v	Venture Capital Scheme	N.A						\$7,500	20% of filing fees	\$2,500	
vi	Angel Fund	N.A				Filing of intimation regarding investment	\$500	\$3,000			
vii	Restricted Scheme	N.A						\$7,500	20% of filing fees	\$2,500	
	a. Category – I AIF	N.A						\$15,000			
	b. Category – II AIF	N.A						\$22,500			
	c. Category – III AIF	N.A						\$22,500			
viii	Retail Scheme	N.A						\$22,500			
ix	Exchange-Traded Fund (ETF)	N.A						\$22,500			
x	Investment Trust	N.A						0.05% of offer size			
xi	Provision of Portfolio Management Services	N.A						\$5,000			
xii	Applications for Regulatory / Innovation Sand box, Fund lab, etc.	N.A						\$2,500			

Note:

- Registered FMEs filing ESG schemes with the Authority in terms of Chapter V of the IFSCA (Fund Management) Regulations, 2022, will be waived the scheme filing fee as specified above if the disclosures in the scheme are in line with the disclosures provided by the Authority for such schemes. The waiver of fee shall be applicable to only the first 10 ESG schemes registered with the Authority and each FME shall be permitted to avail the waiver only once.
- Registered FMEs filing ETFs with the Authority in terms of Chapter IV of the IFSCA (Fund Management) Regulations, 2022, will be waived the filing fee as specified above for the first 3 ETFs filed by such FME with the Authority. The waiver of fee shall be applicable only to the first 30 ETFs registered with the Authority.

For further details please refer to:

<https://eleveight.in/backend/wp-content/uploads/2024/02/GiftCity-FundsBooklet.pdf>

<https://eleveight.in/backend/wp-content/uploads/2024/02/GIFT-City-Heralding-a-new-era-of-financial-dominance.pdf>

In addition to an enabling taxation regime, funds have also found the set up process to be fairly efficient in terms of both the paperwork required and the time taken to set up.

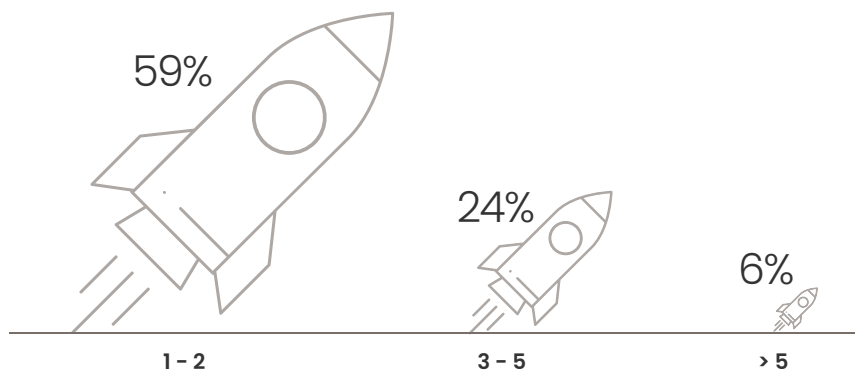
■ Q. How much time did it take to commence your operations in GIFT City?



Source: Eleveight primary research interactions

In March 2024, the finance ministry announced that the IFSCA will now have sole authority over new registrations in GIFT SEZ. Previously, companies needed approval from both the SEZ authority and IFSCA to commence operations. To streamline and expedite the process, an IFSCA-nominated officer will handle registrations. This move aims to facilitate quicker registration and operationalisation of funds in GIFT City.

■ Q. How many funds have you launched in GIFT City?



Source: Eleveight primary research interactions

Many entities have established their bases in GIFT City within the past year. As these funds gain more exposure to the jurisdiction, their confidence and comfort with operating there will continue to grow over time.

There is significant innovation in terms of products being offered through GIFT City. For example, one of the leading funds is focused on investing in emerging markets across 24 countries globally. This fund targets regions such as Greece, Bulgaria, Romania, and several others. Its primary strategy is to pave the way for global investments through GIFT City, a unique approach that hasn't been accessible to domestic investors before. For the first time, they are offering access to markets like Taiwan and Indonesia, providing a global reach for corporate investors. Additionally, another fund is in the pipeline, targeting the private equity space, aimed at inbound investments.

Process for setting up office in GIFT IFSC

01



In-person/virtual meeting with IFSCA & GIFT officials to demonstrate the business use case for GIFT IFSC

02



Identify office space within GIFT SEZ, finalise agreement with developer and obtain Provisional Letter of Allotment (PLOA)

03



Submit the application to Administrator (IFSCA) for setting up a unit in GIFT IFSC and a separate IFSCA application for obtaining registration / licence. Apply for Branch set-up/ Company/LLP incorporation for FME and Scheme (if applicable) and obtain Certificate of Incorporation

04



Administrator (IFSCA) will invite the applicant for a Unit Approval Committee (UAC) hearing to discuss business proposition

05



If UAC approves, the Administrator (IFSCA) will then issue the 'Letter of Approval' and IFSCA will separately give in-principle approval

06



Submit Bond cum Letter of Undertaking (LUT) to Administrator (IFSCA), obtain Eligibility Certificate from Administrator (IFSCA) and necessary registrations such as RCMC, IEC and GST

07



Open Foreign Currency and SNRR bank accounts and obtain final IFSCA approval

08



Appointment of a trustee for scheme and registration of trust deed, wherever applicable

09



Kickstart your business operations

For further details: <https://ifsc.gov.in/Pages/Contents/HowToApply>

■ Q. What were the factors that influenced you to set up at GIFT City?



Source: Eleveight primary research interactions

The benefits of setting up at GIFT City are not just limited to tangible aspects like taxation but encompass a wide spectrum of intangible, and equally important, factors. These include:

Cultural familiarity and proximity to the domestic market



Operating within India allows fund managers to leverage cultural familiarity and immediate access to the vast domestic market. This proximity facilitates better engagement with domestic investors, quicker response times, and a deeper understanding of local investment trends and opportunities.

Access to skilled workforce and a knowledge-rich environment



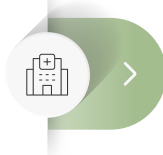
India boasts a large pool of highly skilled professionals in finance, technology, and related fields. GIFT City's proximity to renowned universities and colleges such as Deakin University, the University of Wollongong, and Gujarat Biotechnology University, fosters a knowledge-rich environment, promoting innovation and collaboration.

High quality of life and urban amenities



GIFT City offers a high quality of life with lower living costs, low pollution, high safety and security, and infrastructure for sports and activities. The city provides chic urban amenities, including cafes, restaurants, shopping complexes, and recreational facilities, enhancing the overall lifestyle.

Advanced medical infrastructure



Quality healthcare is readily available with institutions like Lilavati Hospital offering top-notch medical services, ensuring the well-being of professionals and their families.

Shorter commute times and green infrastructure



The city's enhanced accessibility with the convenience of walking to work reduces commute times. GIFT City also features automated waste collection and segregation plants, a district cooling plant, a utility tunnel, and a water treatment plant, showcasing its commitment to green infrastructure and sustainability.

Eco-friendly transport and environmental initiatives



State-of-the-art eco-friendly transport options, including electric buses and convenient walking routes, enhance the quality of life and promote eco-conscious living. High tree density per hectare and sustainable urban planning reflect GIFT City's dedication to environmental sustainability.

In summary, setting up an office in GIFT City allows fund managers to enjoy regulatory, taxation, and cultural benefits comparable to those of leading global jurisdictions, while also capitalising on the unique advantages of being in India. This combination creates a compelling proposition for fund managers seeking a strategic and cost-effective location for their operations.

Chapter 3:

Operational excellence: Access to a robust service provider ecosystem in GIFT City



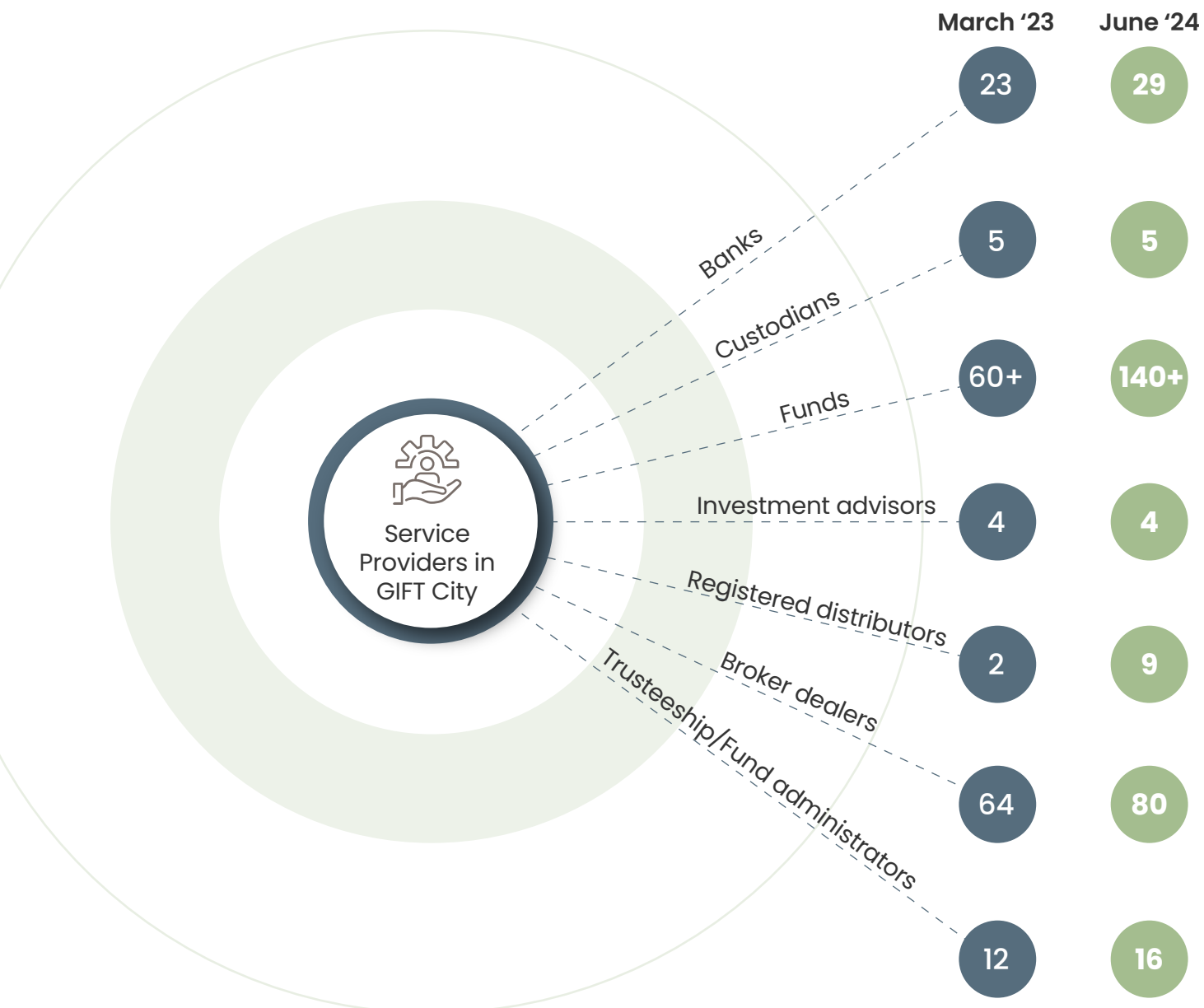
The availability of a robust and efficient service provider ecosystem is crucial to the success of any jurisdiction. On that front, GIFT City scores well.

The choice of service providers in GIFT City is often based on two key factors - familiarity and capability. **Familiarity** refers to the preference of fund managers to continue their engagement with service providers they have previously worked with in the domestic jurisdiction. For example, **Nuvama, being a well-established custodian** in the domestic market, often remains the preferred choice for fund managers who

have built a trusted relationship with them. This ongoing relationship ensures consistency and reliability.

Capability is crucial because GIFT IFSC operates as a global jurisdiction, involving cross-border capital flows. Service providers with a global presence and exposure, such as Ascent, possess the **built-in capabilities to meet these international requirements**. Their experience in managing global operations allows them to address complex needs more efficiently and effectively, making them preferred partners for fund managers in GIFT City.

Service provider ecosystem in GIFT City



List of service providers in GIFT IFSC



Banks

- Australia and New Zealand Banking Group Limited
- Axis Bank
- Bank of Baroda
- Bank of India
- Barclays Bank Plc
- BNP Paribas
- Canara Bank
- Citibank, N.A.
- DBS Bank Limited
- Deutsche Bank
- Federal Bank
- HDFC Bank
- HSBC Bank
- ICICI Bank
- IDBI Bank
- IDFC FIRST Bank
- Indian Bank
- IndusInd Bank
- JPMorgan Chase NA
- Kotak Mahindra Bank
- Mizuho Bank
- MUFG Bank Ltd.
- New Development Bank
- Punjab National Bank
- RBL Bank
- Standard Chartered Bank
- State Bank of India
- Sumitomo Mitsui Banking Corporation
- Yes Bank



Custodian

- Axis Bank IBU
- HDFC Bank Limited
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- Stock Holding Corporation of India Limited



Investment Advisors

- Ashoka White Oak Capital Management (GIFT) LLP
- Phillip Ventures IFSC Private Limited
- T- Cap Financial Services IFSC Private Limited
- Vastrapur Investment Advisors LLP



Trusteeship/ Fund Administrators

- Amicorp Trustee (India) Private Limited
- Ascent Fund Services (India) Private Limited
- Axis Trustee Services Limited
- Basiz Fund Services Private Limited
- Beacon Trusteeship Limited
- Catalyst Trusteeship Limited
- Computer Age Management Services Limited
- IDBI Trusteeship Services Limited
- IQ EQ India IFSC Services Private Limited
- Kfin Technologies Limited
- Mitcon Credentia Trusteeship Services Limited
- Ohm Dovetail Global Services (IFSC) Private Limited
- Ops Fund Services Private Limited
- Orbis Trusteeship Services Private Limited
- Vistra ITCL (India) Limited
- WeRoute Global Fund Solutions Private Limited



Registered Distributors

- Alphabet Services LLP (IFSC Branch)
- Anand Rathi International Ventures (IFSC) Private Limited
- Axis Bank Limited - IFSC Banking Unit
- Evermore Global (IFSC) Private Limited
- Geojit IFSC Limited
- HDFC Bank Limited - IFSC Banking Unit
- ICICI Bank Limited - IFSC Banking Unit
- Motilal Oswal Finsec IFSC Limited
- Raru Capital IFSC Private Limited



Other service providers

- BSR & Co. LLP
- CNK Khandwala & Associates
- Cyril Amarchand Mangaldas - OFC
- Ernst & Young LLP
- Finolutions LLP
- Grant Thornton Bharat LLP
- IC Legal
- In.Corp Corporate Services LLP
- KPMG Assurance and Consulting Services LLP
- Nishith Desai Associates
- Price Waterhouse & Co. LLP
- Treelife Ventures Services IFSC Private Limited

Case in point

Excelling in operational efficiency, enabling seamless service for GIFT City Fund Managers

Section contributed by

Mr. Dipesh Shah

Head, Nuvama Asset Services

At GIFT City, Nuvama Asset Services' primary role involves working closely with funds, ensuring we provide them with a one-stop destination for various requirements, particularly in terms of conceptualization, set-up assistance, investments and operations. We actively engage in thought leadership initiatives with the fund eco-system including the regulators, law firms, and tax consultants. This close collaboration empowers us to navigate regulatory landscapes and provide tailored solutions that support our clients' investment strategies.

Indeed, Nuvama holds a distinct position as one of the thought leaders partnering with GIFT City and the IFSCA. While becoming a domain expert has required tremendous effort, our focus remains on being well-informed and agile enough to discover solutions that meet our clients' needs. Foreseeing potential roadblocks and communicating the same to the relevant stakeholders is another key role we have taken upon ourselves. There is strong support from the IFSCA, and this continued willingness to be business friendly remains essential to addressing clients' requirements effectively.

Given our domain expertise and on-ground presence in both domestic as well as various global jurisdictions, Nuvama also plays an important role in handholding fund managers who are either setting up operations in the IFSC or considering it as an option.

At Nuvama, our aim is to enable fund management entities to focus on their core business activities while we handle all operational aspects. This, coupled with our end-to-end integrated offering - from Fund Set-up Advisory, India Access, Securities Custody & Derivatives Clearing, Research & Execution Services to Back office support - drives efficiency across the board. At the same time, a continued focus on our group motto of 'Let's Do it Right' helps ensure adequate balance between

expediency, compliance and risk. This has also helped garner and retain the trust of Institutional clients over the years.

While positioning GIFT IFSC as the optimal destination is an ongoing priority for us, one area that could become more enabling revolves around the current requirement for fund managers to have five years of experience managing public money. Though this ensures a strong foundation, it limits individuals from broking, advisory, or research backgrounds from transitioning into fund management within the IFSC. We believe that easing this requirement could provide emerging fund managers with the opportunity to contribute to the growth and dynamism of the financial sector. This can potentially also bring fresh ideas to the industry, further driving innovation and helping the IFSC fulfil one of its promises of being a sandbox for ideas.

One of the things we are most excited about, in the IFSC, is the significant potential for Indian companies to get listed at GIFT City. Ideally, more companies should take this step to create a robust ecosystem, in turn, enhancing the role of end-to-end service providers for India access, like Nuvama. The current demand for India exposure across the globe will also help spur the development of this aspect.

In 2024 and beyond, Nuvama remains committed to leveraging the opportunities presented by the IFSC to facilitate the flow of funds into India. By working closely with regulators, funds, banks and, other service providers, we aim to create a seamless and efficient financial ecosystem that supports our clients' growth and success. Our dedication to innovation and flexibility positions us well to navigate the evolving financial landscape and contribute to the continued development of GIFT City and the IFSC.

Evolving banking aspect in GIFT City; further opportunities for enhancement.

Indian banks with overseas branches have found it relatively easy to extend their services to GIFT City, allowing them to quickly offer core banking products such as current accounts and term deposits.


Leveraging existing international presence

Initially, banks in GIFT City were restricted from accepting deposits from retail investors and NRIs. However, after IFSCA enabled this in 2021, banks swiftly adapted to the changes, offering more comprehensive banking solutions.


Expanding deposit options for retail and NRI clients

GIFT City banks are attempting to provide a seamless banking infrastructure to support the flow of funds into India, assisting with on-boarding and enabling smooth cross-border transactions for fund managers. However some challenges in this aspect are being addressed continuously.


Smooth cross-border fund flows


India offers an advanced banking infrastructure, in the domestic jurisdiction. However, the GIFT City banks are working on addressing various technological hurdles, especially in integrating with global systems. Key issues include limited visibility of SWIFT codes and slower IT advancements compared to domestic branches.


Enhancement in technology adoption

While core banking services in GIFT City are efficient, there is a significant need for improvement in technology, especially regarding digital platforms and internet banking, to match the seamless experience offered by onshore banks.


Need for enhanced banking technology

Despite the technology challenges, banks in GIFT City have made the on-boarding process transparent and efficient, with some able to open accounts within 24 hours of receiving all necessary documents.

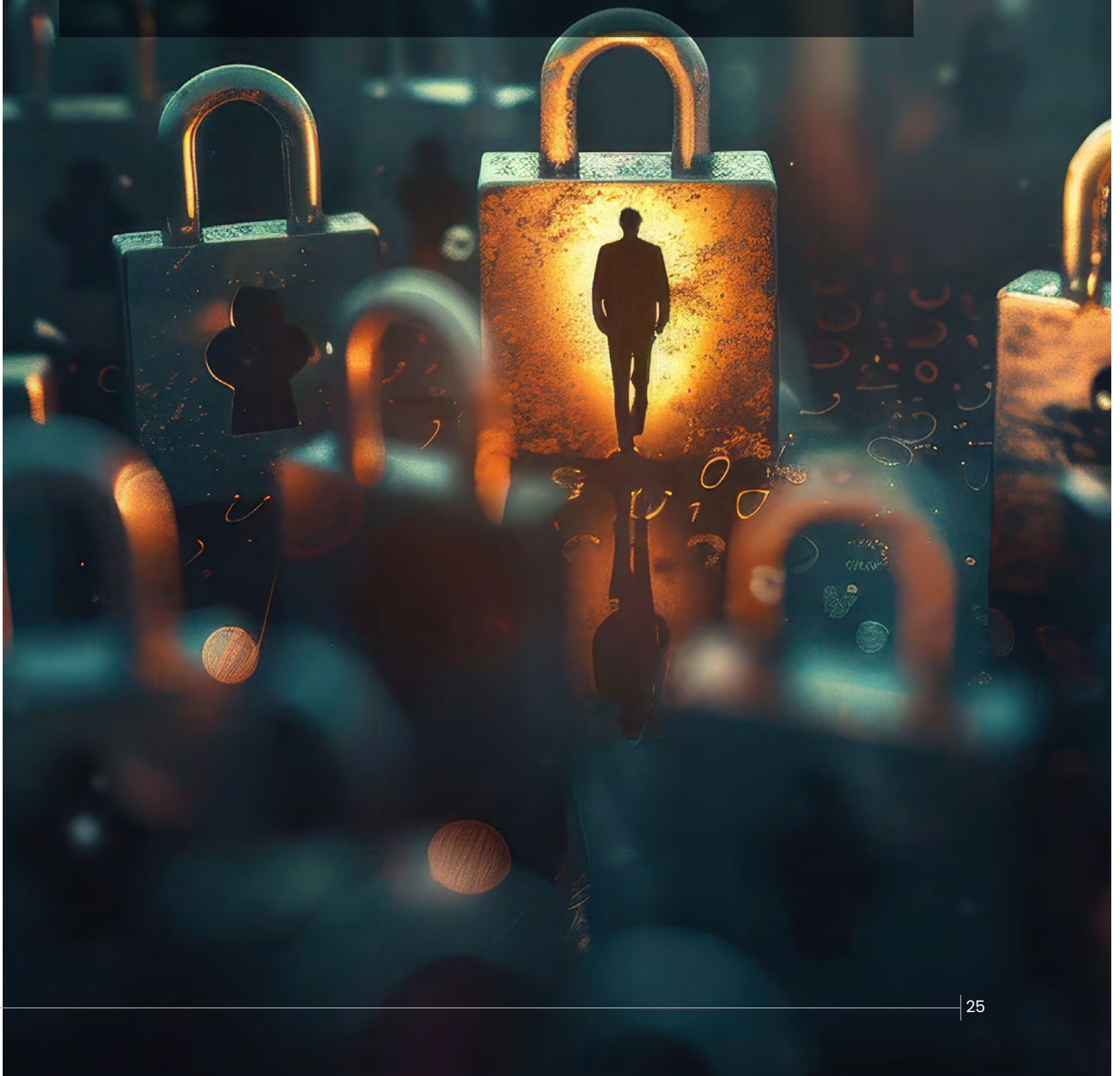

Quick and transparent onboarding

While the bank has its own core banking and treasury systems, they collaborate with vendors for specialized services like custody. This approach allows them to leverage external expertise and systems while minimizing the need for extensive in-house development.


Collaboration is the key

Chapter 4:

Unlocking talent: Harnessing global and domestic expertise in GIFT City

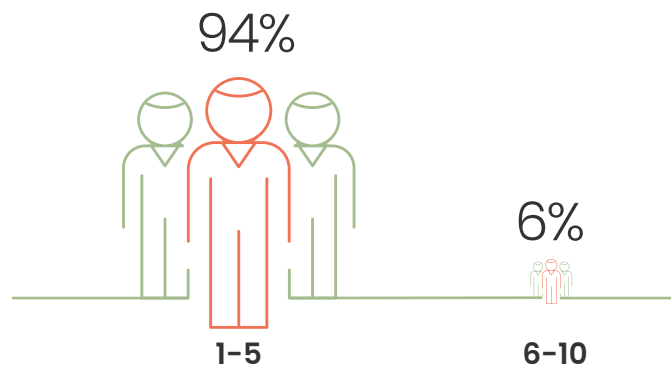


Fund management, in general, is not heavily human capital intensive. It primarily requires a robust investment team, a diligent **research team, and a supportive ecosystem to execute strategies, manage risks, and monitor progress.** Consequently, the majority of funds in GIFT City operate with approximately **3-4 team**

members. However, larger entities that have launched more than two funds are now expanding their teams to enhance decision-making processes and operational efficiency. This expansion is aimed at better managing the increased complexity and scale of their operations.

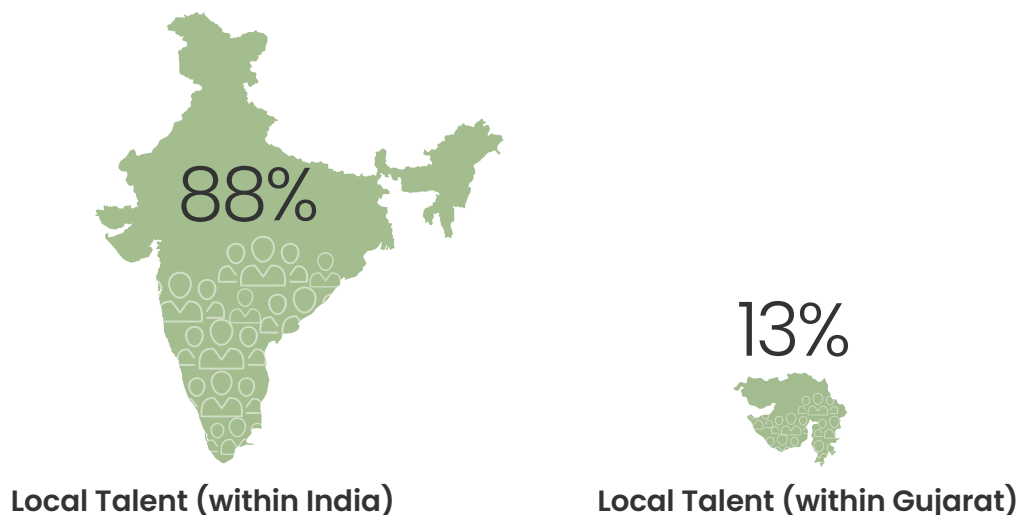
Talent ecosystem in GIFT City

- Q. How many employees do you currently have in the GIFT City office?



Source: Eleveight primary research interactions

- Q. How do you prefer to acquire talent?



Source: Eleveight primary research interactions

Fund managers are planning to increase their staff strength by at least **1.5x in the next 1 year. This will make the average employee strength of the funds ~ 5.**

A majority of funds have relocated their team members from global or Indian jurisdictions to GIFT City, leveraging their deep understanding of the domain and the firm. Many individuals see this as an opportunity to advance their careers, as setting up a fund from scratch in a new jurisdiction is both a challenging and rewarding endeavour. This relocation not only ensures continuity and expertise but also provides professionals with valuable experience and growth opportunities in a dynamic financial environment.

Employees view this relocation as an upward movement in their career paths and appreciate the improved work-life balance that GIFT City offers. In addition to having access to global-standard infrastructure, **they enjoy various recreational amenities that enhance their overall quality of life.** This combination of professional growth opportunities and a high standard of living makes GIFT City an attractive destination for fund management professionals.



Nuvama Asset Services has been closely partnering with GIFT City and the IFSCA since inception and over the years, we have witnessed tremendous growth with funds, service providers, and regulations coming together to create an enabling environment. The unique combination of advanced infrastructure, supportive regulations, and seamless technological integration makes GIFT City a pivotal gateway to India's financial future. As we look ahead, our commitment to GIFT City remains steadfast, and we are excited about the continued evolution of this international financial hub and the opportunities it will unlock.

Dipesh Shah

Head, Nuvama Asset Services



Conducive environment for talent ecosystem



Hospitals

1 upcoming hospital



Schools

1 established school



Universities

2 foreign universities



GIFT City presently shows a lot of promise in terms of becoming a preferred jurisdiction of choice for inbound as well as outbound capital to and from India. There is clear coordination between SEBI and IFSCA to ease the flow of capital into the Indian markets. The recent circular permitting 100% NRI-owned FPI vehicles in IFSC is progressive and forward-thinking. Moreover, ease of doing business is getting ironed out each progressive month – we see GIFT City as an integral part of wealth and asset management for global investors looking at India and Indian residents looking to take global exposure.

Aarthi Ramakrishnan

Head, Strategy, 360 ONE Asset



GIFT City: Ensuring authenticity and trustworthiness for investors through Substance requirements

Substance Requirements:

The FME must meet the following substance requirements:

- The Principal Officer and KMPs must be based in GIFT IFSC.
- The FME must maintain the necessary infrastructure, including adequate office space, equipment, communication facilities, and manpower, to effectively conduct its activities under the FM Regulations. While the FM Regulations do not provide specific details, the infrastructure must be proportional to the size of the operations in the GIFT IFSC.

Portfolio composition proposals must be initiated by personnel based in the FME's IFSC office. However, the FME can assign its non-IFSC-based employees to research and analyse investment opportunities for relevant funds or schemes. These reports are ultimately reviewed by officers in the IFSC, who then design the final portfolio composition proposal for the board, designated partners, or decision-making investment committee, as applicable.

The requirement for substance allows GIFT IFSC to boast about the authenticity and trustworthiness of its investment operations, alleviating any concerns investors might have. This rigorous standard ensures that all entities operating within GIFT City are committed to maintaining high levels of integrity and operational excellence.

Appointment of Principal Officer and Key Managerial Personnel (KMPs):

Each FME must designate a Principal Officer¹ responsible for overseeing all activities of the FME, including fund management, risk management, and compliance. Additionally, a Registered FME (Non-Retail) is required to appoint a Compliance and Risk Manager as an additional key managerial personnel (KMP). This individual is responsible for ensuring compliance with the FM Regulations and implementing necessary risk management policies and practices. Registered FMEs (Non-Retail) must

also appoint other personnel as needed, commensurate with the size and scope of their operations². All KMPs, including the Principal Officer, must have a minimum of five years' experience in securities markets or financial products. They must also meet specific professional qualification criteria as outlined in the FM Regulations³. Any appointments or changes to KMPs require prior approval from the IFSCA.

1. Regulation 7 of the FM Regulations. | 2. Regulation 7(2) of the FM Regulations. | 3. Regulation 7(4)(a) of the FM Regulations.

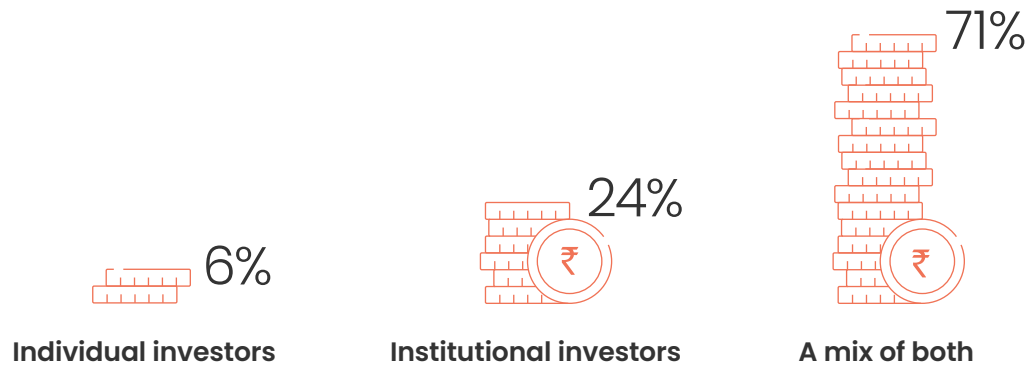
Chapter 5:

Empowering Capital: Key enablers for fundraising in GIFT City



While most fund managers prefer working with institutional investors due to their ability to raise higher capital, they are also seeing increasing interest from individual investors as well.

■ Q. Which investor categories do you deal with?

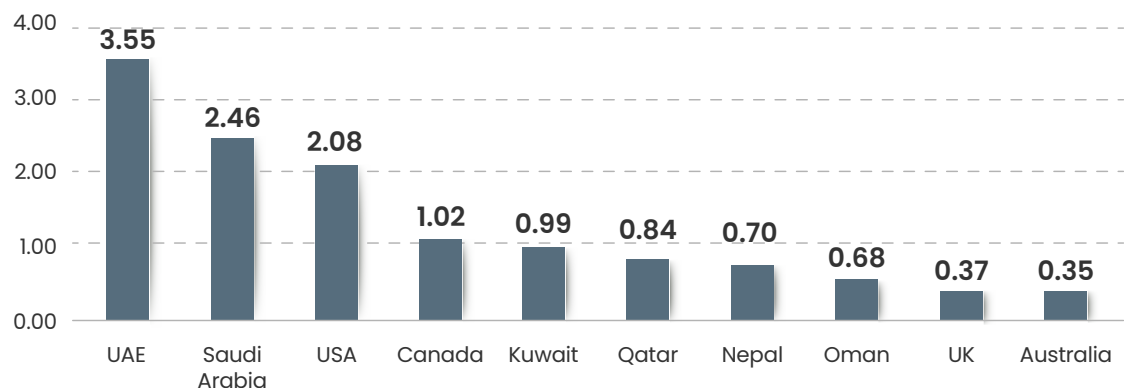


Source: Eleveight primary research interactions

NRI investors are often the primary point of contact for funds operating in GIFT City. Their strong connection to India as a jurisdiction, combined with their familiarity with many fund managers, positions GIFT IFSC as a preferred destination for investment. As a result, fund managers are increasingly focusing on the global Indian diaspora, tailoring

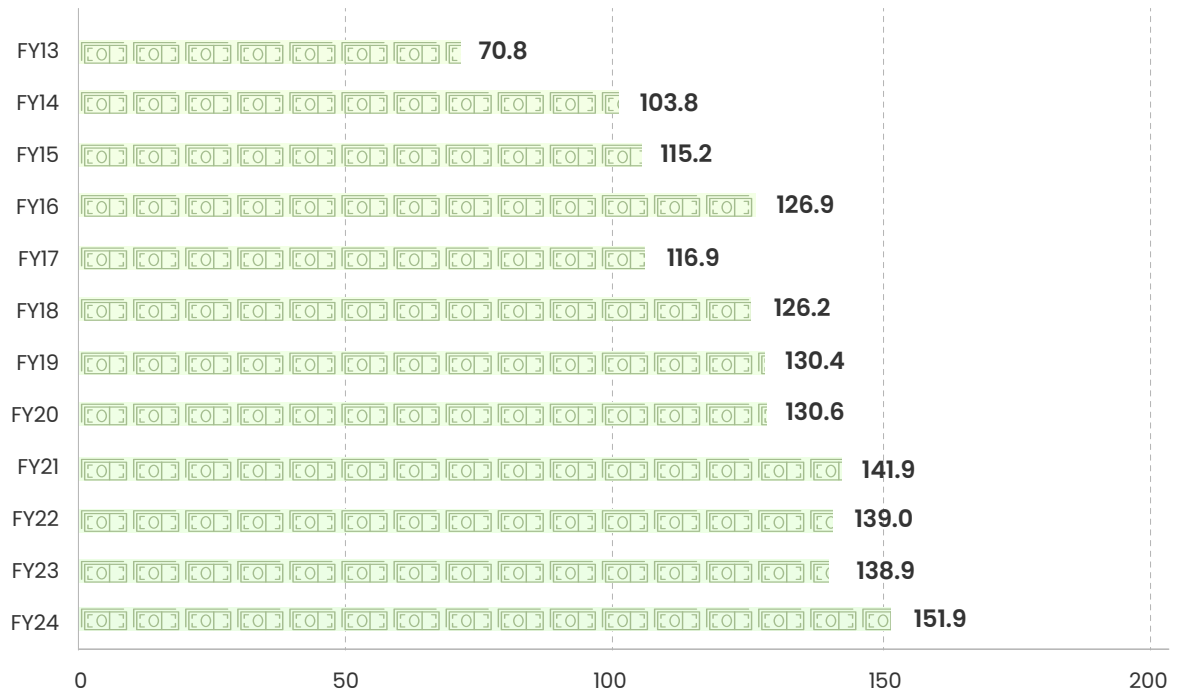
their offerings to meet the unique needs and preferences of these investors. This growing emphasis on engaging with NRI investors not only strengthens the fund's base but also fosters deeper relationships within the Indian community worldwide, ultimately contributing to the growth and sustainability of the GIFT IFSC ecosystem.

Countries with the highest NRI population (in Mn)



Source: Ministry of external affairs | Data as on May'24

NRI Deposits (in USD Bn)



Source: RBI



Stride Ventures was among the first debt funds to establish operations in GIFT City, achieving full operational status in just three months—a testament to the efficiency and innovation-driven environment cultivated by the IFSCA and GIFT authorities. Their progressive approach to decentralisation and proactive support have significantly streamlined operational processes, thereby enhancing the ease of doing business. The authorities' commitment to educating and empowering service providers has significantly enriched the ecosystem. Stride Ventures strategically chose GIFT City to leverage its operational convenience and investor-friendly climate. Our venture debt fund has attracted substantial interest from prestigious global entities, including family offices, sovereign funds, and high-net-worth individuals. The unique benefits of GIFT City, particularly the absence of currency arbitrage, present foreign investors with enhanced returns, positioning it as an increasingly favoured investment hub in India.

Ishpreet Singh Gandhi

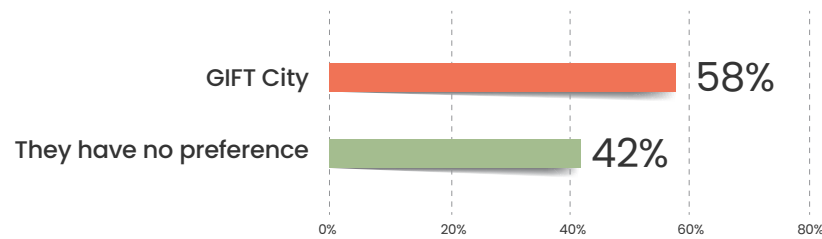
Founder & Managing Partner, Stride Ventures



In terms of investor preferences for a jurisdiction, GIFT IFSC performs exceptionally well. As long as investors benefit from favourable taxation, have access to niche or distinguished products that highlight India's growth story and offer global

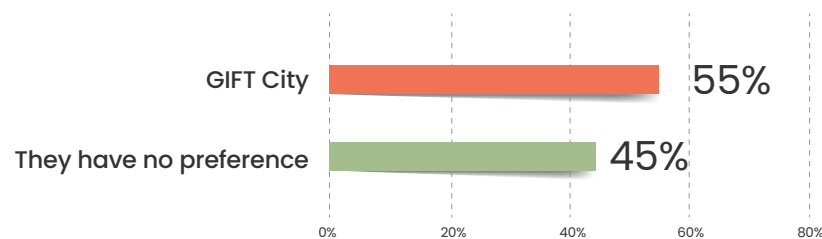
diversification, they are generally satisfied. Additionally, as long as they are not burdened by excessive documentation requirements, investors feel comfortable with the jurisdiction selected by the fund manager.

■ Q. Are the individual investors more inclined to invest through GIFT City or other jurisdictions?



Source: Eleveight primary research interactions

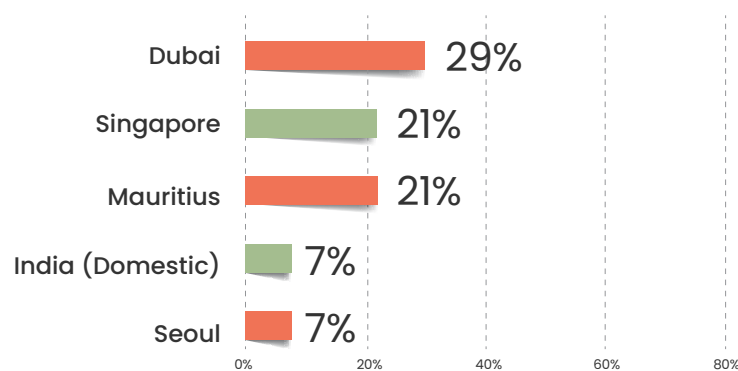
■ Q. Are institutional investors more inclined to invest through GIFT City or other jurisdictions?



Source: Eleveight primary research interactions

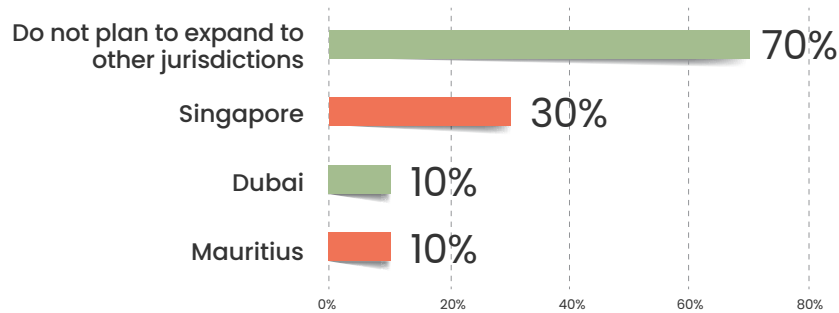
Jurisdictions of choice for fund managers

■ Q. Which jurisdictions are you currently present in, other than GIFT City?



Source: Eleveight primary research interactions

■ Q. Which jurisdictions other than GIFT City are you planning to expand to in the coming years?



Source: Eleveight primary research interactions

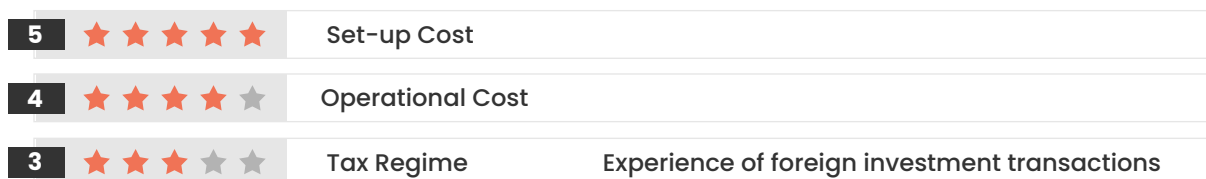
Dubai and Singapore have traditionally been favoured destinations for Indian fund managers to establish their base. However, these jurisdictions are gradually losing their appeal compared to GIFT IFSC.

In Dubai, the increasing regulatory complexities pose significant challenges, making it less attractive for fund managers. Similarly, the significant operational costs in Singapore are becoming a deterrent for many. In contrast, GIFT IFSC offers a more streamlined regulatory environment and lower operational costs, making it a more attractive option for fund managers seeking efficiency and cost-

effectiveness. From a relocation perspective, being based in India and enjoying proximity to global investment hotbeds proves to be more efficient. Fund managers benefit from reduced travel time and costs compared to operating from distant international hubs. Additionally, GIFT IFSC's strategic location within India allows for seamless integration with the domestic market while maintaining close connections with global financial centres. This efficiency in relocation and operation enhances the appeal of GIFT IFSC as a preferred destination for fund managers. For example, EAAA Alternatives has relocated five of their funds from Singapore to GIFT City.

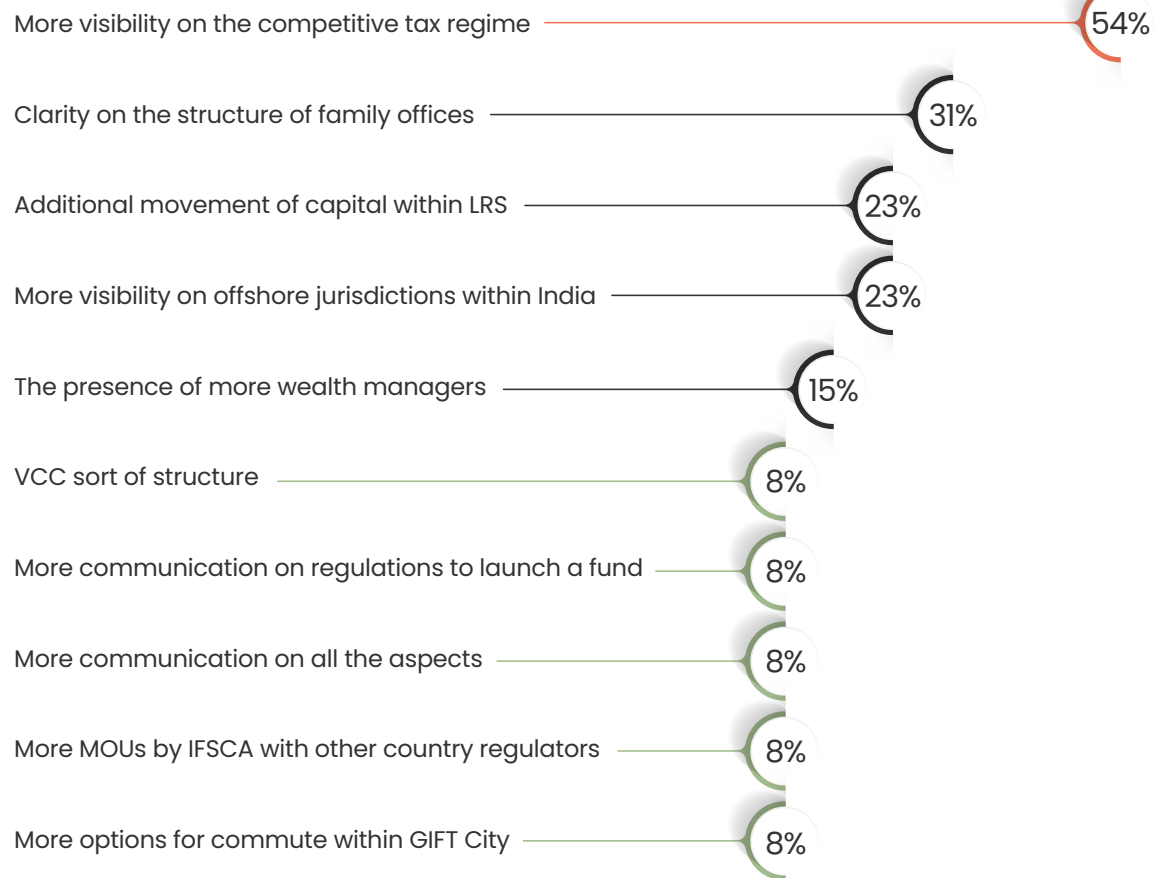
■ Q. How would you rate GIFT IFSC based on the following parameters? (5 is the highest rating)

Operating in other jurisdictions, such as Singapore, presents additional challenges. This is primarily due to the need for personnel to be based in those locations, which increases reliance on local service providers. Consequently, the costs associated with these service providers tend to be higher compared to those based in India.



Source: Eleveight primary research interactions

■ Q. What will enable you to raise more funds via GIFT City?



Source: Eleveight primary research interactions

Many fund managers believe that the taxation and regulatory benefits offered by GIFT City are competitive on a global scale. **However, they stress the importance of facilitating more discussions around these advantages.** This increased dialogue would help them better convince both institutional and individual investors, ultimately reducing the lead time for fundraising efforts.

Additionally, family offices present a unique opportunity within GIFT City. **Currently, there are over 300 family offices in India among a total of 10,000 global family offices.** Industry stakeholders believe that clarifying family office regulations will empower the family office ecosystem and strengthen the fund ecosystem in GIFT IFSC.



GIFT City offers an optimal combination of a strong regulatory framework, tax incentives, access to multiple markets, and a skilled workforce, all while maintaining some of the lowest transaction and operating costs compared to other international financial services centres. These factors make GIFT City highly attractive to foreign investors.

- **Leading Fund Manager operating in GIFT City**



Opportunity for family offices in GIFT IFSC

Exhibit: Number of family offices⁴

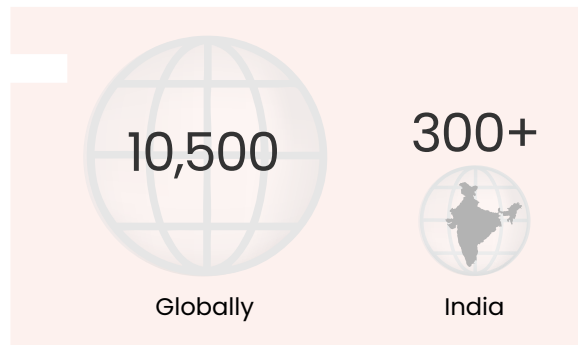
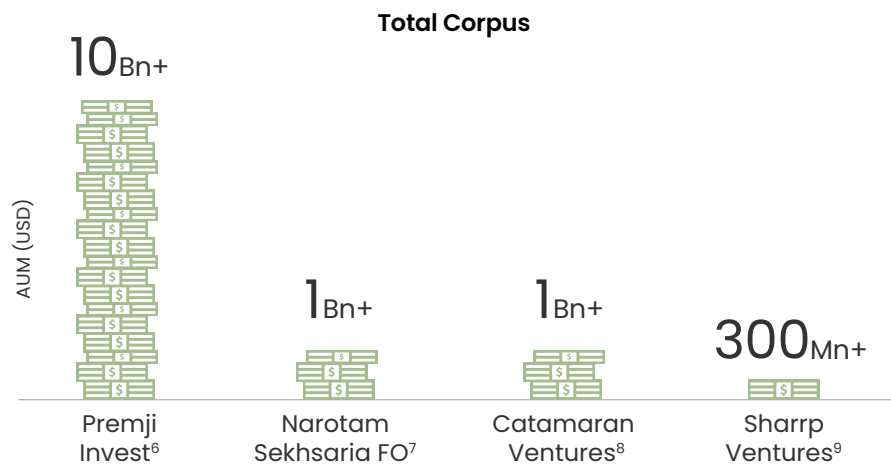
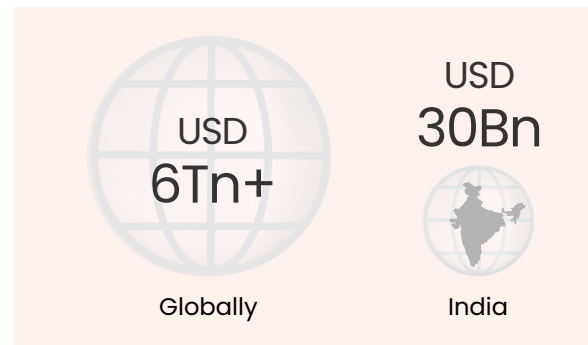


Exhibit: AUM of family offices⁵



1 Trend of offshore family offices

Continuing trend of Indian UHNWIs and HNIs are establishing offshore family offices.

3 Startup ecosystem as enabler

The growth of the Indian startup ecosystem has also led to an increase in wealth. Since 2014, Indian family offices have backed more than 380 startups⁹.

4 New avenues of investment

40% of the family offices in India have approximately doubled their investments in private markets over the last 5-6 years¹⁰.

2 What family offices need

- Opportunity to earn **non-linear returns** for a portion of their investments
- **Risk diversification** especially in times of economic uncertainty
- **Capital preservation** to enable protection of generational wealth
- Low cost and **minimum operational effort** of setting up in a jurisdiction

There is significant potential in focusing on smaller and mid-sized family offices that may not have the same level of access to international markets. These offices are progressively increasing their domestic investments and examining different strategies. For this group, delivering customized expert guidance and a gradual approach to international diversification could provide substantial benefits.

⁴Sundaram Alternates, Eleveight Family Office report

⁵Sundaram Alternates, Eleveight Family Office report

⁶<https://thearcweb.com/article/wipro-azim-premji-invest-family-office-tk-kurien-0clyngtMEXrGHBX>

⁷<https://www.sekhsaria.com/about.html#:~:text=industry%2Dleading%20companies.,The%20Sekhsaria%20Family%20set%20up%20NSFO%20in%202006%20with%20an,of%20over%20a%20billion%20USD.>

⁸<https://inc42.com/features/decoding-family-offices-landscape-in-india/>

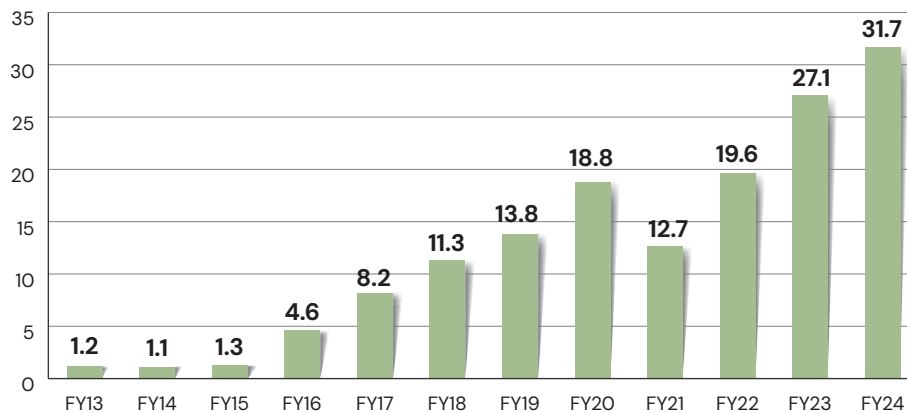
⁹<https://www.entrepreneur.com/en-in/growth-strategies/how-viable-are-family-offices-for-start-ups/459575>

¹⁰Economic Times

Moreover, the RBI's introduction of the Liberalised Remittance Scheme (LRS) aims to facilitate hassle-free foreign exchange. Under this scheme, Indian residents can transfer up to USD 250,000

per financial year outside of India. However, this current LRS limit poses a challenge for Indian investors looking to leverage GIFT City funds for global diversification.

Outward remittance (LRS) (in USD Bn)



Source: SEBI



At GIFT City, we have launched two funds which are both feeders into our India master funds. While our current focus is on inbound investments, our next fund will blend both inbound and outbound strategies. At Blume Ventures, our funds typically invest in companies that have an Indian connection, and we plan to uphold this approach at GIFT City as well. We are witnessing growing investor interest in GIFT City, particularly from foreign investors and other fund managers looking to set up, driven by the favourable regulations and the increasing recognition being enjoyed by this destination. The operational systems have matured over the last few years, and we anticipate continued growth in investor engagement at GIFT City.

Ashish Fafadia

Partner, Blume Ventures



At GIFT City, we are capitalising on the advantages of a dedicated regulatory environment and tax benefits. Our team is dedicated to leveraging this new Indian financial hub to attract offshore funds, facilitating easier diversification and investment processes for global investors. As GIFT City evolves, we look forward to building a comprehensive platform and fostering a sustainable offshore ecosystem while enabling the domestic economy.

Ankit Saraf

Senior Vice President, Neo Asset Management



Case in point

Empowering Global tech investments,
attracting NRI diaspora investors

Airavat Capital

Funds in GIFT City: Long Only CAT III (Outbound + Inbound)

Airavat Global Technology Fund R	Airavat Global Technology Fund NR	Airavat Capital India Fund
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Background and Setup

Airavat Capital operates the first global public markets fund out of GIFT City, for a global audience of investors, launched in May 2023. We also were amongst the first funds that migrated an in-bound FPI in the same period. When looking for a jurisdiction, we were focused on one that provided us with strong controls and governance, while providing us the flexibility to cater to sophisticated investors. We completed the process from idea generation to launch in nine months – for both fresh start of funds and a migration. This rapid setup highlights GIFT City's conducive environment.



Strategic advantages of GIFT City

GIFT City offers a favourable operational environment for inbound and outbound funds.

GIFT City became a much easier jurisdiction compared to others we were considering, offering advantages in operational and governance aspects. While a few jurisdictions may offer quicker launch times, India, and now GIFT City, has an excellent vendor ecosystem that brings years of acumen in people, processes and systems from servicing domestic funds and offshored work of international funds.



Product offerings and market demand

Our portfolio includes three main vehicles: a relocated fund from Mauritius and two outbound products for residents and non-residents. These funds primarily target the tech sector, leveraging our backgrounds in technology, pharma and financial services. We are able to leverage insights from the burgeoning technology ecosystem in India and can see a shift in demand from investors towards the same.



Growth and Expansion

In GIFT City, our funds currently manage under ~₹500 crore, and are witnessing strong growth. We engage with senior management across financial institutions, consulting firms, and tech founders, establishing a robust network for growth both in India and abroad. The Indian tech ecosystem, across VCs, developers, accelerators and IT services players, is rich in software insight (especially SAAS) that we seek to express via investments into global technology markets.



Challenges and Opportunities

The challenges in GIFT City are mainly teething issues and par for the course for a young system. These include operational inefficiencies, such as the lack of an internal dollar settlement system in GIFT City, and in some cases limited global recognition of GIFT City funds (e.g. some private banks globally may not be agreeing to custody GIFT City funds yet). Addressing these issues requires broader advocacy and education about GIFT City's regulatory framework.

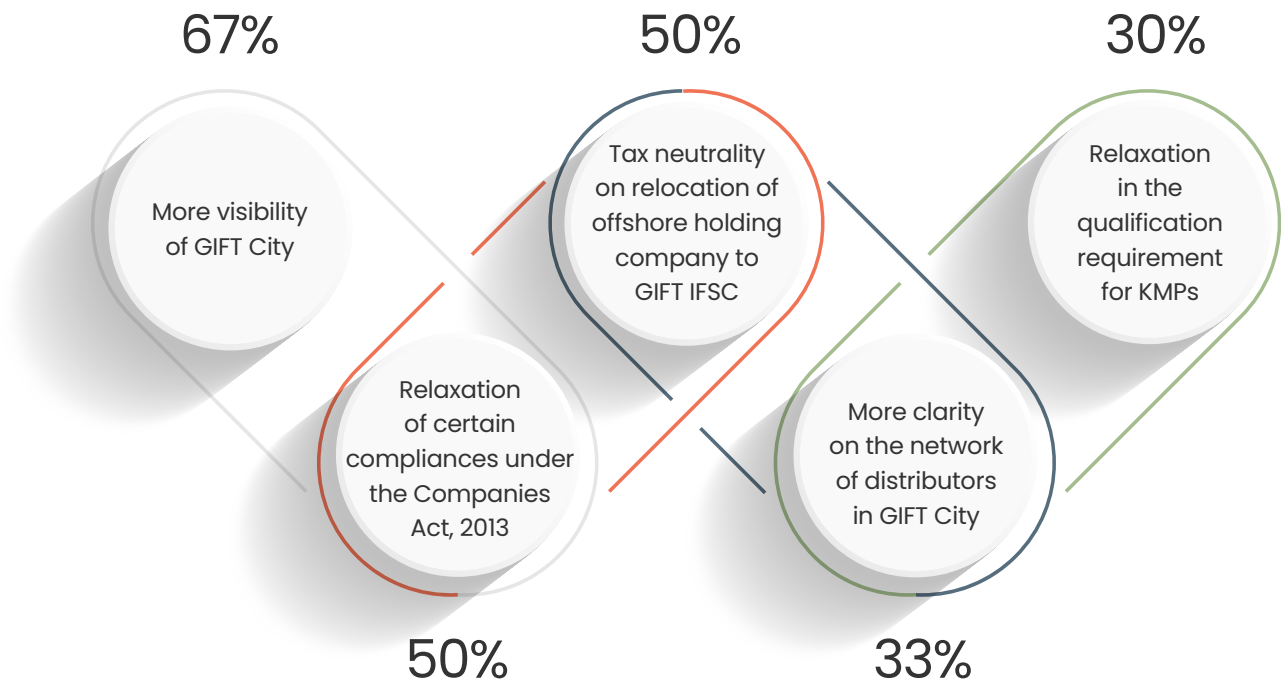


Future Prospects

We see great potential in leveraging GIFT City as a gateway for investments from global endowments, foundations and family offices. The NRI diaspora has immense affinity towards the Indian markets. We look to work with multifamily to tap into new investor segments.

The initial seeds of success of a jurisdiction like GIFT City, from the lens of being a global investment hub, can be seen by the fact that one of our funds pools capital from global geographies into GIFT City and then invests that capital into US markets (NASDAQ), while the investment manager is India-based.

■ Q. What will enable you to operate at ease via GIFT City?



Source: Eleveight primary research interactions

Undoubtedly, most stakeholders, including wealth managers, are seeking greater visibility for GIFT City and its initiatives on a global scale. **They require assurance that more investors, placement agents, institutions, wealth managers, and service providers are aware of GIFT City, as this awareness is essential for facilitating business expansion and ease of operations.**

Another practical facilitator is the relaxation of the requirement for a finance degree for the Principal Officer. Many senior professionals in the industry possess extensive expertise across various jurisdictions and have successfully supported fund setup and operations globally, yet they may lack the necessary degree. This situation can create additional hurdles for funds.



I truly believe that IFSC, GIFT City represents a gateway for global capital to access the vast Indian Markets. It offers a robust regulatory framework and a conducive environment for fund operations, facilitating seamless entry into global markets and Indian Markets. With regulatory innovations and tax incentives, GIFT IFSC is poised to become a preferred destination for fund managers seeking global expansion and operational efficiency.

Nehal Sheth

Partner, M N S S & Associates

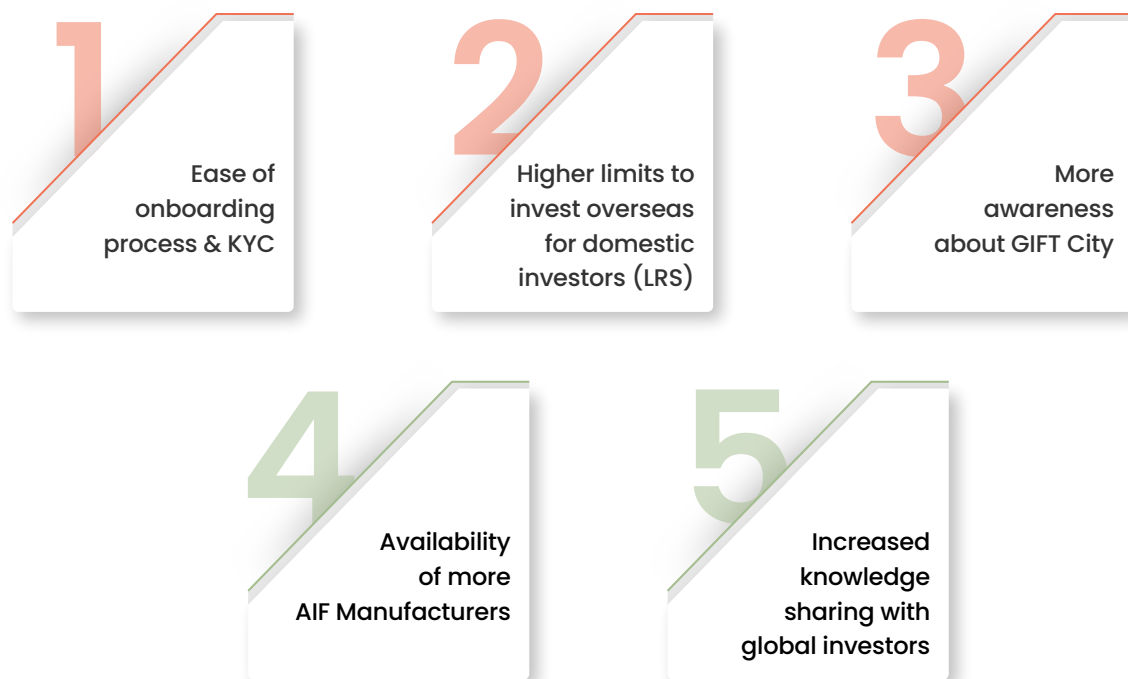


Wealth managers playing a critical role in the GIFT City fund ecosystem

A considerable number of domestic wealth managers are actively supporting funds in GIFT City, particularly outbound funds. Many fund managers are leveraging their ability to offer

exposure to GIFT City-based global funds to their existing domestic client base. However, this space is still developing as the confidence of wealth managers continues to grow.

- Q. What are the factors that will enable you to raise more capital for funds in GIFT City?



Source: Eleveight primary research interactions with wealth managers

“

Alchemy was the first fund house to take advantage of the government's initiative allowing the re-domiciliation of funds from offshore jurisdictions to GIFT City. We were able to successfully and seamlessly migrate our clients. The support from the IFSCA and the streamlined regulatory processes have played a crucial role. GIFT City's strategic location, world-class infrastructure, and favourable regulatory environment, combined with our commitment to contributing to the domestic economy, make it a pivotal destination for us.

Hiren Ved

Director & CIO, Alchemy Capital Management Pvt Ltd and Partner, Alchemy Investment Management LLP

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As of now, most clients are being handled by Indian wealth managers, with a few also catering to non-resident clients. However, there is an increasing need to engage with global placement agents, particularly when it comes to attracting inbound funds. Currently, raising money from offshore jurisdictions poses challenges unless there are strong partners in place. While there is considerable interest in investing in India, funds require substantial partners who can assist them. Mobilizing funds from various markets is difficult, especially when it involves extensive travel to secure investments.

To effectively raise more capital for funds in GIFT City, wealth managers identified the following top three factors:

Simplified onboarding process and KYC requirements

Streamlining the onboarding process and minimising KYC complexities will facilitate smoother engagement with potential investors.

Increased overseas investment limits for domestic Investors (LRS)

Raising the limits on overseas investments under LRS would empower domestic investors to diversify their portfolios more effectively.

Greater awareness of GIFT City

Promoting GIFT City and its advantages to a wider audience will help attract more investors and service providers to the jurisdiction.

Additionally, other important factors include the availability of more Alternative Investment Fund (AIF) manufacturers and enhanced knowledge sharing with global investors.



SMC's presence in GIFT City is multifaceted – we are promoted by NSE and IEX, as well as BSE and the bullion spot exchange. We serve as clearing and trading members on all these exchanges. Two years ago, we decided to establish a CAT III AIF and were among the first to collect funds and set up operations here. Setting up our presence in GIFT City was a natural progression from our previous activities in the Indian financial ecosystem, and we are proud to be trailblazers in this arena. In GIFT City, we enjoy numerous tax benefits – no stamp duty, no GST, and tax incentives for 10 years. This is a flagship project of PM Modi, and we can see the enormous future potential of GIFT City, given the infrastructure being developed and the foreign interest it is attracting. With the Indian government promoting and enabling GIFT City, we believe this is the place to be as it transforms into the financial epicentre of the world.

Dr. D.K. Aggarwal

Chairman & Managing Director, SMC Group



Chapter 6:

Taxation and regulatory aspects for Funds in GIFT City

GIFT City offers an enabling ecosystem from the perspective of a competitive taxation and regulatory environment –a fact echoed by a majority of the stakeholders.

Taxation of funds in GIFT City

Section contributed by

Mr. Malav Shah

Partner, Minesh Shah & Associates LLP

Alternative Investment Fund ('Fund' or 'AIF') in GIFT City can be set-up in the form of Trust, Limited Liability Partnership ('LLP') or Company. Trust and LLP are the most preferred structures for setting-up an AIF in GIFT City. AIF's can be registered as either Category I (start-ups or special situation funds), Category II (venture capital, debt or private equity funds) or Category III (hedge funds or listed market funds). AIF's would typically earn income in the nature of (i) long term capital gains, (ii) short term capital gains, (iii) interest income, (iv) dividend income or (v) business income.

Category I AIF and Category II AIF, are accorded tax pass through status under domestic tax laws. Accordingly, any income earned by such AIF's would be taxed directly in the hands of the investors, as if such investors had directly invested in the underlying securities. In case of Category III AIF, tax would have to be paid at AIF level. We have summarised below tax rates for investors investing in Category I and Category II AIFs and Category III AIF. The tax rates stated below exclude surcharge and cess, which will incrementally apply. The tax rates stated below are under domestic tax laws and could change if any tax treaty benefits are available to specific investors.



Nature of income	Category I or Category II AIF (taxation in hands of investors)	Category III (taxation in hands of Fund)
Funds investing in Indian securities		
Long-term capital gains on listed shares or bonds or debentures in India	10% on listed shares for resident and non-resident investors	10% at the Fund level
Long-term capital gains on unlisted shares or bonds or debentures in India	10% on listed bonds or debentures for non-resident investors and 20% for resident investors	10% at the Fund level
Short-term capital gains on shares or bonds or debentures in India (listed or unlisted)	15% in cases where securities transaction tax ('STT') is paid	15% in cases where STT is paid at Fund level
Interest income	22%-30% in case of resident investors and 30%-40% in case of non-resident investors	30% in all other cases at Fund level
Dividend income	22%-30% in case of resident investors and 30%-40% in case of non-resident investors	20%/10%[^]
Business income*	22%-30% in case of resident investors and 20% in case of non-resident investors	20%/10%[^]
Transfer of derivatives or debt securities by Specified Funds	Exempt under domestic laws	Exempt under domestic laws
	Not applicable	Exempt under domestic laws [^] if for Specified Fund else taxable as per above rates

Funds investing in global securities		
Long-term capital gain on shares or bonds or debentures	20% for resident investors and exempt for non-resident investors	20% at the Fund level
Short-term capital gains on shares or bonds or debentures	22%-30% in case of resident investors and exempt in case of non-resident investors	30% at the Fund level
Dividend and Interest	22%-30% in case of resident investors and exempt in case of non-resident investors	30% at the Fund level
Business income*	Exempt	Exempt

*Business income earned by all three Categories of AIF's would be taxed in the hands of such AIF's at 30%. However, as per section 80LA of domestic laws, there is 100% tax holiday for business income for a period of 10 consecutive years out of 15 years but MAT at 9% may apply, as stated below.

[^]10% lower rate available only to specified funds i.e. a Category III AIF located in IFSC and where all units are held by non-residents except units held by sponsor or manager.

Taxation of Fund Management Entity



A Fund Manager entity (ie FME entity) can be registered as an LLP or company or a branch of Indian or overseas entities.



Domestic tax laws provide a tax holiday of 100% of business income of an FME entity for a consecutive period of 10 years out of 15 years. They will however be required to pay minimum alternate tax ('MAT') at 9%. However, in the case of companies opting for tax under the new tax regime MAT will not apply.



There will be no GST implications for services received by an IFSC unit or provided to IFSC/SEZ units. There will be no GST implications on fund management fees or performance fees received by an FME entity.



Distribution of profits by FME entities would be taxed in the hands of shareholders as dividend in case of the company and would be exempt in the hands of partners in case of LLP.

Taxation related benefits for setting-up funds in GIFT City



Favourable tax benefits for management fees and professional fees earned by Fund Manager entities in GIFT City compared to domestic tax rates.



No reliance on tax treaties for seeking tax exemption on gains from derivative and debt securities if conditions specified are met.



Outbound funds earning business income from overseas trading can seek tax deduction subject to conditions and applicability of MAT.



Higher limits available under Overseas Portfolio Investment in GIFT City funds subject to complying with the conditions compared to LRS limits.



Once tax is paid by the Fund, the investors may not be taxed if structured appropriately.

Case in point

GIFT IFSC – A Gateway for Angel Funds

Section contributed by

Mr. Jitesh Agarwal

Founder, Treelife

Ms. Priya Kapasi

Principal Associate, Treelife

Evolution of Angel Funds and their Role in the Startup Ecosystem

Angel Funds, a type of Category I AIF under Venture Capital Funds (VCFs), focus on supporting startups. SEBI regulations recognized angel investors as Category I AIF venture capital funds, fostering their development. In 2022, IFSCA established a specific framework for angel funds within its Venture Capital Scheme (VCS), tailored for early-stage investments.

As of March 2023, Category I VCFs, which include Angel Funds, have raised over INR 40,000 crores¹¹ and deployed more than INR 18,000 crores¹², significantly impacting startups. With over 128,000¹³ startups registered with the DPIIT, India's innovation potential is immense. Startups like Flipkart, Zomato, Nykaa, and Paytm benefited from early-stage angel investment. The DPIIT noted that AIFs, including angel funds, invested INR 17,272 crores in 915 startups¹⁴. India's appeal to foreign capital, seen in the \$17.96 billion FDI inflows for FY 2023-24¹⁵, creates a supportive environment for angel funds in GIFT IFSC.

Key drivers for setting up Angel Funds in GIFT IFSC:



Global Investment Opportunities:

Angel funds in GIFT IFSC offer Indian investors the LRS route for global startup investments. Unlike domestic funds, which can only invest up to 25% abroad, GIFT IFSC funds can allocate up to 100% internationally. The IFSC also encourages FinTech and TechFin startups through its sandbox.



Lower Entry Barrier:

Angel funds have a smaller minimum investment ticket of USD 40,000, compared to USD 150,000 for AIFs, allowing more global investors to participate in GIFT IFSC angel funds.

¹¹ https://www.sebi.gov.in/reports-and-statistics/publications/may-2023/handbook-of-statistics-2022_74606.html

¹² https://www.sebi.gov.in/reports-and-statistics/publications/may-2023/handbook-of-statistics-2022_74606.html

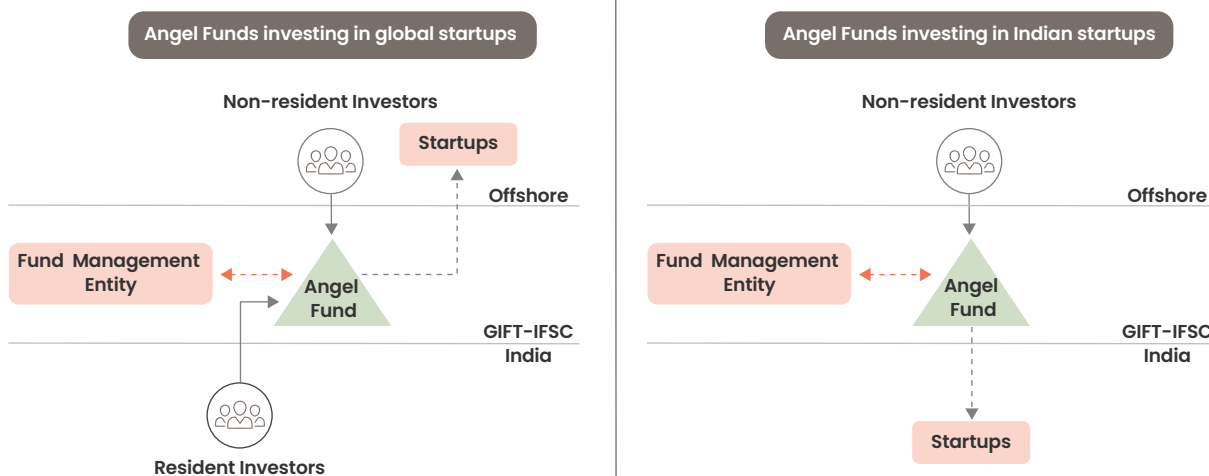
¹³ <https://www.startupindia.gov.in/content/sih/en/search.html?roles=Startup&page=0>

¹⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1990377>

¹⁵ <https://www.investindia.gov.in/foreign-direct-investment#:~:text=Total%20FDI%20inflows%20in%20the%20country%20in%20the%20FY%202023,into%20India%20FY%202023%2D24.>

Opportunity for Angel Funds to evaluate GIFT IFSC

Typical structure of Angel Funds in GIFT IFSC



Two models have emerged for Angel Funds in GIFT IFSC: **Roll-Up Vehicles (RUVs)**, which allow founders to pool funds from multiple angel investors into a single entity, and **Syndicates**, where angel investors, led by a seasoned lead, collaborate on deals. Angel funds like Venture Catalysts and We Founder Circle Global Angels Fund are gaining traction in GIFT IFSC. We Founder Circle's \$60 million fund¹⁶ highlights GIFT IFSC's appeal for international investments, having raised \$10 million and onboarded over 250 investors¹⁷ till December 2023.

Estimated lead time

Setting up an Angel Fund in GIFT IFSC takes around 3-4 months.

Operational effort

Angel Funds in GIFT IFSC require express consent from each investor for investments. Each investment is structured as a segregated portfolio with separate classes of units issued on

a private placement basis. The FME pays a one-time fee of USD 3,000 for filing with IFSCA and USD 500 per investment notification. FME also files quarterly reports on operations and compliances.

The road ahead

India, home to the world's third-largest startup ecosystem²⁸, is poised to become a trillion-dollar powerhouse by 2030¹⁹, boasting over 100 unicorns valued at over \$350 billion²⁰ as of January 2024. GIFT IFSC fosters a vibrant ecosystem of incubators, accelerators, and co-working spaces, creating fertile ground for angel investments in early-stage ventures. The supportive framework and seamless capital flow between domestic and global angel investors in GIFT IFSC democratises investment with smaller ticket sizes of around \$40,000, attracting a wider pool of investors and enriching the financial ecosystem. Angel funds, providing vital early-stage capital, could drive innovation within GIFT IFSC, India, and beyond, positioning it as a global financial hub.

¹⁶ <https://yourstory.com/2022/12/we-founder-circle-launches-two-angel-funds-invstt-trust-gift-city>

¹⁷ <https://yourstory.com/2023/12/we-founder-circles-gift-city-fund-secures-10-m-for-startup-funding>

¹⁸ <https://www.startupindia.gov.in/content/sih/en/international/go-to-market-guide/indian-startup-ecosystem.html>

¹⁹ <https://www.deccanherald.com/business/companies/indian-startups-to-add-1-trillion-to-economy-by-2030-generate-50-million-jobs-cii-study-2936877>

²⁰ <https://ciiblog.in/unicorns-rising-evolution-of-the-startup-ecosystem/#:-:text=India's%20first%20unicorn%20galloped%20onto,extends%20far%20beyond%20valuation%20metrics.>

Framework for setting up an Angel Fund in GIFT IFSC

Investment conditions	<ul style="list-style-type: none"> • Can make an investment only in: <ul style="list-style-type: none"> • Early-stage venture capital undertakings²¹ • Other regulated angel schemes / angel funds set up in IFSC / India / foreign jurisdiction • Cannot make an investment in the associates of FME or angel investors • FME to obtain express consent from every angel investor before an making investment • Each investment cannot exceed USD 1,500,000 and shall be locked in for at least 1 year from the date of investment 									
PPM filing	Green channel i.e. Schemes filed can be open for subscription by investors immediately upon filing with IFSCA									
Maximum number of investors	200									
Minimum commitment	USD 40,000 (not applicable for Accredited Investors)									
Maximum investment amount	USD 1,500,000 ²²									
Minimum corpus	USD 1,000,000 (collectively across all segregated portfolios)									
FME contribution	<ul style="list-style-type: none"> • 2.5% of the investment size or • USD 20,000 <p>whichever is less, in each segregated portfolio (certain exceptions are prescribed)</p>									
Leverage	Not Permitted									
Regulatory Fees	<table border="1"> <thead> <tr> <th>Event</th> <th>Frequency</th> <th>Fee amount</th> </tr> </thead> <tbody> <tr> <td>Filing of PPM</td> <td>One-time</td> <td>USD 3,000</td> </tr> <tr> <td>Intimation of investment</td> <td>Before each investment</td> <td>USD 500</td> </tr> </tbody> </table>	Event	Frequency	Fee amount	Filing of PPM	One-time	USD 3,000	Intimation of investment	Before each investment	USD 500
Event	Frequency	Fee amount								
Filing of PPM	One-time	USD 3,000								
Intimation of investment	Before each investment	USD 500								

²¹ "early-stage venture capital undertaking" means an incorporated entity which:

- is incorporated not more than 10 (ten) years before the date of investment,
- does not have annual turnover in excess of USD 20,000,000 since its incorporation,
- is working towards innovation, development or improvement of products, processes or services, and
- is not promoted or sponsored by or related to an industrial group with a group turnover more than USD 50,000,000 .

Explanation I – "industrial group" shall mean and include a group of body corporates with a common founder or founded by any of his immediate relative (i.e. spouse, parent, brother, sister or child of the founder or of the spouse), parent company and its subsidiaries, a group of body corporates in which the same person / group of persons exercise control, and a group of body corporates comprised of associates / subsidiaries / holding companies.

Explanation II – "group turnover" shall mean combined total revenue of the industrial group.

²² Participation in excess of USD 1,500,000 allowed during subsequent rounds subject to certain conditions

Case in point

Best practices from Global jurisdictions and local knowledge and talent base

Section contributed by

Mr. Harish Agarwal

President & COO, EAAA Alternatives

GIFT City has been conceived with a vision of becoming a leading global financial and technological hub, contributing to India's goal of becoming a developed nation. GIFT City is committed to providing a business-friendly atmosphere that meets standards of leading global financial hubs. It is working towards creating a conducive ecosystem for the

establishment of a flourishing alternative industry, fostering an environment ripe for growth and innovation. It is already home to over 140 fund managers with a targeted corpus of ~ USD 38 billion and investments above USD 5 billion²³.

Creating an enabling regulatory framework

The regulatory framework established by International Financial Services Centres Authority (IFSCA) within GIFT City serves as a cornerstone for fostering transparent and innovative operations within the jurisdiction. Some key highlights are as follows -

Relocation of assets:

GIFT City offers a special advantage by letting fund managers move assets from other places without tax consequences, making them use the centre as a key base for their operations.

Choice of structures:

Fund managers can use trust or LLP structures for setting up their funds. Efforts are ongoing to make registration simpler. It also plans to create new structures like a VCC (Variable Capital Companies) to help fund creation.

Regulatory support for ESG focused funds:

IFSCA, in partnership with industry stakeholders, is actively pursuing opportunities to support climate financing through ESG oriented funds within GIFT City. The creation of a specific regulatory framework for such funds reflects a forward-looking approach to addressing emerging market developments and investor preferences.

IFSCA engages with industry stakeholders to enhance the regulatory environment and resolve operational issues. Efforts to simplify regulatory procedures and create a single framework for fund formation show IFSCA's attentiveness to industry requirements.

²³ IFSCA Bulletin

GIFT City – Favoured Destination for Global Capital Investing in India?

GIFT City is expected to become a preferred destination for setting up funds that target offshore capital for India. It offers benefits similar to major jurisdictions like Singapore and Mauritius.

Funds pooling in GIFT or structuring funds in a manner enables no dependence on tax treaties. This stands out as a significant catalyst for the fund management industry, shielding fund managers and investors from uncertainties associated with tax treaty amendments and minimising the reliance on bilateral arrangements.

Commercially, GIFT City offers compelling incentives to fund managers, notably 100% income tax exemption for 10 consecutive years, out of 15 years. Also, there is no incidence of Goods and Services Tax (GST) on management fees and expenses. This helps to enhance the overall return potential of funds domiciled in GIFT City.

GIFT City's strategic location within India offers logistical advantages, facilitating seamless connectivity between onshore and offshore operations. Fund managers benefit from proximity to investee companies while enjoying the jurisdictional advantages of GIFT City, thus

optimising their operational efficiency and oversight capabilities.

In addition, GIFT City has a supportive regulatory framework and ecosystem for fund operations. It has strong KYC, transparent rules, and flexible structures that encourage innovation and growth. It also has no capital restrictions, which gives fund managers more freedom and ease of business. GIFT City has many service providers, such as administrators, trustees, and banks, that make the setup process easier for fund managers. This plug-and-play model lets funds start quickly and enjoy the benefits of the jurisdiction within India. Also, multiple custodians, banks and Fund Administrators provide good support and help with efficiency and compliance.

Single window clearance in setting up funds and FME (fund management entity) and ease of doing business with faster approval processes and tax incentives for talent working in GIFT since most of them would have migrated from other states or jurisdictions is the industry ask which is highly anticipated from this promising global financial hub.

Emerging theme: Increasing focus on sustainable financing at GIFT City

The Prime Minister's advocacy for climate financing at the G20 presidency and other venues demonstrates India's commitment to environmental sustainability. The government is implementing strategic policies to address environmental challenges. For instance, it established a committee to formulate rules for climate financing. The government is also promoting investments in renewable energy, energy efficiency, and green infrastructure with incentives such as tax credits, subsidies, and concessional financing. As more people become conscious of climate change, the interest in climate-focused investments will grow, indicating a change in mindset towards responsible and impactful financing practices. Climate financing is important not only for financial returns, but also for broader environmental and social objectives such

as reducing carbon emissions, preserving biodiversity, and empowering communities.

Climate financing, in relation to GIFT City, would mean a significant shift towards sustainable investment practices that aim to combat climate change and foster environmental stewardship. This creates various possibilities for the fund managers in GIFT City with regards to climate financing. Specialised funds are expected to be established that target climate resilience, renewable energy, and sustainable infrastructure, to respond to the evolving investment demands of institutional and retail investors. The expansion of climate-focused funds in GIFT City is likely to stimulate innovation in financial product design, risk management, and impact assessment, creating new avenues for value creation and market differentiation.

GIFT City can establish itself as a leader in offshore sustainable finance and responsible investing by tapping into the potential of climate financing. It can accelerate the transition to a greener, more resilient economy through innovative regulations, cooperative partnerships, and using its strategic advantages. Climate financing can also create positive social and environmental impact on a global scale.

Climate financing represents a transformative opportunity for GIFT City to position itself as a leading destination for sustainable finance and responsible investing. GIFT City's regulatory framework, spearheaded by IFSCA, is poised to introduce specific regulations governing climate

financing and ESG-focused funds. The regulatory framework for climate financing within GIFT City is expected to provide guidance on investment criteria, disclosure standards, and impact measurement methodologies, enhancing transparency and accountability in the allocation of climate-related funds. From green bonds and climate-themed funds to structured products promoting energy transition, GIFT City aims to foster a vibrant marketplace for sustainable finance solutions and this development of innovative financial instruments is expected to attract diverse sources of capital, including institutional investors, development finance institutions, and impact investors.

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GIFT City offers significant advantages for both foreign institutions and NRI investors. The key benefit lies in the ease of investing. Additionally, wealth management receives a major boost within GIFT City. Wealth managers play a crucial role by understanding investor needs and suitability, and strategically deploying funds to best meet their client's wealth creation objective. This expertise is essential for maximising returns.

R. Pallavarajan
Founder, PMS Bazaar

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GIFT City is an ambitious initiative to make it a global go-to destination for investing in India and from India in the global markets which has come at the right time as India is on the path to become the 3rd largest economy. Once the eco-system achieves sufficient breadth for access to skill sets, AIF managers and service providers coupled with higher limits to invest and tax competitiveness it has the potential to become one of the top 3 offshore investment centres in Asia.

Rohit Sarin
Founder, Client Associates

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What stakeholders are saying about GIFT City



IFSCA's innovative FME Regulations significantly aid the fund management industry in raising and managing global funds. This development fosters global connectivity while addressing the needs of the Indian economy and establishing an international financial hub for the region and beyond. If the VCC structure, which has been under discussion for a while, is introduced into the regulations, it could significantly enhance the appeal of GIFT City.

Sekar Iyer

CIO – Private Markets, Multi-Act



The fundraising ecosystem is building up at GIFT. The advantage is India is a FATF (Financial Action Task Force) member country and hence the comfort of global investors towards contributing to a fund domiciled at GIFT IFSC. Also, the underlying regulatory changes (up to 100% NRI contribution for FPIs investing through GIFT IFSC) will lead to more fundraise at GIFT. As we see, GIFT IFSC is the primary jurisdiction for India's Inbound and Outbound flows.

Mahesh Shekdar

Co-founder, Dovetail Group



Our first scheme from GIFT City is a fund of funds investing in equity. Our operations in GIFT City have been fully functional since early 2023, although we have been present here since 2022. It took us about three months to secure the necessary approvals to set up operations, but now, we understand, the process is much faster. The IFSC is definitely an efficient regulator, and the entire regulatory ecosystem is very solution-oriented and helpful.

Srinivas Baratam

Managing Director, Stakeboat Capital



We established our office in GIFT City last year, drawn by its optimal jurisdiction for global funds with an Indian manager. GIFT City's operational ease and cost-effectiveness, compared to other offshore destinations, made it ideal. We were amongst the first to migrate an India-focused FPI fund from Mauritius and launched India's first funds to enable both domestic and foreign investors to tap into global tech opportunities via GIFT City.

Suraj Subramaniam

Managing Partner, Airavat Capital



What stakeholders are saying about GIFT City



GIFT City has emerged as a thriving hub for global funds and financial services, thanks to the Government of India's visionary efforts. The influx of over 100 FMEs with commitments exceeding \$7 billion is a resounding testament to its success. At Catalyst Trusteeship, we take immense pride in supporting this growth trajectory. With our comprehensive suite of services and deep expertise, we are committed to helping businesses and funds seamlessly navigate the complexities of setting up operations at the IFSC. We firmly believe in fostering a collaborative ecosystem, actively participating in industry events to facilitate knowledge sharing and partnerships.

Umesh Salvi

Managing Director (MD) – Catalyst Trusteeship Limited



The establishment of our GIFT City operations is a strategic move and an area of focus for our international business. We are observing greater receptivity and increased positive awareness of GIFT City amongst investors. We have initially started with multiple funds covering strategies on equity (across market capitalization) and hybrids. We look forward towards growing the solutions that we offer from GIFT City along with the growth of GIFT City.

HDFC AMC International (IFSC) Limited



GIFT IFSC offers great opportunities for global funds with its efficient regulations and strategic incentives. The Ascent Group provides expert guidance and tailored solutions to help you use these benefits, making setup easy and promoting growth in GIFT City, which strengthens your position in the global market.

Mr. Jayesh Khaitan

Managing Director, Ascent Group India



In Gift City, we see the enabling regulations being implemented for India to emerge as a major economic power in years to come.

Harish Agarwal

President & COO, EAAA Alternatives



Case in point

Recent regulatory developments including highlights from budget 2024

Section contributed by

Mr. Nehal Sheth

Co-Founder and Partner of M N S S & Associates

Ms. Grishma Mody

Principal at M N S S & Associates

The International Financial Services Centre (IFSC) at GIFT City has consistently been a priority for the Government of India. Historically, numerous amendments have been introduced not only in tax laws but also in other regulatory frameworks to enhance the attractiveness of the IFSC jurisdiction. **Recent regulatory changes have included provisions such as allowing non-banking units to issue Offshore Derivatives, enabling 100% participation of NRIs and OCIs in IFSC-based FPIs, extending the benefits of the Liberalized Remittance Scheme (LRS) to resident individuals for all permissible purposes within IFSCs, direct listing of shares of Indian Companies on IFSC exchanges, bringing SEZ administration under the purview of IFSC authority, and the introduction of Payment Services Regulations, among others.**

The Union Budget 2024 which has now become Finance Act, 2024 has continued this trend by introducing several amendments aimed at further promoting the IFSC. Additionally, the Finance Minister has also announced that legislative approval shall be granted for providing an efficient and flexible mode for financing leasing of aircrafts and ships, pooled funds of private equity through a 'variable company structure'.

One of the most significant changes introduced by the Finance Act, 2024 is the inclusion of IFSC retail funds as 'specified funds' under the Income-tax Act, 1961. This amendment aims to align the taxation of retail schemes with that of Category III AIFs based in the IFSC, providing much-needed tax clarity. Consequently, there will be a single level of taxation at the scheme level, offering several tax benefits: short-term capital gains earned by the retail scheme will be taxed at 20% or at applicable rates depending on the nature of the securities, while long-term capital gains will be taxed at a rate of 12.5%. Additionally, dividends and interest income will be taxed at a flat rate of 10%, and no tax will be payable on gains from the sale of mutual fund units, AIF units, debt securities, or derivatives. Investors in the retail scheme will also be exempt from the requirement of obtaining a PAN and filing a return of income. This

amendment is expected to encourage the development of retail schemes within the IFSC by simplifying the tax regime and reducing the tax burden on investors.

Another noteworthy amendment pertains to the rationalization of the capital gains taxation regime. The government has introduced a unified long-term capital gains tax rate, which is expected to benefit private equity investments. However, the removal of indexation benefits on sale for properties purchased after 23 July 2024 and the classification of unlisted debentures and bonds as deemed short-term assets could impact real estate funds adversely. Additionally, the exclusion of VCFs in IFSC from the provision that empowers tax officers to question the source of investments is a significant move that is expected to boost venture capital investments in the IFSC. This amendment addresses one of the major concerns of venture capitalists and is likely to attract more venture capital funds to the IFSC, thereby fostering innovation and entrepreneurship.

While the amendments introduced are largely positive, some anticipated changes were not addressed. Clarity regarding the taxation of Family Investment Funds (FIFs) and offshore funds remains lacking. Given that the government initially introduced a tax regime for Category I, II, and III AIFs and has now addressed Retail Schemes, it is plausible that future budgets may include provisions related to FIFs and offshore funds.

Overall, Budget 2024 aims to establish a foundation for balanced growth. Private equity funds are poised to benefit from the reduction in the long-term capital gains tax rate. However, Category III AIFs investing in listed securities may face challenges due to the increased capital gains rate and Securities Transaction Tax (STT) on F&O transactions. Despite these mixed impacts, the Budget has generally introduced favorable amendments for the IFSC, reinforcing its position as a prominent financial services jurisdiction.



Imperatives for the future

Enhancing visibility and communication around GIFT City initiatives

1



There is a pressing need for increased visibility and communication regarding GIFT City's initiatives and its conducive, business-friendly environment. This will help build confidence, not only within the global NRI population but also among a broader global investor base, both individual and institutional. Additionally, fostering trust and engagement within the domestic HNI, UHNI, and family office ecosystem requires more active conversations, targeted marketing, and enhanced visibility. Proactive outreach will be essential to establish GIFT City as a premier investment destination, on both the domestic and international fronts.

Pass-through taxation status for Category III AIFs

2



Currently, a key distinction exists between Category I/II and Category III Alternative Investment Funds (AIFs), in terms of taxation. Category I and II AIFs enjoy pass-through taxation, where taxes are imposed at the investor level, while Category III AIFs are taxed at the fund level, leading to disparities in tax treatment. This variation can complicate discussions between fund managers and potential investors, as tax considerations often play a significant role in assessing the suitability of a product or strategy. Standardising taxation treatment across all categories of AIFs, including extending pass-through status to Category III, would streamline business conversations, eliminate confusion, and facilitate smoother deal-making by ensuring a more equitable and consistent approach to tax obligations.

Mandatory requirement for a Principal Officer with a finance degree

3



This requirement serves as a crucial safeguard to ensure that funds are managed with genuine expertise, rather than through the appointment of a nominal principal officer for compliance purposes. It strengthens the credibility of the jurisdiction by ensuring that a qualified individual oversees the fund's operations. However, there may be instances where funds can justify appointing an experienced professional, with a proven track record across various jurisdictions, even if they do not hold a formal finance degree. In such cases, funds may seek flexibility in this requirement to accommodate well-qualified candidates with diverse backgrounds. This balance, between regulation and flexibility, will foster trust while allowing for adaptability in fund management.



Effective communication about fund management capabilities in GIFT City

4



While there is significant potential for outbound investments from GIFT City, particularly for diversification purposes, convincing investors to explore these opportunities requires more effort compared to domestic investments. Educating investors on the benefits of diversification and keeping them informed about developments in foreign markets are essential steps in this process. Moreover, there is a need for enhanced communication, across both domestic and global investor communities, to highlight GIFT City's advantages and showcase the fund management capabilities operating within the jurisdiction. This focused communication strategy will play a key role in positioning GIFT City as a competitive financial hub for global investments.

Opportunity to address the needs of family offices

5



Many large family offices and their managers already have access to international markets, due to their size, investment knowledge, and connections with global advisors. These larger family offices often manage international investments directly. However, there is a significant opportunity to focus on smaller and mid-sized family offices, which may not have the same level of access. These family offices are increasingly scaling up their investments in the domestic market and are actively evaluating various strategies. For this segment, offering expert guidance and a gradual approach to international diversification could prove highly beneficial.

Banking ecosystem should step up to serve fund managers

6



Currently, the banking ecosystem presents challenges for fund managers, particularly in GIFT City. Although GIFT City is located in India, it operates with its own distinct SWIFT codes, separate from those used on the mainland. This discrepancy can lead to complications, as some jurisdictions do not recognize these SWIFT codes. When fund managers attempt to transfer money to India, they often encounter issues because the banking systems default to INR, restricting transfers in different currencies. This is especially problematic in consumer banking, where clients prefer to conduct transactions via digital platforms over visiting physical branches.

In many cases, banking systems in certain jurisdictions are not equipped to process transactions to GIFT City, which further complicates the situation. As a result, clients face difficulties, leading to delays and confusion. Fund managers and their clients spend excessive time dealing with simple wire transfers because their banks may claim they cannot process these transactions.

To enhance the efficiency of fund operations, the banking ecosystem must update its systems and protocols to facilitate seamless transactions to GIFT City, thereby better serving the needs of fund managers and their clients. The need for customised banking solutions is crucial when addressing the unique requirements of different clients. This underscores the variation in access and features across various banking systems, emphasising the importance of tailored approaches over one-size-fits-all solutions.



Service provider opportunity

7



The service provider landscape offers significant opportunities, especially for fund managers who are currently required to coordinate with multiple entities for various services. This fragmentation creates challenges, as fund managers need expertise in areas such as income tax, GST, SEZ regulations, FATCA, and IFSCA compliance. Given the complex compliance requirements triggered by operating within a Special Economic Zone (SEZ), this fragmentation can complicate operations.

There is a strong need for comprehensive service providers capable of offering a one-stop solution for all fund administration needs. An ideal fund administrator would handle tax compliance, regulatory requirements, financial accounting, client onboarding, and more, under a single umbrella. By consolidating these services, fund managers can streamline operations, reduce coordination difficulties, and focus on strategic management, creating a more efficient service environment.

Addressing the TCS barrier for outbound investments

8



A major challenge in venturing into outbound investments is the 20% TCS (Tax Collected at Source) applicable on money going out of India. This significantly impacts investor appetite, as it requires clients to set aside double the amount they wish to invest, due to the hefty tax burden. While there are exceptions to the TCS rate, such as a reduced 5% for education-related expenses, this does not extend to most investment opportunities. If efforts can be made, particularly through IFSC, to reduce or eliminate the 20% TCS for investments via the LRS (Liberalized Remittance Scheme) route, it could open up significant opportunities for outbound investments. Otherwise, the high tax rate remains a considerable deterrent for both investors and fund managers.

That being said, the current LRS limit itself is not seen as prohibitive, given that it applies individually to each family member. However, the primary barrier remains the 20% TCS, which stifles interest and prevents effective engagement in outbound investment strategies.

Distribution of products in IFSCA

9



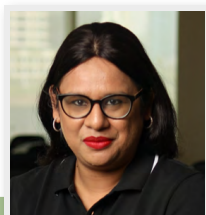
To enhance the distribution of financial products in GIFT City, offering greater flexibility in regulatory requirements can streamline operations and attract more partners.

- **Referral arrangement flexibility:** Under the current IFSCA regime, even referral agents must comply with the distributor code. Internationally, referral agents simply refer clients, and receive a commission, if the referral leads to a successful client relationship. It is suggested that the IFSCA exempts pure referral arrangements from this code, allowing the fund manager to address regulatory concerns on behalf of the referral agent, reducing the compliance burden.

- **Simplifying distributor contracts:** The IFSCA distribution code requires written contracts with clients, which some large distributors may refuse to sign. This creates a barrier to onboarding key partners, potentially leading to a loss of business. To avoid this, revisiting this requirement is suggested, as it can ensure greater flexibility and prevent business losses while still meeting regulatory objectives.

Partners & Acknowledgements

AUTHORS

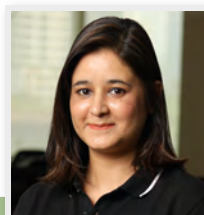


Deepika Asthana

Co-founder & Director, Eleveight

Deepika has spent almost two decades in the financial markets across a variety of verticals spanning equity sales, derivatives sales, derivatives research, and macro research. She has worked in leadership roles at India's leading financial institutions including Edelweiss Securities, B&K Securities, ICICI Securities, and D.E. Shaw. She has also worked as a freelance financial journalist (multiple cover stories for Outlook Money and Business Today) and was shortlisted for the Shriram Capital Awards for Excellence in Financial Journalism, 2018.

Prior to co-founding Eleveight, she built and successfully managed ARNA Write Strategy, a marketing communications and content creation firm.

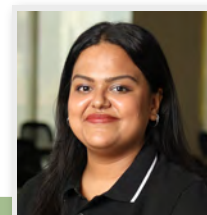


Upasana Koul

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Upasana has over 12 years experience in business analysis, strategy, and business consulting. In her previous roles she has led strategy for large corporations like Nippon India Life Asset Management & Rich Products where she managed the end-to-end execution of large scale projects. She has in-depth experience of building and creating value propositions across multiple domains - financial service, pharma, FMCG, and manufacturing and has also been instrumental in building one of the largest distributor platforms in the mutual fund industry.

She is also a director and core founding team member of a leading financial education company, AV Financial Experts Network Pvt. Ltd (FinX).



Rhea Seal

Associate Consultant, Eleveight

Rhea has over 3 years of diverse experience in business consulting, financial research, and data analytics. At Eleveight, she specializes in managing both primary and secondary research projects, with a particular focus on the Alternative Investment Funds (AIF) industry. Her expertise spans market analysis, industry trends, and data-driven insights that inform strategic decision-making.

Prior to her current role, Rhea worked as a research analyst at Fourscore Private Limited, where she conducted in-depth financial research and supported client advisory.

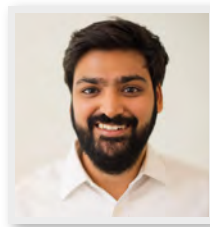
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Depth of Research

This report stems from surveys and interviews conducted with 40+ fund managers and wealth managers.

Additionally, subject matter experts and other service providers associated with the GIFT City ecosystem were consulted. This information was supplemented by extensive research into existing thought leadership in the sector.

The report covers >50% of the funds & service providers set-up in GIFT City.

The research was carried out by Eleveight.



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