

This is the part often missed in the [GIFT City](#) debate.

GIFT City is not just about where companies incorporate. It is equally about where capital pools are formed and how easily that capital can invest.

That is where GIFT City becomes strategically powerful.

When VC funds, growth funds, private credit funds, venture debt vehicles, and even crossover hedge funds are domiciled in GIFT City, the friction drops on both sides of the table.

For founders, the cap table logic becomes familiar to global investors without leaving India aligned structures.

For investors, especially VCs, it removes the mental gymnastics of investing into Indian operating companies via offshore wrappers in Delaware or Singapore.

Funds based in GIFT City can deploy into Indian startups with cleaner tax treatment, clearer regulatory oversight, and far fewer structuring workarounds. LPs understand the jurisdiction. Lawyers know the playbook. Compliance is predictable. Speed improves.

That matters enormously to VCs. They live on velocity.
Fast term sheets. Fast closings. Fast follow ons.

It also widens the capital base. Not just classic venture capital, but family offices, sovereign co investors, private credit, venture debt, and India focused crossover funds. All of them can sit inside GIFT City vehicles and write cheques with confidence.

This is how you build an ecosystem flywheel.

Companies incorporate in GIFT City because capital is there.

Capital sets up in GIFT City because deals are there.

Both stay because exits, governance, and dispute resolution work.

Valli's article rightly points out the remaining gaps. But the direction is clear. Fix

company law experience. Fix ring fenced commercial dispute resolution. Build a reputation for speed and certainty.

Do that, and GIFT City does not just stop the firm drain. It attracts global risk capital back into India's own financial architecture.

Read the excellent story by [Valli Vikram](#) at [The Ken](#) here. Non subscribers can access the preview.

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