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Beyond the Terminal: A Calling from 'Inevitable India'

By Navneet Munot

There is an experience every NRI knows by heart. You land in India after years, clear the terminal faster than you expected and step into a country that is somehow not quite the one you left. The airport is more tech-enabled, the billboards flashing past are increasingly aspirational. By the time you settle into your cab, the airport terminal has already given you a glimpse of a country well and truly on the move. Over the course of your stay, this feeling becomes even more vivid. New flyovers, expanding Metro lines, wide expressways and if it's Mumbai, state-of-the-art new Coastal Road, reshape the geography of the very neighbourhoods you grew up in, leaving you momentarily lost in a city you once knew by heart. Things feel different. The skyline has shifted. Again. Even the casual conversations that you have with relatives and friends here reflect this change in the nation's psyche.

Then it is time to return. You file these memories away, somewhere between pride and surprise, board your flight and carry on. And weeks later, back in your global routine, you go back to managing your wealth as though none of this ever happened.

India: A Story That Defies Simple Narratives

Recent global narratives have been dominated by economies riding the AI infrastructure wave. India does not feature in this today. But this is not new. Even during the technology boom of the late 90s, India did not invest billions in networking, fibre and internet. It put it to work and in doing so, created companies that became global names. For AI too, while India knows that it surely needs to move up the innovation curve, the first chapter belongs elsewhere. The second, where adoption drives productivity across a large domestic economy, is where India potentially stands to reap the real benefits.

Unlike economies whose fortunes are tied to a single theme like memory chips or a commodity, India is genuinely diverse. It has new-age technology companies and decades-old industrials. A financial sector serving millions of first-time borrowers and investors. A healthcare industry supplying drugs to the world and performing complicated surgeries at a fraction of the cost. A consumption story driven by a rising middle class and an infrastructure buildout that is only partially through. Exports and global themes matter, but India's first engine has always been domestic. That separates India from other Emerging Economies.

India has often been a story that defies simple narratives. It disappoints the most optimistic and also outlasts the most pessimistic. It tends to do its best quietly, when most people start looking elsewhere.

Crisis as an Opportunity

While AI-driven market euphoria and elevated oil prices have created near term headwinds, India's underlying macros have remained resilient. Benign inflation, prudent fiscal management, a manageable current account deficit, healthy foreign exchange reserves, sound corporate balance sheets and deepening capital markets have put India on a stable footing to navigate the current environment.

Importantly, some of India's most consequential reforms have emerged when the cost of inaction became too high. Introduction of GST unified the indirect tax structure. Insolvency and Bankruptcy Code brought discipline to a credit culture that had long needed it. Labour reforms streamlined a framework that had remained largely unchanged for decades. The buildout of Digital Public Infrastructure created a foundation for financial inclusion and digital commerce that is now being studied and replicated across the world. India has demonstrated, repeatedly, that it absorbs external shocks resiliently without losing the thread of its longer-term story.

Chief Ministers are actively courting businesses, both domestic and global. Cooperative and competitive federalism is no longer merely a policy aspiration; it is increasingly visible on the ground.

'Spot'light on Rupee: Looking Beyond Recent Volatility

For an NRI assessing India from overseas, the sharp depreciation in the rupee over the past couple of years may appear to be a reason for caution. In US dollar terms, returns on Indian investments have looked softer than the underlying rupee performance would suggest. It deserves a closer look though.

The Rupee, assessed on a Real Effective Exchange Rate (REER) basis, which adjusts for inflation differentials across trading partners, is currently undervalued. The reasons for the depreciation are worth understanding. Valuation differentials, AI-led investment trends, tariff uncertainty, geopolitical disruption across West Asia affecting energy prices and risk appetite, and elevated US bond yields drove FPI outflows from India and put the rupee under pressure. These are temporary dislocations due to the challenging global environment, and not structural flaws.

Historically, the rupee depreciates against the dollar broadly in line with the India-US inflation differential. That is the long-run anchor. Around it, there will always be periods of overshooting driven by sentiment, flows and global events. We are in one such period today. Importantly, with the RBI's inflation targeting framework now firmly established, the inflation differential between India and the US has narrowed considerably. Leaving aside temporary dislocations, a structurally lower inflation differential should, over time, translate into a lower rate of rupee depreciation than what investors have historically witnessed. For an NRI with a long investment horizon, an undervalued currency is not necessarily a risk. It could be an additional source of return.

The investment case therefore carries a twin tailwind for overseas investors. The structural upside of Indian equities, amplified by the currency gains that a mean reversion toward fair value could deliver going forward.

The Diaspora's Legacy: Crisis Capital Then, Structural Ownership Now

India's diaspora has historically stepped in as a meaningful source of capital during periods of external stress. Pokhran nuclear tests in 1998 drew international sanctions and 'Resurgent India Bonds' raised over $4 billion from NRIs. Similarly, in 2000, the 'India Millennium Deposits' channelled over $5 billion. After the Taper tantrum in 2013, the RBI's FCNR-B swap

scheme brought ~ $30 billion within weeks. RBI has again announced measures that would lead banks to offer FCNR deposits at attractive rates now.

But this time, the argument for equity is also strong. And the context is fundamentally different.

Indian capital markets today have a depth and breadth that did not exist in any of those previous episodes. The number of listed companies, the sectoral diversity, the quality of disclosure and governance, the liquidity available to investors, all of these have improved substantially. More importantly, Indian markets are no longer primarily dependent on foreign flows. Amidst heightened volatility, monthly SIP inflows have remained resilient at approximately $3 billion in CY26, a consistency that has held through every bout of volatility. In December 2025, Domestic Institutional Investors (DIIs) surpassed Foreign Portfolio Investors (FPIs) in ownership of NIFTY 50 companies.

Indian markets are becoming, gradually and credibly, self-reliant.

That said, India's growth ambitions are vast. The investment required to sustain 7% plus growth, build infrastructure, expand manufacturing capacity and deepen financial inclusion cannot be met by domestic flows alone. Both are needed. Domestic and foreign. Policymakers have been engaging with FPIs to understand and address their concerns, and sooner or later, FPIs could resume meaningful flows into Indian equities.

The Arbitrage of Insight: What the Diaspora Sees

NRIs occupy a unique position in this landscape. They live and work in developed markets. They are exposed to varied wealth creation strategies, sophisticated financial products and bring a valuable cross-border perspective.

At the same time, they have something that institutional FPIs do not. They come home. They have conversations with family, with former colleagues, with business owners in cities that are changing faster than any research report captures. They get a pulse of India's transformation in ways that cannot be reduced to a Market-Data Terminal or a brokerage note.

This makes NRIs among the most naturally positioned investors for the India opportunity. Not because of sentiment. Because of information.

GIFT City: The Gateway to Global-Indian Wealth

GIFT City acts as the gateway for the over 30 million strong Indian diaspora to benefit from the India growth story. The launch of the International Financial Services Centre at GIFT City was the first step towards bringing financial services transactions relatable to India back to Indian shores and establishing it as a preeminent international centre. This is reflected in the sustained growth momentum and rising investor participation in the fund management space, with over $15 billion in commitments raised by March 31, 2026.

For non-resident investors, GIFT City domiciled funds offer the ability to transact in foreign currency with no requirement for another bank account, demat account or PAN in India. Through GIFT City feeder funds, non-residents gain an operationally conducive and tax efficient route to invest in existing mutual funds in India with a long term track record. A simplified tax regime, easier repatriation and reduced friction compared to traditional routes make GIFT City a compelling access point for the diaspora to participate in India's growth story.

The Capital That Stays

Every NRI who visits India eventually leaves, drawn back to the life they have built elsewhere. But there is no reason their capital needs to follow them out.

India's growth story does not pause between visits. The compounding happens continuously, in the balance sheets of businesses, in the expanding consumption of a rising middle class, in the infrastructure being laid today to carry economic activity for decades.

NRIs who invest in India participate in that story from wherever they are. Their capital stays, works and grows within an economy they understand better than most foreign investors. When they land the next time and feel that familiar sense of a country that has moved forward again, they will have done more than just witness it.

They will have been a part of it.

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