FIRST Private
by IDFC FIRST Bank

FIRST FORTUNE

OCTOBER 2026



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Gopal Lakhotia

Head - Investments,
Wealth Management, IDFC FIRST Bank

Global: Near Term Headwinds, Long-Term Opportunity

Global markets continue to remain under pressure as escalating West Asia tensions disrupt energy supplies and push crude oil prices higher. Continued uncertainty over the Strait of Hormuz has heightened concerns about inflation, supply-chain disruptions and the global growth outlook.
The resurgence in energy prices has shifted central banks towards a more hawkish stance. The risk of persistent inflation has driven bond yields higher, compounded by concerns over fiscal deficits and substantial AI-related capital expenditure by hyperscalers. US Treasury yields have risen sharply about ~100bps over the last year, with a 53bps rise in September alone.

Despite geopolitical uncertainty, global equities have remained resilient, supported by robust US economic activity, corporate earnings and AI-led investment. However, elevated bond yields and questions over the sustainability of AI spending have prompted some moderation in technology stocks.

Indian equities, meanwhile, face a challenging near-term environment. Persistent FPI outflows, elevated crude prices, a weaker rupee and rising bond yields are weighing on sentiment and corporate earnings expectations. Any meaningful de-escalation in West Asia tensions and normalization of shipping through the Strait of Hormuz could ease these pressures and improve the outlook for Indian equities.

India: Attractive Valuations and Resilient Manufacturing
Indian equity valuations have corrected meaningfully in the recent 2-3 Months, with the one-year forward P/E trading at approximately 18% below its long-term average as of September 2026. Meanwhile, earnings growth is expected to recover to 13-16% annually over the next couple of years, following low single-digit growth in FY25 and FY26.

The rupee's depreciation could also improve entry valuations for foreign investors, potentially supporting a revival in FPI flows. However, sustained flows will depend on global risk appetite, currency stability and India's relative earnings outlook.

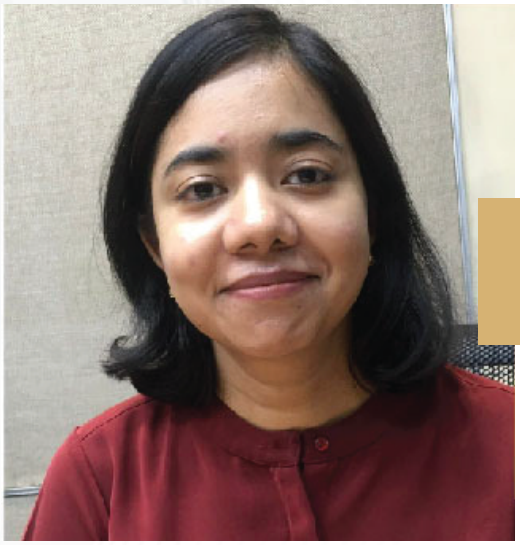
Higher government bond yields have improved the risk-reward for duration strategies. We expect the RBI to maintain a tighter policy stance, with a cumulative 50 bps of rate hikes by Feb 2027 and a terminal repo rate of 6.0-6.25%. Although the rupee may remain under pressure, India's substantial foreign exchange reserves of approximately US$735 billion provide a meaningful external buffer.

India's manufacturing momentum strengthened in September, with the PMI climbing to 55.1 from 52.8 in August, its highest level in seven months. The improvement was supported by faster growth in new orders and output, alongside a recovery in exports, which grew around 16% year-on-year in Q2 2026 and 23% during July–August.

Investment Strategy: Stay Invested, Allocate Selectively
The current environment reinforces the importance of asset allocation, and disciplined investing. Investors should consider increasing equity exposure gradually, rather than attempting to time the market.

India's structural growth story remains intact. A combination of resilient economic growth, more reasonable valuations and improving earnings visibility provides a constructive foundation for equities over the next 3-5 years. Near-term volatility may persist, but it also creates opportunities for investors with a long-term horizon and the discipline to remain invested.

"The biggest risk of all is not taking one." — Mellody Hobson



Gaura Sengupta

Chief Economist,
IDFC FIRST Bank

Indian Markets: Navigating Global Turbulence

India's financial markets, both bonds and FX markets, are reflecting global pressures. To put things in context, the UST 30-year yield has touched levels last seen 20 years ago. The West Asia crisis has persisted for more than six months, resulting in a surge in crude oil prices and a sharp reduction in global crude oil inventories to historical lows. Global trade continues to face repeated and unprecedented supply-side shocks in an increasingly protectionist environment, with tariffs becoming the new weapon of choice.

Against this tumultuous backdrop, India's growth momentum has surprised on the upside, and markets have remained relatively stable. The recently concluded FCNR(B) scheme has reinforced RBI's FX reserve buffers, providing much-needed breathing space for monetary policy. The INR has seen a considerably slower pace of depreciation in FY27, weakening by 2% compared with 11% depreciation in FY26, despite a far more adverse global environment. The AI-led capex supercycle in the US has boosted growth and, in turn, supported the dollar. The oil shock has also strengthened the dollar through safe-haven demand, while the US also benefits as a net exporter of crude oil.

RBI intervention has been the key factor behind INR stability in FY27. Following the FCNR(B) inflows, the pace of intervention increased, helping limit depreciation pressures. Going forward, however, we expect RBI intervention to become more cautious as the FCNR(B) window has now closed. The US$133bn mobilised through the scheme is borrowed money that will need to be repaid beginning three years from now. Other capital inflows remain weak, with continued FPI outflows and subdued debt inflows. While the Balance of Payments shifted into a substantial surplus in Q2FY27 due to FCNR(B), it is expected to turn negative again in H2FY27. Moreover, the current environment of dollar strength and elevated UST yields could persist, making it challenging for emerging markets to attract foreign capital. In H1FY27, total FPI outflows from EMs are tracking at US$60bn.

The upward pressure on UST yields is being driven by elevated US government debt and deficits, which are likely to persist as US fiscal policy remains expansionary. At the same time, the AI-led capex cycle is being driven by large corporates with relatively low leverage and could continue if the Fed rate-hike cycle remains shallow. If these conditions persist, RBI may need to focus on conserving FX reserves as BoP dynamics weaken. Consequently, the INR is expected to depreciate further against the dollar, with RBI becoming increasingly selective in its intervention strategy. USD/INR is expected to reach 98-99 by March 2027.

The bond market has also come under pressure, with G-sec yields rising as domestic inflation concerns increase and RBI has initiated its rate-hike cycle in October. This increase in G-sec yields reflects a combination of monetary policy expectations and supply pressures. In H2FY27, net G-sec and state government bond supply is expected to rise sharply to INR12.2tn from INR8.9tn in H1FY27. This reflects both a change in the Centre's issuance pattern and higher state government borrowing.

Unlike previous years, when Centre's borrowing was more concentrated in H1 to avoid competing with states, FY27 borrowing has been distributed more evenly across the year due to the West Asia crisis. As a result, the Centre and states will compete for funds in H2FY27 against a backdrop of RBI rate hikes and elevated global yields. Adding to the pressure, RBI is withdrawing excess liquidity created by FCNR(B) inflows through OMO sales and sell-buy swaps. The OMO sales increase supply at the short end of the curve.

The Centre has reduced issuance in maturities of up to seven years to create space for RBI's OMO sales, shifting supply to the 15-year and ultra-long segments in the H2FY27 Gsec borrowing calendar. Consequently, both ends of the yield curve are expected to face upward pressure: the short end from OMO sales and rate hikes, and the long end from increased supply. State government borrowing, which dominates in H2 and is typically duration-heavy, will further add to long-end pressures. As a result, the entire G-sec curve is expected to shift higher, reflecting a confluence of domestic and external headwinds. The 10-year G-sec yield range is expected to be between 7.15% and 7.40%.

People will have to unlearn, relearn, and be on a learning curve for a very long time; in fact, for as long as they work.

- Arundhati Bhattacharya

CEO & Chairperson, Salesforce India



Dinshaw Irani

MD & CEO - HELIOS CAPITAL AMC

Q1 India has entered FY27 with stronger growth, but higher crude, global yields and renewed FII selling. How are you looking at India's economic growth against these factors?

Over the years, the energy intensity of India's GDP has declined, reflecting the structural shift towards services and continued technological improvements. For instance, since FY14 (the last time India's crude basket was consistently above USD 100/bbl), imports of petroleum products have compounded at ~3% p.a., while nominal GDP has grown at over 9%. The tightening of global yields is a factor of rising energy prices. The RBI, too, has raised rates, more to protect the INR than to stave off inflation. We, therefore, believe that India will continue to be one of the fastest-growing economies of size in the world.

Q2 With higher bond yields, shifting central-bank policies and geopolitical uncertainty, how do you assess the key risks for India?

Geopolitical uncertainty lies at the crux of higher bond yields and shifting central bank policies. The two major conflicts, Russia–Ukraine and US–Iran, are having a telling impact not only on crude prices but also on refining margins, as refining capacities are also being targeted. We believe the US–Iran conflict may be nearing its end, as conditions appear to be normalising in the Strait of Hormuz. Once this conflict abates, crude prices should, as on the previous occasion, come off sharply, which in turn will provide a significant breather for central banks across the globe. In this scenario, the key risk for India would be a slowdown in the recent uptick in domestic demand, to which we ascribe a very low probability.

Q3 After prolonged muted index returns, earnings expectations are improving. Are we entering a sustainable earnings cycle, or is the market pricing in too much recovery?

India's earnings growth, as measured by the CNX500, commenced in the September '25 quarter and has only strengthened in subsequent quarters, despite the intensifying conflict in the Middle East and rising crude prices. The September '26 quarter, too, despite a higher YoY base, is expected to surprise positively, given the encouraging advance numbers declared by corporates across retail, BFSI, FMCG and other sectors. The ongoing festive season will also be watched closely to track the sustainability of this newfound love (pun intended) for consumption. Over the medium term, the growing addition of Generation Z and Generation Alpha to the labour pool will ensure this continuity. We, therefore, have no doubt that we are in a sustained earnings cycle, though one must always watch out for speed bumps.

Equities have seen a meaningful valuation reset, particularly in large caps, while several mid- and small-cap pockets continue to command substantial premiums. Where do you see the best risk-reward today?

Large caps have de-rated as they have disappointed on the earnings growth front. The lack of growth stems from the cohort of industries that dominate the large-cap universe, namely IT services, FMCG, private banks and commodities. Growth in these industries has been very low, not even tracking the nominal GDP growth. Money, especially when it becomes dear, tends to chase growth. This is precisely what has driven the valuations of mid- and small-cap companies, as they have delivered handsome growth. This is because the industries comprising this space are high-growth ones, including new-age companies, auto ancillaries, healthcare, hospitality, infrastructure and power plays, and export-centric companies. We do not see this trend changing in the medium term, as growth will continue to remain attractive in that space.

Healthcare has been one of the strongest performing sectors this year. What is driving your positive view on the sector?

With rising GDP, per capita earnings are expected to grow exponentially. Since the share of wallet for essential expenses is relatively inelastic, the share available for discretionary spending will rise. Every Indian who can afford it aspires to quality healthcare, so demand for rooms in quality hospitals is bound to surge. Today, there are about 65,000–70,000 rooms available in quality hospitals, which, by any stretch of the imagination, is not enough to meet the growing demand. This has resulted in the average revenue per occupied bed (ARPOB) growing by leaps and bounds, which in turn, has halved the breakeven period for greenfield hospitals. The sector is therefore poised for a sustained earnings growth trajectory.

How do you see the impact of the large FCNR(B) inflows on banking-system liquidity, the rupee and Indian equities?

Inflows of USD 127 bn under the FCNR(B) scheme were well beyond the RBI's expectations. These have resulted in massive liquidity in the banking system, and the RBI will have its hands full absorbing this excess liquidity. Excess liquidity is typically known to create excess demand, which, if not met with an adequate supply of goods and services, leads to runaway inflation. Fortunately, this scenario may not play out in India, as there appears to be sufficient excess capacity to meet this uptick in demand. This should be good news for equities.

AI is creating both opportunities and disruption, particularly for traditional IT services. Do you see AI as a structural threat to Indian IT or an opportunity?

We believe AI will be a structural threat to Indian IT services companies as (simply put) AI threatens the traditional three-part revenue model they follow: number of people × hours per person × rate per hour. With the first two components of this formula being deflated by AI, revenues are bound to come under strain. The industry will therefore have to go through a very painful reset and a steep learning curve.

According to you, which structural themes could drive wealth creation in India over the next five years?

The rising consumer class, dominated by Generations Z and Alpha, is likely to give rise to a whole new set of industries that will enjoy multi-year growth tailwinds. Given that, these generations are expected to be highly educated and tech-savvy, and do not shy away from borrowing to spend, the growth cycle is expected to accelerate. The industries we expect to do well in this scenario are new-age companies, like fintech, food tech, quick commerce, e-comm, D2C, and internet plays. Consumer-facing finance companies, both lending and non-lending, will also do well, as will companies that help fulfil this deluge of demand, namely infrastructure and utility plays.



Rajeev Radhakrishnan

CIO – Fixed Income,
SBI Funds Management Limited

Q1 After the sharp rise in bond yields, how do you see the Indian fixed income market evolving over the next 6–12 months?

The evolution of market yields over the coming year would clearly be a function of the extent of policy tightening the RBI conducts alongside the core demand for fixed income from domestic sources in a challenging supply scenario. Considering the evolving external market risks, the likely policy tightening cycle and the weak demand seen for debt assets, one should be braced for further upticks in bond yields. However, we anticipate that the absolute level of yields could approach levels that are attractive for fixed income asset allocation over the coming months.

Q2 The RBI appears to be moving closer to a tightening cycle. How much of the potential rate-hike cycle is already reflected in current bond yields?

Market yields have inched up prior to the first policy tightening in the cycle, thereby providing a degree of comfort that markets have priced in part of the policy tightening. However, it would be premature to assume that market yields have priced in all actions given the uncertainty on the extent and duration of the tightening cycle and the challenging dynamics of the present state of extremely loose liquidity conditions and a potential uptick in inflation. On an assumption of a real policy rate of at least 1% and forward estimate of 5.3% inflation, policy tightening of a minimum 100bps would likely be needed for a normalisation of policy settings. We would anticipate that market pricing would remain adaptive to incoming policy actions and be subject to reset.

Q3 US Treasury yields have moved sharply higher. How significant is the global yield environment for Indian bonds from here?

A significant uptick in global yields remains a source of worry from a rate differential angle and possible impact on overall capital flows into all emerging market asset classes. Considering the renewed push for bond index inclusion, factors such as rate differentials and currency outlook would determine the possible flow outlook into Indian bonds. In the existing context, the feedback loop could play through the currency markets.

Q4 Crude oil has emerged as a major inflation risk again. How concerned are you about its impact on the RBI's policy path and Indian bond yields?

The impact on inflation and second -order effects of price pass-through are a real source of concern from a monetary policy angle. Supply side pressures that persist for longer would need to be factored into monetary policy actions, as the headline remains the policy target and headline numbers shape inflation expectations. Monetary policy acts through modulating demand so that aggregate price increases in the economy broadly remain aligned to the long-term target. Hence, persistent supply pressures cannot be overlooked. In the event of continued higher crude prices, it is likely that subsidy requirements may increase, and would flow through into negative impact on government revenues and budget numbers.

Q5 Large FCNR(B) inflows have created substantial liquidity in the banking system. How do you see this liquidity affecting short-term rates and the bond market?

Excess liquidity that is not in alignment with the prevailing monetary policy stance would dilute the effectiveness of any possible rate hikes. While short-term rates would stay lower with excess liquidity and not be impacted by any possible hikes, the impact on markets would be to create a source of volatility as and when the impounding of surplus liquidity is initiated. A simultaneous adjustment of policy rate and absorption of durable liquidity is ideal to enable an orderly evolution of market yields in a rate hiking cycle. This would enable market participants to better optimise their bond investments.

Q6 The rupee has come under pressure alongside higher oil prices and global yields. How important is currency stability for the RBI's ability to manage domestic interest rates?

A weaker rupee flows through directly into inflation estimates given the import intensity of energy requirements. At the same time, RBI would find it challenging to maintain an open capital account, independent monetary policy and a fixed exchange rate simultaneously. Significant currency interventions on either side can compromise monetary policy objectives, given the largely open nature of the capital account.

Q7 Inflation has started to re-emerge as a concern after a period of relative comfort. What is your base case for inflation over the next 12 months?

There is a reasonable risk of headline CPI averaging above the upper band of 6% for the coming three quarters. This would warrant a tighter liquidity stance and monetary policy settings.

Q8 With bank credit growth remaining strong, how are you viewing the outlook for corporate bonds and credit spreads?

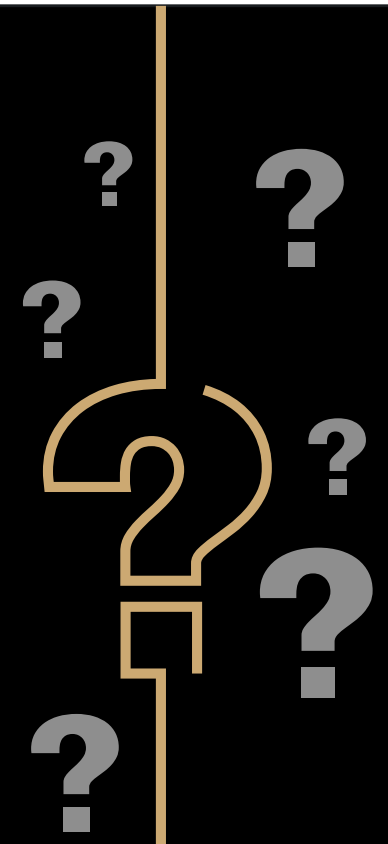
Corporate bond supply could shift partly to loan markets in a tightening cycle. Hence, spreads could stay around current ranges or tighten at the margin.

Q9 What is the biggest risk to the Indian fixed income market over the next 12 months that investors may be underestimating?

Considering the global setting, the risk of underestimating the extent of possible tightening could be a risk factor. Factors such as a possible resolution to the Middle East conflict or a bust in the AI story that could possibly provide a respite to both yields, and capital flow challenges are unpredictable and remain largely a " hope trade". If the hope trade plays out, the extent of tightening being priced in is also a risk factor, more from a positive trajectory. The only constant or more likely theme is to be prepared for ongoing volatility.

DID YOU KNOW?

Around 40–60 tonnes of gold are sold in India during Diwali and Akshaya Tritiya - two of the country's biggest gold-buying occasions.



BUJJI ASRTGEORNS

SHRINKFLATION
When a product becomes smaller or contains less while its price stays the same or rises — effectively increasing its price per unit.

Strategic Idea of the Quarter - ICICI PRUDENTIAL PIPE PMS

At a Glance

Portfolio Manager	ICICI Prudential Alternative Investments
Fund Manager	Anand Shah
Strategy Name	ICICI Pru PMS PIPE Strategy
Benchmark	BSE 500 TRI
Minimum Investment	INR 50 lakh
Investment Universe	Predominantly invest in emerging small & mid cap companies
Investment Horizon	3–5 years

About the Fund House:

ICICI Prudential Alternative Investments is a leading alternatives investment manager with a strong PMS and AIF platform, backed by robust research, disciplined investment processes, and experienced leadership. The platform focuses on sector expertise, bottom-up stock selection, and active portfolio management to drive long-term risk-adjusted wealth creation.

Investment Leadership – Anand Shah

Anand Shah (CIO - PMS & AIF) has over 20 years of experience in equity fund management. He oversees PMS and AIF strategies at ICICI Prudential AMC, focusing on portfolio construction and investment performance. Before joining in 2021, he held leadership roles at NJ Asset Management, BNP Paribas AMC, Canara Robeco AMC, and Kotak Mutual Fund.

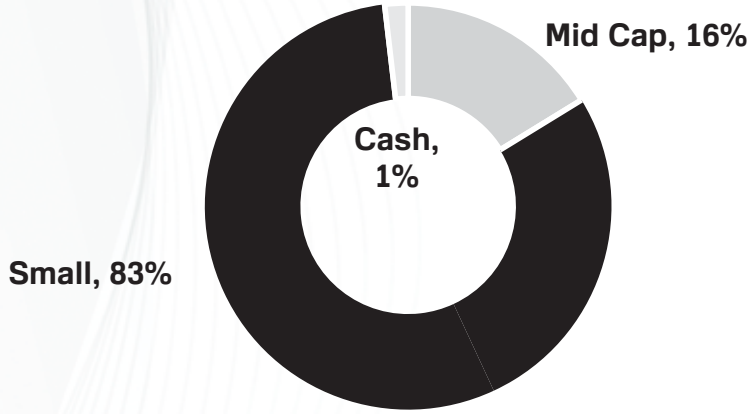
About the Fund:

ICICI Prudential PIPE Fund is a Category III, closed-ended AIF that seeks long-term capital appreciation by predominantly investing in small-cap companies with high growth potential and the ability to emerge as future market leaders. The fund follows a bottom-up, research-driven investment approach focused on identifying businesses with sustainable economic moats, strong management quality, and reasonable valuations. It also seeks opportunities in companies undergoing special situations, business transformations, or cyclical recoveries, while maintaining a margin-of-safety framework.

Strategy Features:

- Emerging Opportunities: Targets companies undergoing special situations, business transformation, industry consolidation, capacity expansion, cyclical recovery, or temporary market dislocations.
- The BMV Investment Framework – Stock selection is strictly guided by the fund house's proprietary BMV Framework (Business, Management, and Valuation), identifying businesses with structural moats and high governance standards.
- Sector-Focused Growth Engine – Concentrates exposure on domestic cyclical and structural growth opportunities to capture core economic drivers.
- Scalable Growth Opportunity: Aims to invest in companies where the market capitalisation at the time of investment is very small but has the potential to become large
- Growth at Reasonable Price (GARP) – Combines a clear mid-to-long term investment horizon with absolute valuation discipline, ensuring capital is deployed only where there is an asymmetric risk-reward profile.

Market Cap Exposure



Scheme Details	
AUM (in INR crore)	8,086
Inception Date	05th Sep 2019
Number of Stocks	41

Top Stock Holdings	Holdings %
Sarda Energy & Minerals Ltd.	4.4%
Honasa Consumer Ltd.	4.3%
Vardhman Textiles Ltd.	3.8%
Usha Martin Ltd.	3.8%
FSN E-Commerce Ventures Ltd.	3.7%
Arvind Ltd.	3.7%
RateGain Travel Technologies Ltd.	3.5%
Jindal Stainless Ltd.	3.3%
Kalpataru Projects International Ltd.	3.2%
Karur Vysya Bank Ltd.	3.0%
K P R Mill Ltd.	2.9%

GICS Sector	Holdings %
Consumer Discretionary	31.4
Materials	26.8
Financials	11.6
Industrials	9.3
Consumer Staples	7.9
Information Technology	6.1
Real Estate	4.5
Health Care	1.6

Performance	Absolute (%)			CAGR (%)			
	1M	3M	6M	1 Yr	3 Yr	5 Yr	SI
ICICI Pru PMS PIPE Strategy	-5.6%	-2.5%	14.2%	4.4%	13.4%	19.0%	23.6%
BSE500 TRI	-5.6%	-3.6%	8.1%	-2.3%	9.2%	8.9%	15.0%

Note: Data as of 30th September 2026; Source: AMC; Inception (SI) date as on 5th September 2019

ACE Score:
ACE Score is an internal calculation for scheme selection. A higher score relative to the benchmark indicates better selection. However, the ACE score is significantly influenced by company earnings. As the current earnings season is still underway, the score may change once all underlying portfolio holdings have announced their results.

ACE Score	
ICICI Prudential PIPE PMS	20.7%
NIFTY SMALLCAP 250 - TRI	19.5%

Note: Data as on 30th September 2026; Source: Internal Calculation; Bloomberg, AMC

IDFC FIRST Bank CSR Program

FIRST IMPACT

BECAUSE OPPORTUNITY BELONGS TO ALL

FIRST IMPACT:
A Foundation for Future Success

"Opportunity belongs to all" is an important motto for FIRST IMPACT, the CSR arm of the Bank. This motto underscores all the initiatives undertaken by FIRST IMPACT. The Scholarships Program for underserved but meritorious students pursuing higher education is one such initiative.

Scholarships are offered to students pursuing MBA, Engineering and Economics degrees at prestigious institutions. These scholarships provide support ranging from tuition fees to living expenses, making higher education more accessible to meritorious students who may otherwise be unable to pursue it due to financial constraints.

Through one such program, Monica shares her story. For her, it all began with a curiosity about how gadgets worked. That curiosity found direction when a neighbour pursuing a B. Tech in cybersecurity introduced her to the world of programming.

With a clear goal in sight, Monica prepared rigorously for her Class 12 board exams and the MHT CET, earning a place at Vivekanand Education Society's Institute of Technology. Her father, a real estate agent, and the family's sole provider, found it difficult to fund the education of three children.

A 40% fee waiver from her college, along with the IDFC FIRST Bank Engineering Scholarship, helped bridge the financial gap and will continue to support her through her course. Today, in her second year, Monica is excelling in her favourite subjects, database management and software development.

Through such scholarships, FIRST IMPACT not only supports students in pursuing higher education but also provides opportunities for their broader development through workshops, interactions with leaders and mentorship.

NRI Section
Banking Beyond Borders

For today's global Indian, banking is no longer just about moving money home. It is about managing wealth across currencies, geographies and generations with the right balance of returns, flexibility and convenience.

Against this backdrop, IDFC FIRST Bank has strengthened its position as a trusted banking partner for NRIs. During the RBI's special FCNR(B) swap window, the Bank mobilised approximately USD 3.6 billion in FCNR(B) deposits, making it one of the most significant FCNR mobilisation efforts in the Indian banking sector. Supported by competitive foreign currency returns and an industry-first online FCNR journey, the proposition enabled NRIs to participate seamlessly and conveniently.

Additionally, during this period, the Bank also achieved another significant milestone by securing its first international credit rating. S&P Global Ratings assigned IDFC FIRST Bank an Investment-Grade rating of 'BBB-' (long-term) and 'A-3' (short-term) with a Stable Outlook, reinforcing the Bank's growing credibility and standing in global financial markets.

Building on this momentum, IDFC FIRST Bank continues to strengthen its multi-currency banking proposition through GIFT City, India's International Financial Services Centre. The FIRST Global Savings Account enables NRIs to hold and grow their wealth in foreign currencies such as USD, EUR and GBP. Customers can currently earn 4.75% interest on USD savings accounts, with monthly interest payouts, full repatriability of principal and interest, and no taxation in India. For those seeking higher returns, USD Fixed Deposits offer rates of up to 5.5% p.a.

Complementing these offerings, customers can also send funds to India through IDFC FIRST Bank's Industry-First Instant Transfer service for NRIs in the UK and Europe. Available through the Mobile Banking App, the fully digital journey enables customers to securely transfer funds from their overseas bank accounts directly to their IDFC FIRST Bank account in India using Open Banking infrastructure. With competitive exchange rates, transparent pricing and instant INR credit, the solution offers a faster, simpler and more convenient way to move money across borders.

With our digital NRI proposition, FCNR expertise and expanding GIFT City platform, IDFC FIRST Bank is building a banking experience designed for global Indians who want their wealth to work seamlessly across borders.

Unmatched Advantages for Global NRIs Investing in GIFT City Life Insurance Solutions.

Vikas Gupta, Chief Product Officer, ICICI Life Insurance Co. Ltd.

The global Indian diaspora is a demographic powerhouse. Today, over **35 million Non-Resident Indians (NRIs)** live and work across the globe, a figure that continues to expand by an estimated 2.5 million every year. As this community scales new heights of professional and economic success, their financial landscapes grow increasingly sophisticated. Navigating cross-border multi-currency liabilities, planning for international legacy transmission, securing top-tier global education for children, and managing retirement corpuses across continents require a highly strategic approach to asset allocation.

For the discerning high-net-worth NRI, this brings a fundamental question to the fore: Where do GIFT City life insurance solutions fit into a modern, sophisticated wealth management portfolio?

By combining domestic tax incentives with the global infrastructure of the GIFT City International Financial Services Centre (IFSC), Indian life insurance has evolved from a basic safety net into a powerhouse for wealth preservation and growth.

The Baseline Advantage: Cost Efficiencies and Structural Safeguards

When integrated into a private banking framework, Indian insurance structures offer profound cost and structural advantages over their Western or Middle Eastern counterparts:

- **0% GST Architecture:** For eligible NRIs, insurance premiums are entirely exempt from the standard 18% Goods and Services Tax (GST), ensuring that capital is deployed with maximum upfront efficiency.
- **Premium Arbitrage:** Due to highly competitive actuarial pricing and structural efficiencies within the Indian ecosystem, premium costs for Indian term coverage can be 20% to 50% lower than equivalent policies purchased in foreign jurisdictions like the US, UK, or UAE.
- **Border-Free Mobility:** Wealth portfolios must be as mobile as the families that hold them. These policies provide comprehensive, global coverage, ensuring complete financial continuity regardless of where an NRI relocates or ultimately chooses to retire.
- **Bulletproof Tax Exemption:** Wealth preservation is bolstered by robust domestic tax frameworks. Under Section 10(10D) of the Indian Income Tax Act, both the maturity proceeds and the death benefits received by beneficiaries are completely tax-free, protecting the legacy from fiscal drag.
- **Strategic Portfolio Diversification:** These vehicles serve as highly adaptable financial instruments. High-net-worth NRIs can dynamically allocate capital based on their risk profile, choosing between pure protection insurance covers, market-linked investible funds for equity upside, or guaranteed fixed-return instruments for predictable income streams

The New Frontier: GIFT City IFSC

The establishment of the International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT City) has completely rewritten the rules of engagement for international wealth management. Operating effectively as a foreign jurisdiction under a unified regulator (IFSCA), GIFT City bridges the gap between Indian economic growth and global financial standard operating procedures.

For private banking clients, the structural innovations available through GIFT City insurance products offer three unmatched pillars:

1. Neutralising Currency Volatility

Historically, investing in long-term Indian assets exposed global investors to structural currency depreciation risks (USD vs. INR). GIFT IFSC completely neutralizes this friction. High-net-worth individuals can now access sophisticated life insurance and wealth propositions denominated in hard foreign currencies (such as USD). This allows clients to align their long-term protection and investment strategies directly with their global lifestyle expenses and liabilities.

2. Institutional-Grade Tax Optimisation

The regulatory evolution of GIFT IFSC continues to pioneer tax efficiency. Following the landmark provisions introduced in the Finance Act 2025, life insurance policies structured through GIFT City offer an extraordinarily favourable tax regime. Crucially for affluent investors, there is no upper cap on the investible amount. Payouts and maturity proceeds are 100% tax-exempt, provided the annual premium remains at or below 10% of the chosen sum assured. This creates an elite tax-sheltered wrapper for large-scale wealth compounding.

3. Seamless Global Multi-Asset Diversification

Modern GIFT City insurance products function as sophisticated investment conduits. Rather than restricting capital to domestic assets, market-linked structures allow NRIs to seamlessly deploy capital into premier global capital markets, including the US, UK, and Japan. Portfolios can be dynamically balanced across global equities, debt, and commodities, allowing wealth managers to tailor the risk-reward matrix precisely to the client's overarching estate planning objectives.

Frictionless Execution for the Modern Diaspora

In the private banking realm, execution is just as critical as strategy. Recognising the premium placed on time and convenience, institutional frameworks have transitioned to entirely digital ecosystems. Through elite corporate agents like IDFC FIRST Bank, the end-to-end lifecycle of these bespoke structures—from sophisticated digital onboarding and underwriting to 24/7 cross-border post-sales service—is managed seamlessly online.

For the global Indian, the verdict is clear: Indian life insurance, accelerated by the regulatory marvel of GIFT City, is no longer just an option for financial protection. It is a cornerstone asset class for global wealth maximisation, legacy planning, and portfolio resilience.

Disclaimers:

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Luxe Spotlight:

Why Diwali Is Becoming the New Luxury Travel Season

Diwali has always been a time to come together, celebrate and make memories. Now, for many travellers, it's also an opportunity to take the celebrations somewhere new. With the festive break offering a reason to plan a holiday, luxury stays are becoming part of the season's appeal, whether it's a mountain retreat with breathtaking views, a heritage villa steeped in character or a forest hideaway under a canopy of stars. If you're dreaming of a getaway this Diwali, these six stays across India offer plenty of inspiration.

1. Varenya, Chikkamagaluru: For misty mornings and mountain magic

At 1,500 metres in the Chandradrona hills, Varenya is an intimate five-suite retreat that makes slowing down feel effortless. Its poured-earth walls, reclaimed wood and open spaces sit beautifully within the mountain landscape, creating a stay that feels connected to its surroundings.Days here can be spent trekking to waterfalls and Galikere Lake, exploring coffee estates or unwinding with herbal therapies. Come evening, watch fireflies appear and the stars take over the sky. It's a thoughtful mountain escape for anyone who wants their festive break to feel a little closer to nature.

2. Kenwoods Farmstay, Vikramgad: For the art of doing less

Sometimes, the most luxurious plan is to have no plan at all. Kenwoods Farmstay brings this idea to life with four eco-conscious, solar-powered villas that blend Indo-European design with the easygoing spirit of susegad living. Spend the day easing into yoga and wellness experiences, enjoy meals made with ingredients sourced from nearby farmers, or find a quiet corner in the greenhouse pavilion. Open-air dining, ponds and gardens complete the picture, while a strong sense of community and conscious living gives the experience its soul. For Diwali, think long conversations, good food and the pleasure of letting the hours unfold naturally.

3. Samode Safari Lodge, Bandhavgarh: For a wild side of luxury

Set in the Mardari region of Bandhavgarh, Samode Safari Lodge brings together the thrill of the wilderness and the comforts of considered luxury. Designed by Pradeep Sachdeva Design Associates, the lodge draws on local vernacular architecture, with reclaimed wood, natural pigments and low-energy materials shaping its character. The construction was planned to avoid harming existing trees. Sustainability continues through solar-powered pools and rainwater harvesting, while Gond artworks bring a sense of place into the interiors. The lodge also supports local communities through employment. If your idea of a memorable festive break involves a closer connection with the natural world, this forest retreat offers a different kind of indulgence: one rooted in its surroundings.



4. Mansão Curtorim by CGH Earth, Goa: For a heritage home away from home

Goa has plenty of ways to celebrate, but a stay at Mansão Curtorim offers a chance to discover its quieter, more heritage-rich side. This 236-year-old Indo-Portuguese villa has been restored with its character intact, from its striking red façade and high wooden ceilings to colonial galleries overlooking paddy fields. Spend your time walking or cycling through the surrounding landscape, lingering in the courtyard or sitting down to a meal inspired by Goan cuisine. And when the mood calls for a beach day, South Goa's beaches and historic sites are just a short drive away. It's a stay that brings together old-world charm, local culture and the simple pleasure of feeling at home somewhere new.

5. Ecko Hotels & Resorts: For a change of scene, wherever you fancy

Not every festive getaway looks the same. Some call for mountains, others for the coast, and some for a little royal grandeur. Ecko Hotels & Resorts offers a range of settings to choose from, with more than 1,000 keys across twelve locations launched within less than six months of its debut in April 2025. The experiences vary with the destination: private ghats in Haridwar, the trail to Badrinath, Goa's beaches, the coastline of Alibaug or the heritage of Udaipur. Wellness experiences and organic dining add to the appeal, while the properties also cater to destination weddings. Whether you're planning a few days away or a larger celebration with loved ones, the range makes it easier to find a setting that feels right for your kind of Diwali.

6. Chokhiwadi Forest Retreat, Ajabgarh: For starry nights and a rustic escape

Tucked into the Aravallis, on the edge of Sariska, Chokhiwadi Forest Retreat offers a different perspective on Rajasthan. Its ten accommodations range from mud villas and tents to stone cottages, bringing guests closer to the landscape without losing the charm of a considered stay. The days can take you on guided safaris or into a yoga session; the evenings are made for stargazing and leisurely meals powered by the retreat's food forest. Community and sustainability are central to the experience, making this a stay that feels connected to the place it calls home. For a festive break that trades a packed itinerary for open skies, fresh air and time outdoors, Chokhiwadi is an inviting choice.

Customer Testimonials

"IDFC FIRST Bank offers a more personalized approach and understands our requirements well. Our relationship manager is proactive and approachable, and we can reach out to her whenever needed. She has built a relationship of trust with us and has become like family."

-Mr. & Mrs. Lakshmi:

"I think the overall journey with IDFC FIRST Bank has been very smooth. I like their user-friendly mobile app, and some of their products and offerings are quite comparable and competitive in terms of the benefits they provide. Over time, I see my relationship with the bank growing stronger."

-Ms. Khalil:

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