

Singapore's Sovereign Wealth Fund, the largest FPI in India, sees many structural factors driving India's growth, including demographics and government reforms

India's Momentum Very Strong, Importance will Only Grow: GIC

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Mumbai: The expanding middle class will be driving the India investments of GIC, the sovereign wealth fund (SWF) of the Government of Singapore, spawning opportunities in derivative sectors like healthcare, financial services, real estate, consumer focused technology and even infrastructure across their evolutionary stages, said a top executive of the firm.

Over three decades, GIC has become the largest foreign portfolio investor as well as SWF in India, with around \$28 billion deployed in Indian public markets alone as on December end, according to Prime Database, which tracked investments in listed companies of over one percent.

In financial services alone it has invested \$20 billion in banks, financial institutions, insurers and NBFCs like HDFC Bank, ICICI Bank, Bajaj Finance, SBI Life Insurance among others.

In the past five years, the sovereign fund has doubled its investments in India.

"India's importance will only grow. I would say the momentum here is very strong, and our instruction to the team is that if they can find good investment, the capital is there," said Lim Chow Kiat, the CEO of GIC. "If the projection that we have for the economy turns out to be correct, there are quite a few very structural factors driving India's growth."

These include demographics and government reforms already put in place and ongoing.

"Even geopolitically, India is benefiting from supply chains coming this way. I think those are very powerful forces," he added.

Being a permanent pool of capital with a long only investment approach — 10-15 year average holding period — GIC has few unique advantages. It can ride through the cycles and invest in companies across capital structures. A diver-

sified sector strategy helps to periodically lean in on a few themes.

"At various points in time, we kept moving our capital in a very measured fashion," said Pankaj Sood, the GIC's head of India operations. "We are very bottom-up, meaning pull backs from certain capital types due to short-term pressures or funds and institutions could become an opportunity for long-term investors like us."

Caution is classic GIC, a highly private and discreet SWF, little of which is known outside of financial circles. It has quietly amassed almost a trillion dollars in assets by carefully managing reserves for one of the world's richest nations. In the last few years, GIC under Chow Kiat, has seen a pivot.

US DEALS

After years of investing through China's rise and fall, and in ASEAN, the company has been doubling down on its US deals, especially in office blocks or marque hotels like Hilton Worldwide, the Time Warner building in Manhattan (now the Deutsche Bank Center) and 300 Park Avenue. Even in India, with partnerships like DLF and K Raheja Corp, commercial realty has been a key focus for the fund. Trade publication PERE named it the world's top institutional investor in private real estate in 2024.

"We see real estate as not just offering us growth but also offering real returns," said Chow Kiat, while sitting in a plush building that GIC co-owns with K Raheja Corp, the city's trendiest financial hub. "They work quite well, you know, in an inflation regime. In India our allocation has been growing over time in various sub sectors of real estate, from residential to offices to retail to large estate, across the board. DLF is an important 10-year partnership for GIC."

They have backed two malls of Phoenix Mills as well.

Like most of its peers GIC — the

SHRIYA PATIL

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CEO, GIC



world's seventh largest fund — invests directly or via multiple global and local funds as their sponsors. It started the India office, 15 years ago, for direct investing business. "As the scale of our business expanded, we launched different asset classes, from public markets to private equity, to real estate, infrastructure," said Sood. Within those asset classes also, GIC has expanded the products. "We started as an LP when we had just started off in the US, then moved to Europe and then Asia. But in Asia, we found opportunities to be available more on the direct side, and that's how we started our business in India as a direct team."

As deal sizes become bigger, so is the hunger, highlights Chow Kiat (54), a company lifer. From early VC-like bets in technology startups to mid-sized deals in IT services, healthcare, etc, which are growth equity calls to even buyouts, the strategy is flexible. "In sectors like infrastructure and real estate, where the opportunities are at the project level as well as company level." However, in technology services, GIC has done joint buyouts with several funds like Mphasis with Blackstone, Perficient, a Nasdaq-listed global digital consulting firm with EQT. "We have these part-

ners who are already doing a lot of this (tech investing) and they need good partners for the long term. That's where we come in," said Sood.

GIC sees Trump, tariffs and the trade wars as the US barrels into allies and foes alike, as a profound level of uncertainty playing around the world. In geopolitics and even technology arms race.

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tions about World order."

GIC he says is watching the scenario evolve "like a hawk." But he sees a silver lining too.

"Different governments will be rolling out policies to try and generate enough growth, enough prosperity. So perhaps those could produce opportunities for us," added Chow Kiat.

GIC started diversifying three decades back and started scoping out various emerging markets.

"At that time, it was a lot harder to deploy capital because the markets were much smaller. Now it's much easier," he further added. "Our big orientation is to keep a diversified portfolio. Macro setting is not sufficient. You also need people who can actually create good businesses out of that."
