TRU

Primer

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Global Investing: Unlocking Opportunities Beyond Borders

Global investing offers Indian investors a gateway to diversify portfolios and tap into international growth. Under LRS, individuals can remit up to $250,000 annually, with overseas investments in equities and debt rising sharply to $1.7 billion in FY25. Alongside, corporates use ODI for strategic control and OPI for passive exposure. These regulated routes provide opportunities to enhance returns and reduce domestic concentration risk, making global allocation a key pillar of modern wealth planning.

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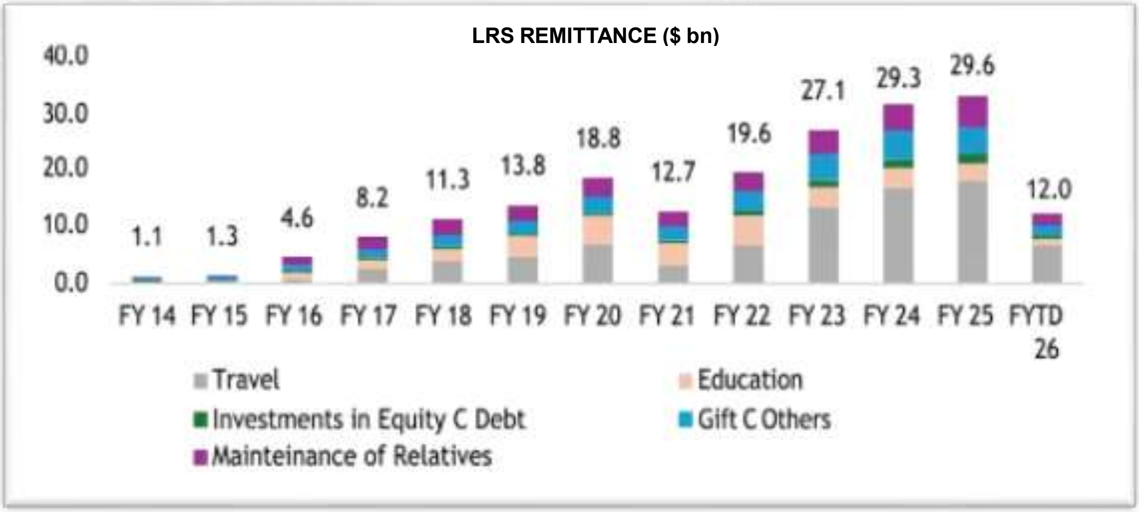
LRS (Liberalized Remittance Scheme)

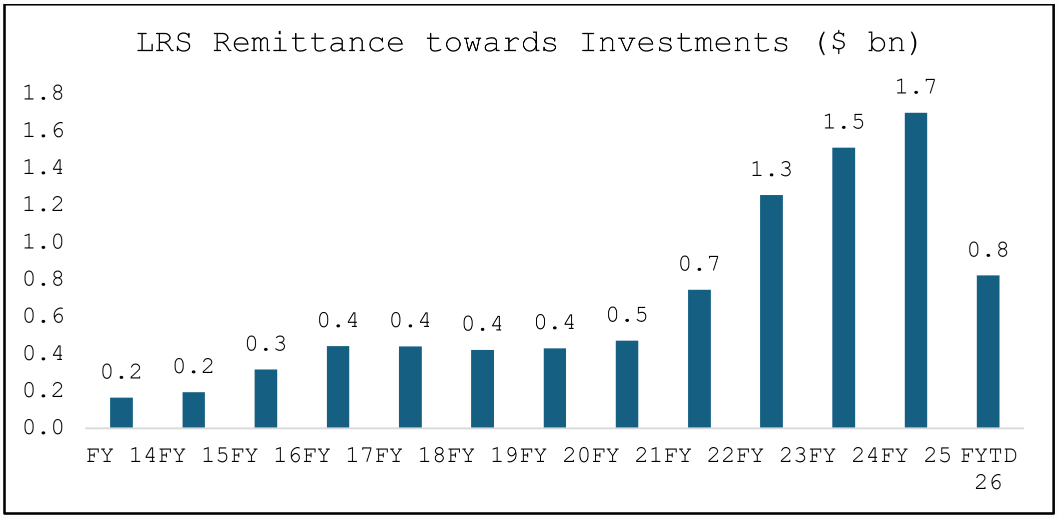
Introduced in 2004, LRS allows Indian residents to remit up to $250,000 p.a. overseas for purposes such as education, travel, investments and real estate. Over the past decade, remittances under LRS have grown from $1.1 bn in FY 14 to $29.6 bn in FY 25



Source: RBI. FY 26 data as of Aug'25

As can be seen in the table above, travel alone accounted for more than 57% of the outgo in FY 25, while investments in equities & debt accounted for 5.7% share.

In absolute terms, investments in equities and debt under the LRS have grown 8.5 times over the last decade, rising from $0.2 billion in FY14 to $1.7 billion in FY25. On a monthly basis, the average for FY25 stands at approximately $141.7 million



Source: RBI. FY 26 data as of Aug'25

Corporates & Non-individuals (via ODI & OPI)

ODI (Overseas Direct Investments) and OPI (Overseas Portfolio Investments)

Corporates and non-individual investors in India can invest in foreign securities primarily through the ODI and OPI frameworks, regulated by the RBI under the Foreign Exchange Management Act (FEMA).

- ODI is a route to make strategic investments in foreign entities to gain control or significant influence
- OPI allows to invest passively in foreign securities without acquiring control

Indicative Taxation (for listed overseas shares & ETFs):

1. Capital Gains:

- Long-Term (>2 years): Taxed at 12.5% (+Cess & Surcharge as applicable)
- Short-Term: As per income tax slabs (+Cess & Surcharge as applicable)

2. Dividends: 25% TDS in the US. Tax credit available under DTAA

3. TCS on LRS Transactions: Nil up to ₹10 lakh; 20% beyond this, adjustable against tax liability

Aspect	ODI	OPI (Gift City Route)
Equity Stake	>10% equity or investment with control	<10% equity or investment without control
Objective	Business expansion, operational control, JV	Portfolio diversification & capital appreciation
Allowed Entities	Indian companies, LLPs, or resident individuals under specific conditions	Listed Indian companies as per Overseas Investment Rules 2022 Unlisted Indian companies through IFSCA registered entities
Limit	Up to 400% of net worth	Up to 50% of net worth
Instruments	Equity shares, compulsorily convertible debentures, or preference shares	Listed equity shares, debt securities, ETFs, funds
Risk Exposure	High, due to business involvement & control	Moderate, limited to financial market risks
Example	Setting up a subsidiary or JV abroad	Investing in foreign stocks, global funds

Source: RBI, Media Reports.

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