



From Legacy to Leverage

*India's Family Wealth and its Role in
the Impact Capital Spectrum*

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About Waterfield Advisors and Impact Investors Council (IIC)



Waterfield Advisors is India's leading independent Multi-Family Office and Wealth Advisory Firm. Established in 2011, we advise on over USD 4.5 billion of assets on behalf of several prominent Indian business families, whom we serve from 8 offices in India. Waterfield advises clients on financial and estate planning, succession planning, family governance and philanthropy.

www.waterfieldadvisors.com



Impact Investors Council (IIC)

Established in 2014, the Impact Investors Council (IIC) serves as India's leading member-based, not-for-profit industry organization committed to bolstering impact investing nationwide. Its mission is to cultivate the impact investing ecosystem, articulate a compelling and comprehensive narrative of India's impact, and reinforce impact investing in India through its four foundational pillars: policy advocacy, publications, programs, and partnerships. IIC today receives active support from over 65 prominent Impact Investors and Ecosystem Players.

www.iiic.in

Executive Summary

India's march towards becoming a \$5 trillion economy brings with it pressing social and environmental imperatives. While public funding remains the dominant source of social sector expenditure, a significant financing gap persists and is expected to widen further in the coming years.

Indian High Net-Worth families (HNW families) are well-placed to help bridge this shortfall by strategically deploying capital across the Impact Capital Spectrum—ranging from pure philanthropy to blended finance and impact-first investments.

The number of HNW families participating has surged from 45 in 2018 to 300 in 2024, contributing around 40% of private philanthropy. Yet, giving levels remain modest, falling well short of the benchmarks seen in other global markets.

The Impact Capital Spectrum Exists—but Families Still Work in Silos

The **Impact Capital Spectrum**—philanthropy, blended finance, and impact investing—offers a framework for strategic deployment of different capital types.

In practice, HNW families **rarely blend** these approaches, preferring to keep charitable giving and investment decisions apart.

HNW Family Participation is Rising but Retention is Weak

From 2021–2024, **923 HNW families** made impact investments, **only 15% of deals** were pure impact deals.

Retention is low; of the **316 HNW families** who entered in 2021, just 64 remain active in 2024. Deals are heavily skewed towards the seed **stage (65%)**, with limited support for mid-stage companies.

Climate-tech leads by deal count and value; financial inclusion and healthcare remain core; education draws larger but fewer deals; agriculture is underfunded.

Impact Investing is Seen as Risky and Separate from Philanthropy

Most families use **foundations for philanthropy** and separate teams for investments; integration is rare.

Only 18% **of HNW families have made direct impact investments**; over half have not, and a quarter are unsure. When done, impact investments are typically funded from **commercial pools of capital**, underscoring the view that philanthropic and financial goals are being seen as separate.

Blended Finance is Largely Unknown and Poorly Understood

Engagement with blended finance is almost non-existent. A combination of **low awareness, scarcity of relatable Indian success stories**, and **lingering trust gaps** keeps families on the sidelines.

For many, blended finance feels overly complex, with unclear benefits for end beneficiaries, raising doubts about whether the effort is worth the structure.

Fund Managers See Interest, but Small, Cautious Cheques

Impact fund managers report modest, exploratory participation—often aligned to sectors families already know.

Barriers include information asymmetry, siloed capital pools, thematic mismatches, and a preference for **direct deals over funds**.

Repeat participation is rare; servicing small-ticket investments is costly for fund managers.

Clear Strategies, Structures, and Support Can Unlock More Capital

Families can increase engagement by:

- ▶ Defining an impact thesis tied to measurable goals
- ▶ Formalising an Impact Investment Policy Statement
- ▶ Choosing the right vehicles (direct, co-investment, funds, foundations)
- ▶ Building internal expertise or partnering with intermediaries
- ▶ Demystifying blended finance through examples and CSR integration
- ▶ Leveraging the Social Stock Exchange for transparent, traceable giving
- ▶ Ecosystem players helping to simplify structures, offering targeted education, and creating shared platforms for data and deal flow.

Introduction

India's transition towards a \$5 trillion economy brings with it complex and urgent development challenges that demand a diverse mix of capital—philanthropic, impact-first, and commercial. While public funding remains the dominant source of social sector expenditure, accounting for 95% of the total, a significant financing gap persists. This shortfall, estimated at INR 14 lakh crore (approximately \$170 billion) in FY 2024, is projected to widen to INR 16 lakh crore (\$195 billion) by FY 2029¹.

In this context, High Net-Worth (HNW) families are uniquely positioned as stewards of multiple forms of capital. Their ability to invest flexibly across the continuum—from pure grants to impact-first and even commercially viable investments with social returns—offers a powerful opportunity to address India's development deficit in innovative ways. The rise in the number of family offices from 45 in 2018 to 300 in 2024¹ reflects a growing commitment to structured, value-aligned wealth deployment. Family businesses now contribute approximately 40%¹ of private philanthropy in India, with the top four business families alone accounting for 20% of CSR contributions from family-owned companies in FY 2023–24.

Yet, despite this growth, Indian HNW families still contribute only 0.1% to 0.15% of their wealth to philanthropy—well below the 1.2% to 2.5% seen among their U.S. counterparts and 0.5% to 1.8% in the U.K.¹ This suggests not only the need for increased giving but also a more strategic approach to capital deployment that breaks down traditional silos between giving and investing.

In 2021, Waterfield Advisors and IIC released the first edition of **Unlocking Impact Capital**, which focused on understanding how Indian families engage with impact investing. However, that report primarily mapped broad trends in impact investing and did not examine how families view or manage the full spectrum of philanthropic capital—from pure grants to blended and impact-first strategies. It also did not explore whether families are beginning to blur the lines between their philanthropic and commercial portfolios, or if they continue to treat them as entirely separate realms.

This second edition seeks to explore that question more deeply. Are Indian HNW families beginning to view their capital holistically, or do distinct mental models still govern their philanthropic and investment decisions? Through a combination of interviews, secondary data reviews and case studies, this report explores how Indian families are—or are not—deploying catalytic capital across the spectrum. In particular, we examine the awareness and adoption of blended finance structures, which combine public, philanthropic, and commercial capital to de-risk investments and crowd in private sector funding.

[1] Source - India Philanthropy Report 2025 : Bain & Company and Dasra

We also situate this inquiry within a broader enabling context. Regulatory reforms are beginning to offer HNW families access to more sophisticated financial instruments and global capital markets. However, structural, regulatory, and perception-related barriers continue to limit the scale and effectiveness of philanthropic and impact-first funding.

While this report may not offer hard-hitting data, it brings together first-hand perspectives from Indian HNW families. By surfacing their lived experiences and reflections, the report hopes to catalyse new thinking within HNW families, while also helping not-for-profits, social enterprises, blended finance institutions, and impact funds better understand how to bridge the gap between their funding needs and what families are willing and able to support.

Ultimately, it invites a reimagining of capital, not as siloed philanthropic or commercial pools, but as a continuum that can be deployed more strategically to drive inclusive and sustainable change.



A full-page background image showing a person walking through ancient, weathered stone ruins. The person is in the lower right, walking away from the viewer. The ruins are massive, with large blocks and arches, and the scene is bathed in warm, golden light, suggesting a sunset or sunrise. The overall mood is one of exploration and discovery.

SECTION 1

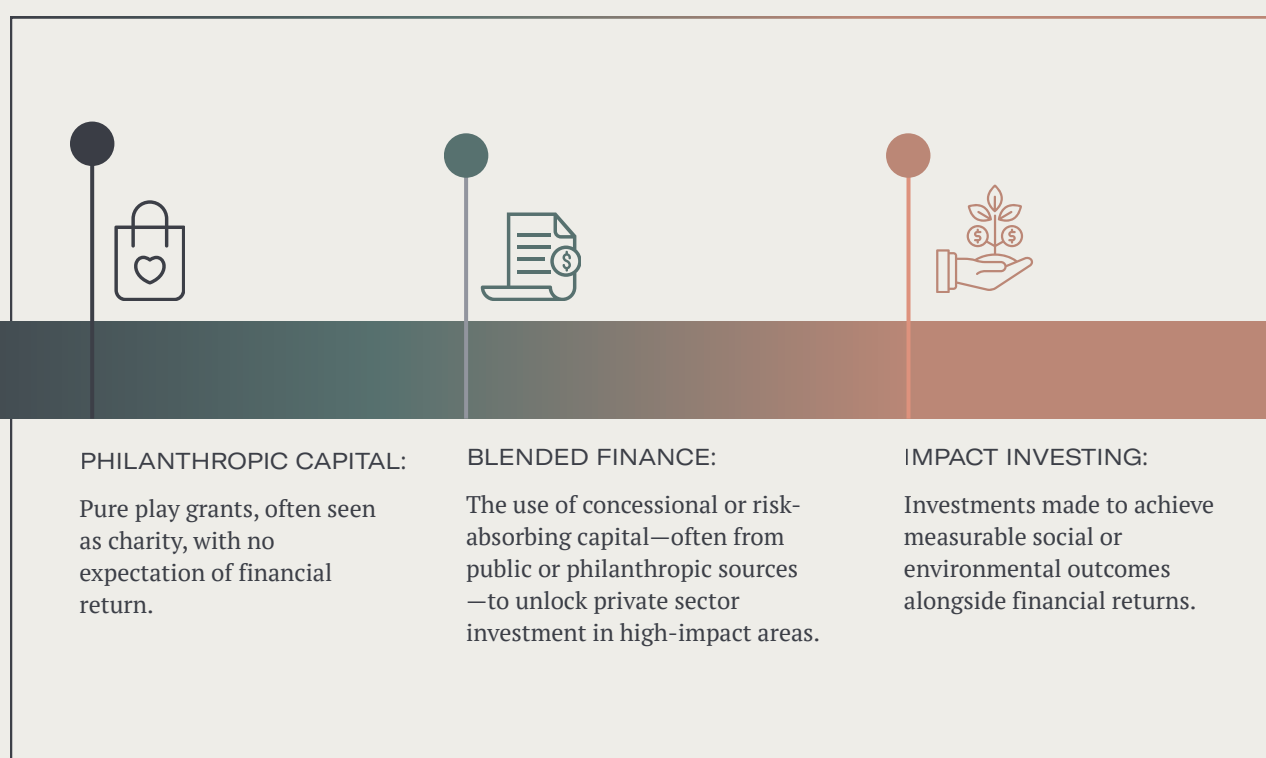
Understanding the Impact Capital Spectrum

This section introduces the concept of the Impact Capital Spectrum—a framework that spans philanthropic grants, blended finance, and impact investing. It underscores the need for Indian HNW families to move beyond rigid silos and explore how different forms of capital can be strategically deployed to address the country's development challenges.

Understanding the Impact Capital Spectrum

India's development needs demand a wider range of capital than just charity or commercial investment. This report uses the term **Impact Capital Spectrum** to describe the full range of capital approaches that contribute to social and environmental outcomes.

As illustrated in the diagram below, the Impact Capital Spectrum spans:



It should be noted that **the spectrum is not a rigid framework but a flexible approach** that encourages families to think beyond silos and deploy different types of capital strategically.

The sections that follow will explore how Indian HNW families are engaging with this spectrum, whether they are beginning to blend approaches or continue to treat philanthropy and investing as distinct and separate efforts.



SECTION 2

Where are the families?

This section provides a landscape-level view of how Indian HNW families are participating—if at all—across the Impact Capital Spectrum, particularly on the investment end. In particular, this section explores deal flow trends from 2021 to 2024.

Where are the families?

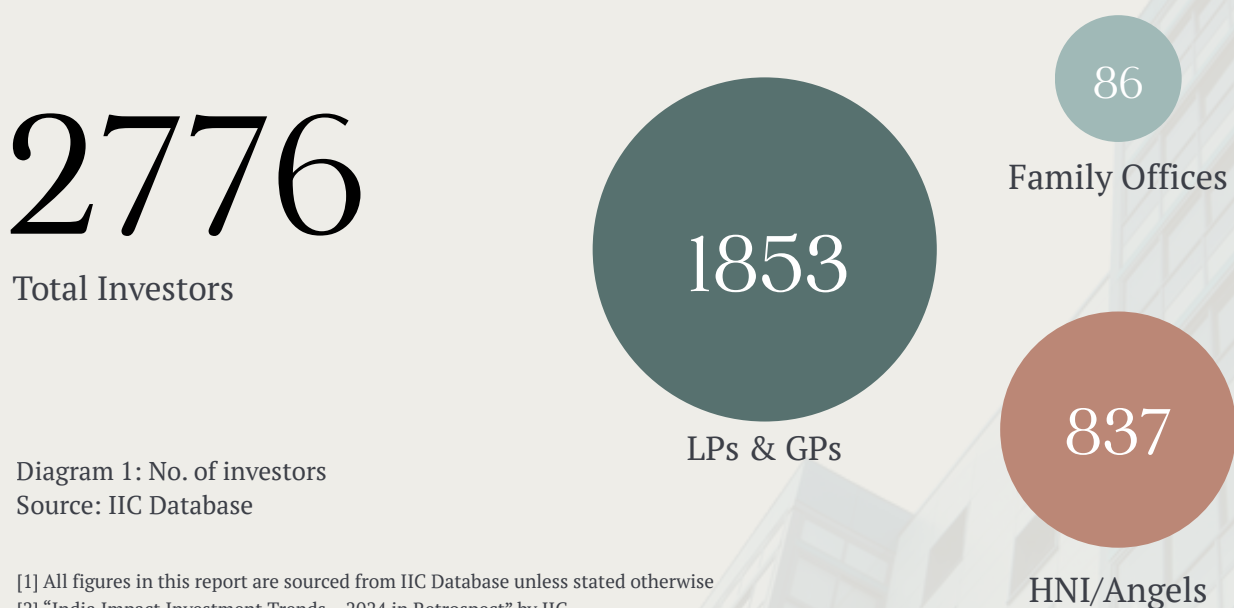
There is currently minimal data on how Indian HNW families are deploying capital across the investment end of the Impact Capital Spectrum, particularly about impact-first or blended finance models. This section attempts to bridge that gap by evaluating the sparse data available and analysing emerging patterns of participation.

While several recent publications, such as **Bain & Company's India Philanthropy Report**, **Hurun India Philanthropy List**, have offered valuable insights into pureplay philanthropy, capturing donor behaviour, sectoral focus, and trends in giving, there remains a notable research gap when it comes to understanding how families are using their **investment capital** to achieve impact. This report takes a closer look at that missing middle: how families are (or are not) engaging with the investment tools within the Impact Capital Spectrum.

A Steady Flow of New Entrants with Limited Staying Power

Against this backdrop, the data reveals how participation patterns have evolved over the past four years. From 2021 to 2024, 923 unique HNW families made “impact” investments. Of this list, 86 individuals have made investments via their Family Offices (FOs). While this reflects a growing openness among Indian HNW families to engage with the space, it's important to note that very few entered with an explicit impact lens. This stems from the fact that Impact deals (i.e. deals that saw participation from only ‘impact investors’) stood at **15% of the total deal flow** in 2024.^[2]

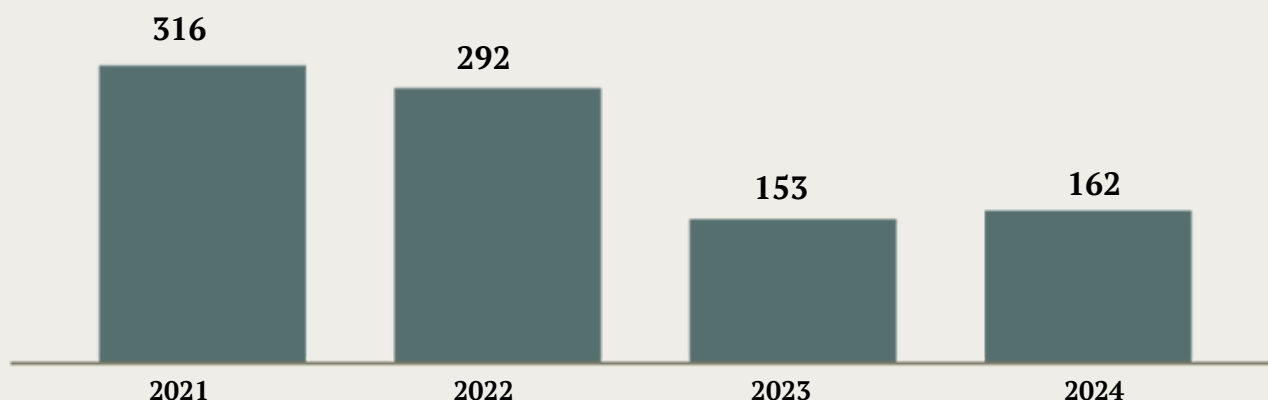
In most cases, these investments were likely routed through their conventional investment pools rather than through a dedicated impact strategy.



[1] All figures in this report are sourced from IIC Database unless stated otherwise

[2] “India Impact Investment Trends – 2024 in Retrospect” by IIC

The year-wise trend further reflects a shift in momentum. After a strong start in 2021 and 2022, entry volumes slowed noticeably in 2023 (Graph 1). 2024 saw a mild resurgence, but not quite a return to earlier peaks- 162 new HNW families entered, only marginally more than in 2023. This tempering of pace may point to a maturing interest, which is that the curiosity is evolving, but conviction is still nascent.

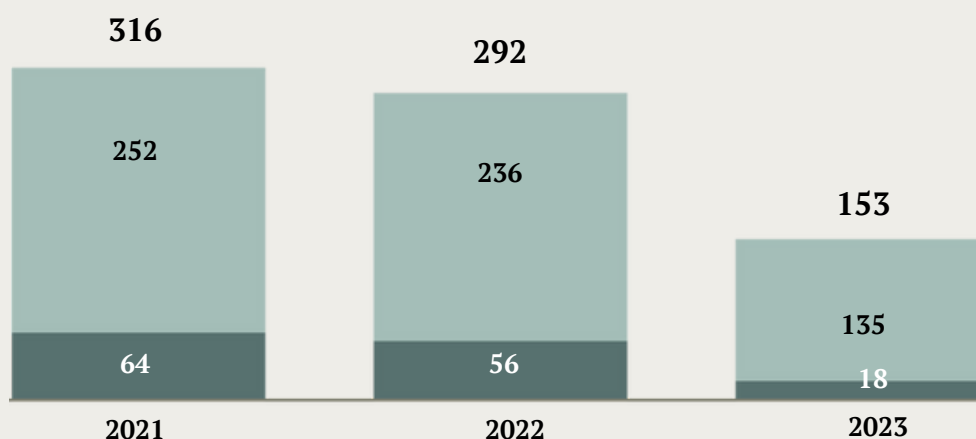


Graph 1: Number of Indian 'Unique' HNW families in impact investing over years
Source: IIC Database

Of the 316 HNW families that entered in 2021, only 64 remained active till 2024 (Graph 2). This tapering pattern is mirrored across subsequent cohorts: 56 of the 292 that entered in 2022 remain active, and just 18 of the 153 that entered in 2023 have continued into 2024.

These data point to a consistent challenge: **retention rates are low across the board**. While the top of the funnel, or the new entrants, remain sizeable, the sharp decline in active participation over time suggests that most HNW family involvement in impact investing is **short-lived and non-committal**.

For many, impact investing appears to remain in **an experimental phase**, often lacking strategic intent or long-term allocation. This trend underscores a core insight of this report: there is a pressing need to move from **episodic engagement to sustained conviction** if family offices are to play a meaningful role in India's impact economy.



Graph 2: Number of new and continuing HNW families in impact investing.
Source: IIC database

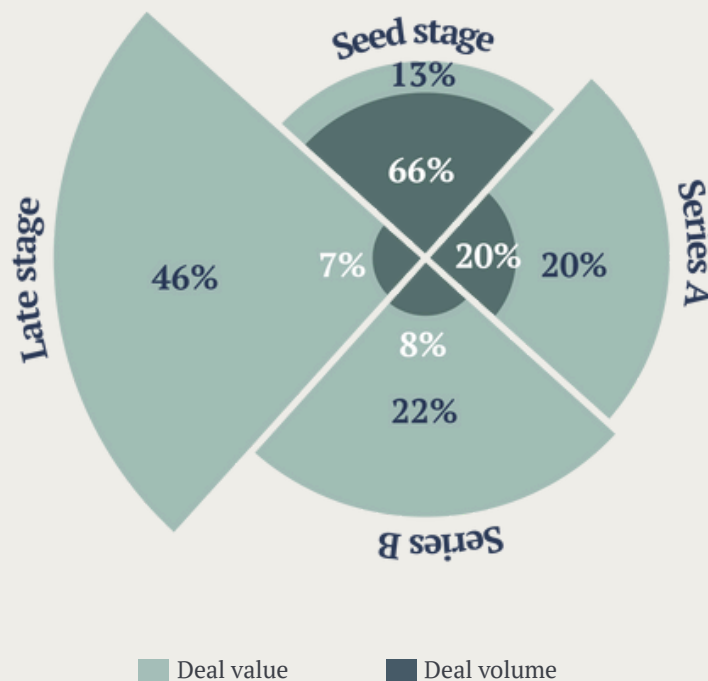
Deal Stage Preferences with Early Bets, Few Scale Commitments

HNW families continue to engage with impact largely at the margins. A significant **66% of all HNW families deals from 2021 to 2024** were at the seed stage, reaffirming the sector's role as a low-stakes testing ground. These early bets are often modest in size, signaling a cautious, exploratory approach rather than a structured capital allocation strategy.

At the other end of the spectrum, only **7%** of deals occurred at later stages. Yet, as in previous years, these few transactions likely represent a substantial share of total deal value, suggesting that a small set of HNW families are willing to make high-conviction bets once enterprises have demonstrated scale-readiness.

The middle continues to be thin. Series A and B rounds together account for just under 30% of HNW families deals, pointing to a persistent hesitation in supporting ventures through their scaling phase.

This skewed distribution reinforces a central concern. While HNW families are active where risk is either very low (seed) or justified by proven traction (late stage), they remain absent where support is most critical- **during the messy, uncertain middle**.



Graph 3 : Stage-Wise Preference by HNW families (2021–2024) – Deal Value and Volume
Source: IIC Database

Sector Focus: Climate Emerges, but Financial Inclusion and Health Remain Core

Between 2021 and 2024, Climate-tech emerged as the most active sector by number of HNW family-backed deals (35%) and accounted for 28% of total HNW families' investment value. This points to a maturing thesis, where deal activity is translating into larger, more meaningful bets, particularly across sustainable mobility, clean energy, and climate resilience.

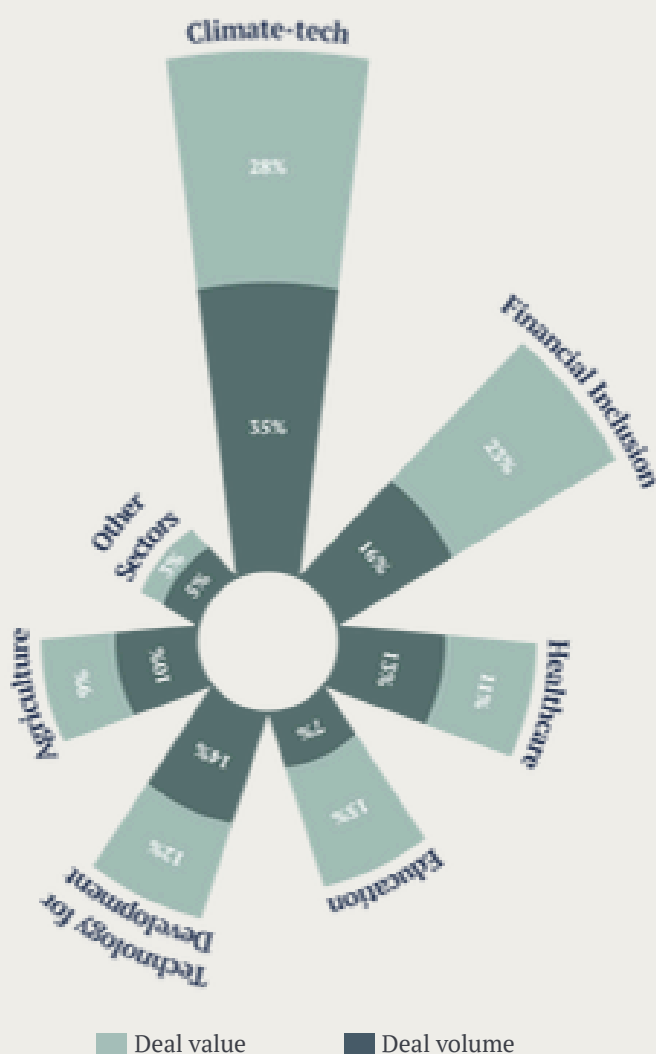
Financial inclusion (22.7% of value) and healthcare (10.6%) remain core impact sectors for HNW families, combining social returns with scalable commercial models.

Education once again stood out for its capital intensity. Despite making up just 7.2% of total deals, it attracted 15% of HNW family investment value. This reflects a pattern of fewer, but larger, high-conviction investments likely directed toward established edtech platforms or institutional delivery models aligned with long-term national priorities.

Technology for Development saw increased activity, comprising 13.9% of deals and 12% of investment value. This signals a growing appetite for tech-first interventions that solve critical development challenges at scale.

On the other end, sectors such as Agriculture and other development sectors remain undercapitalised. Agriculture accounted for 10% of deals but just 9% of investment value, while Other Sectors drew only 3% of investment value. These gaps highlight where HNW family capital can play a catalytic role, especially in segments overlooked by mainstream VC/PE.

As HNW family participation in impact deepens, the emerging sectoral patterns suggest that families are more willing to commit capital where commercial validation and developmental urgency intersect. The challenge ahead lies in building confidence around underfunded sectors that offer long-term returns: both financial and social.



Graph 4 : Sector-Wise Participation by HNW families (2021-2024) – Deal Value and Volume
Source: IIC Database



SECTION 3

Behind the capital: What families really think?

This section moves beyond participation data to explore the mindsets driving capital decisions. It examines how HNW families perceive the Impact Capital Spectrum—including philanthropy, blended finance, and impact investing—and the values, assumptions, and motivations that shape their approach.

Behind the capital: What families really think?

Beyond data and deal flow, understanding how families perceive the Impact Capital Spectrum is essential to unpacking their engagement with it. This section explores the underlying beliefs, assumptions, and motivations that shape how Indian family offices think about and allocate capital across philanthropy, blended finance, and impact investing.

Inside the Architecture of Giving and Investing

The profiles of the families surveyed reveal how deeply entrenched structural preferences continue to shape the way Indian wealth holders engage with impact—and help explain why grant-based philanthropy remains the dominant mode of giving.

Formalization Is Increasing, But Siloes Persist



We've seen growing family office activity—both as co-investors in our portfolio companies and in the broader market.

Anmol Saxena, Sustainability Manager, Lok Capital

Of the 17 families surveyed, 10 operated through formal single family office structures, while 7 managed their capital more informally as individual investors or family units. Interestingly, the same 10 families with single family offices also conducted their philanthropy through dedicated family foundations, suggesting **a preference for formal, institutionalised approaches** to both investing and giving—but with a clear **division between the two functions**.

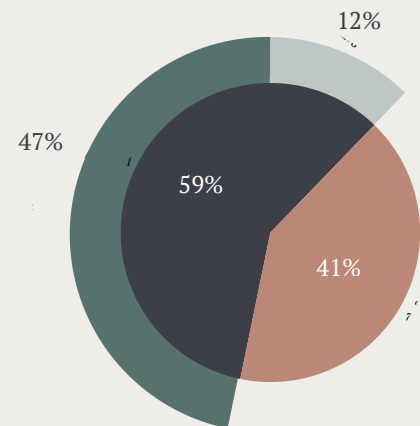
This structural separation reinforces the long-standing view that philanthropy and investment are distinct pursuits. While family offices may be professionally managed and globally connected, they are not necessarily integrating impact considerations into their investment strategies.

Philanthropy Is Predominantly Channelled Through Foundations

In total, 10 out of 17 families gave through a family foundation, while 7 made direct donations. This trend reflects the growing maturity and professionalisation of Indian philanthropy. However, it also illustrates how impact capital is compartmentalised: foundations handle grants, while the family office focuses on preserving and growing wealth—often without an impact lens.

Most Foundations Operate Independently of the Investment Function

Of the 10 families with foundations, 8 operated their foundations as separate entities, while only 2 had integrated structures within their family office. This further underscores the divide in how Indian families perceive and manage different forms of capital. Even where formal mechanisms exist on both sides, there is little structural or strategic overlap between philanthropy and investing.



Graph 5: Mode of participation in philanthropy by HNW families

Testing the Waters: Early Experiments, Mixed Intent

While structural readiness for impact capital is rising, **actual investment activity and philosophical alignment remain tentative.**

The survey data reveals that Indian family offices are still in a **cautious, exploratory phase**, with limited clarity on what qualifies as impact and a tendency to default to commercial frameworks even when engaging with the space.



For us, impact investing must align authentically with our values and philanthropic philosophy—not simply because it’s becoming a trend. Traditionally, our family has viewed philanthropy and investing as two distinct pursuits. While I remain open to exploring impact investing as a way to achieve both social impact and financial returns, I’d need to see more evidence—real case studies that show how this approach has worked in practice.

Priyavrata Mafatlal, Vice-Chairman at Arvind Mafatlal Group

Low Participation, High Uncertainty

Only **3 of 17 families** confirmed having made investments into impact funds or social enterprises. **Over half (59%)** had not done so, while a **striking 24%** were unsure. This level of ambiguity points to a definitional gap—many families are unclear whether ESG-aligned or mission-themed investments fall under the impact investing umbrella. This also suggests that “impact” is not yet embedded in the investment identity of most family offices.

Philanthropy and Investment: Still Separate

Among the families who had made impact investments (or were unclear if it qualifies as impact investments), 5 out of 7 saw their philanthropic capital as **completely separate** from their investment portfolio while the other **2 families described the two as “somewhat aligned.”** This reinforces the broader trend observed in the earlier section: while impact investing may appeal conceptually, it is still managed **outside the core strategy and mindset of the family’s philanthropic identity.**



“From what I’ve seen so far, impact investing often struggles to deliver meaningfully - neither on impact nor on financial returns. I prefer to support well-directed philanthropic donations on high-impact causes. And when it comes to investing, I prefer investing in high-yield opportunities that have clear focus on value creation.”

Rizwan Koita, co-founder & Director of Koita Foundation



While we don’t currently have a dedicated impact investing portfolio, we do follow a negative screening approach in our investments. Coming from the development sector, both my husband and I deeply understand the nuances of impact—and we’re comfortable with investments that may not always deliver market-rate returns, so long as they’re creating real, measurable change. That said, as the second generation in a family office, we’re also mindful that our views may not always align with those of the first generation. Striking the right balance is key.

Madhavika Bajoria, Executive Director, HealthImpact at AVPN *

*The views expressed are made in a personal capacity and do not represent the views of any affiliated organisation. Any organisational affiliation is mentioned for identification purposes only

Commercial Pools Are the Default Capital Source

Most impact investments come from commercial pools—of seven active families, three used only commercial capital, three blended it with philanthropic funds, and just one relied solely on philanthropy. This suggests impact is **treated as a niche experiment within conventional portfolios**, not as a core expression of philanthropic intent.



I follow a barbell approach—either aiming for the highest returns or backing ventures purely for impact. The middle ground of impact investing often feels unclear... does it really deliver on either front?

Ranu Vohra, CEO, Avendus



For me, impact investing has to start with solving a fundamental problem. The intent of the people running it matters—yes, it needs to be commercial, but there has to be balance. Too often I see investors chasing quick returns; purpose should be as important as profit. At the same time, without commercial expectations, people don't take it seriously and treat it like a grant, which often means it doesn't get the same respect or accountability.

Khurshed Dordi, Business Consultant and Leadership Coach, Ex MD & Group COO
Deutsche Bank

In essence, **the grant mindset persists not because families reject the idea of impact investing—but because the ecosystem has yet to offer the clarity, success stories, and infrastructure** needed to make that leap feel worthwhile or manageable.

Beyond the Buzz: Why Blended Finance Has Yet to Land

Despite growing global attention to **blended finance** as a tool for unlocking catalytic capital, the concept remains on the fringes of Indian family office practice.

Only 1 of 17 surveyed had participated, and none were sure their investments qualified. The low uptake reflects major awareness and knowledge gaps, with the concept yet to be meaningfully adapted to the Indian context.

The Concept Remains Abstract

The most cited barrier to participation was a **lack of understanding of blended finance products (38%)**. For many families, blended finance remains an abstract or unfamiliar construct—often conflated with concessional philanthropy or misunderstood as overly complex. With few entry points and limited examples in the Indian context, families appear hesitant to explore this space without stronger guidance or education.



There are a lot of increasingly ‘cute’ structures emerging in the philanthropic space, but we need to be cautious about adding unnecessary complexity to what has traditionally been straightforward giving. When it comes to blended finance, it’s essential to ask a fundamental question: who is truly benefiting from the structure? If the answer leans more towards intermediaries than the end beneficiaries, then we need to seriously reassess its value.

Priyavrata Mafatlal, Vice-Chairman at Arvind Mafatlal Group



For family offices to meaningfully participate in blended finance, it’s essential that they first understand why they’re doing it. Their involvement shouldn’t just be about providing capital, but about contributing domain expertise in sectors they deeply understand. When aligned with their areas of focus, blended finance structures offer a powerful opportunity for family offices to add strategic value—not just act as silent investors or grant-makers.

Burjis Godrej, M.D. Astec LifeSciences Godrej

A Trust and Knowledge Deficit

Other frequently mentioned barriers reinforce this picture:

- ◆ Lack of demonstrated success case studies (8%)
- ◆ Misalignment with family governance or values (8%)
- ◆ Lack of advisors or ecosystem support (8%)

Together, these indicate a broader trust and infrastructure deficit. Families are not only unfamiliar with the mechanics of blended finance—they also lack access to credible partners, tailored advisory support, and relatable success stories that would give them the confidence to engage.

What the Funds Say: Perspectives from Impact Fund Managers

Indian HNW families are progressively engaging with the impact investing ecosystem. To explore this side, we surveyed 15 Alternative Investment Funds (AIFs) with an explicit impact focus. These funds represent a diverse mix across climate, financial inclusion, technology for development, education, agriculture and health—each deeply embedded in India’s development landscape.

The most cited barrier to participation was a **lack of understanding of blended finance products (38%)**. For many families, blended finance remains an abstract or unfamiliar construct—often conflated with concessional philanthropy or misunderstood as overly complex. With few entry points and limited examples in the Indian context, families appear hesitant to explore this space without stronger guidance or education.

Patterns of Participation

Family office engagement with impact funds remains varied in approach and scale. Where participation occurs, **it is often modest in size and exploratory in nature—typically made through conventional capital pools rather than through clearly defined impact allocations.**

In many instances, capital has flowed into funds where there is a strong alignment with sectors that families are already familiar with—such as education, climate, or healthcare. These are areas where philanthropic experience or business legacy often shapes investment comfort. Personal relationships and trust also play a role in catalysing initial investments.

Repeat participation across fund cycles remains limited, and few families have yet developed formal strategies for recurring allocations to impact-focused funds. While the level of engagement is still emerging, there is growing openness to learning and interest in understanding how structured vehicles can align with long-term intent.

“

There’s often a misconception that impact and returns are mutually exclusive—viewed either as charitable giving or as fully commercial investments. As a result, many approach the space from one extreme or the other, rather than exploring blended approaches.”

Srinivas Ramanujam, CEO, Villgro



Perceived Barriers

1

Information Asymmetry

Biggest Barrier - 53% of funds cited this as the top barrier. Families are still unclear about how impact investing differs from ESG or philanthropy, slowing down decision-making and deeper engagement.

2

Commercial and Impact Capital Still Viewed as Separate

40% flagged internal divides between giving and investing arms, making it harder for impact funds to compete with traditional investment vehicles.

3

Thematic and Decision-Making Misalignment

20% noted a mismatch between family interests and fund thesis.

Preference for Direct Deals

46% observed that families favour direct investments for control and visibility, making fund structures less appealing unless co-investment options are available.

4

Relatively high cost of servicing the investments received

13% pointed to high engagement costs with families writing smaller cheques, especially when expectations around customisation are increased.

5

Policy & Regulatory Uncertainty

6% raised concerns about unclear regulations, especially for blended finance or offshore participation.

6



SECTION 4

Unlocking potential: A toolkit for greater participation across the Impact Capital Spectrum

This section outlines practical recommendations to help shift capital from the sidelines to the centre of India's development narrative.

Unlocking potential: A toolkit for greater participation across the Impact Capital Spectrum

The report finds a gap between interest in impact and actual participation—while philanthropy persists, blended finance and impact-first investing remain rare and misunderstood. This toolkit provides practical guidance to help turn intent into sustained action.

Reframing Investment: Clarifying the Role of Impact Capital

Define an Impact Thesis

For any HNW family, the first step in impact investing is to define a clear, actionable thesis that links personal values to measurable development goals. In India, this could mean directing capital to gender-inclusive healthcare, affordable rural housing, or enterprises expanding financial inclusion in low-income states.

The thesis should also align with national priorities—such as those set by NITI Aayog—and the UN SDG Index, ensuring funds flow to high-impact sectors with measurable gaps.



Impact metrics will continue to evolve over time, and if we set the bar unrealistically high from the outset, impact investing will never take off. What the sector really needs is a group of committed investors willing to step in as early LPs—not just to chase returns, but to help build the ecosystem. At the same time, there needs to be clarity on return expectations—otherwise, for most families, philanthropy will remain the more obvious choice.

Amit Chandra, Co-Founder of ATE Chandra Foundation and Chairperson of Bain Capital India Advisors



We're now engaging with family offices that recognize real impact—particularly in agriculture and rural development—requires patience as well as capital.

Jinesh Shah, Managing Partner, Omnivore

Develop an Impact Investment Policy

Create an *Impact Investment Policy Statement (IIPS)* outlining target sectors, return expectations, risk appetite, and preferred geographies or communities. Clarify whether ESG, negative screening, or direct impact will guide decisions.

Choose the Right Investment Structures

Legal structure influences governance, compliance, and scale. Common options include:

Type	Highlights / Features	Considerations
Direct Investment Vehicles (LLPs, Companies)	Full control, simple governance	NBFC registration may be needed if structured as a company
Family Investment Funds (GIFT City)	Customizable pooled vehicles for global deployment	Regulatory complexity—only one approval granted to date
Direct Co-investments	Shared diligence, access to larger deals	Still evolving; requires trusted partners
Impact Funds (AIFs)	Pooled sector-aligned capital	SEBI-regulated; new category for Social Impact Funds exists
Philanthropic Vehicles (Trusts, Section 8 Cos)	Grant-based impact deployment	Difficult to mix with for-profit capital; regulated under 12A/80G

Note: Regulatory frameworks (CSR, FCRA, SEBI) often restrict mixing philanthropic and commercial capital. Separate vehicles are usually required

Building Internal and External Capacity

Most Indian HNW families are still developing in-house capabilities to manage impact portfolios. As a result, many benefit from working with seasoned impact investors and platforms.

Additionally, HNW families are increasingly hiring dedicated professionals to lead impact efforts or embedding impact mandates within their Chief Investment Officer's (CIO) responsibilities.

“

When I first explored the impact investing space five years ago, I wasn't entirely convinced it was the right fit. But more recently, I've been encouraged by the emergence of a new generation of fund managers and impact entrepreneurs—many of whom are coming in from strong professional backgrounds and bringing serious experience to the table. That shift is giving me greater confidence in the space and its potential to deliver both impact and returns.

Anisha Ramakrishnan, CEO Wami Capital

Navigating Blended Finance

Blended finance uses philanthropic or concessional capital to de-risk and crowd in commercial capital. This can be a powerful tool for unlocking new markets and / or deepening social impact.

“

There's a need to demystify blended finance—many family offices find the terminology and structuring too complicated, as if it belongs only in the MDB or DFI world.

Ritesh Thakkar, Senior Advisor and Head of Asia Pacific, Convergence Blended Finance

Understand Core Instruments

Common approaches include:



Example: A philanthropic trust provides first-loss capital to a loan facility for tribal entrepreneurs. This attracts commercial investors who would otherwise avoid the segment.

Integrating CSR Funds into Blended Models

India's unique **2% CSR mandate** provides an **additional source of catalytic capital**. While traditionally used for programmatic grants, CSR funds can be strategically channeled into blended models—supporting pre-investment technical assistance, capacity building, and ecosystem strengthening.

Families that integrate CSR with their broader investment or philanthropic strategies can unlock new ways to scale their impact.

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It's not so much a lack of funding, but more a gap in awareness and a hesitation to experiment. The capital exists – what's often missing is the willingness to take risks and think creatively.

Srinivas Ramanujam, CEO, Villgro

Leverage the Social Stock Exchange (SSE)

India's SSE—established under SEBI—aims to provide a formal, regulated platform for social enterprises to raise philanthropic and impact-linked capital.

Key features include:

- ◆ Listing of eligible non-profits and for-profit social enterprises
- ◆ Instruments like Zero Coupon Zero Principal (ZCZP) bonds for fund-raising
- ◆ Mandatory impact reporting and disclosures, increasing transparency and trust
- ◆ New channels for CSR and philanthropic funders to deploy capital in a traceable, outcome-linked manner

Note: The SSE can be an enabling tool for both philanthropic and catalytic investors seeking structure, visibility, and verified impact.

“

The Social Stock Exchange has the potential to democratize giving by enabling retail participation and bringing societal causes closer to the public. A society that funds gender equality will treat women better; one that supports urban causes will take better care of its cities. But for the SSE to truly succeed, it needs early believers. Family offices, with their ability to take on risk, can play a catalytic role in building this highway—once it's in place, many others will follow.

Amit Chandra, Co-Founder of ATE
Chandra Foundation and Chairperson of
Bain Capital India Advisors



Recommendations for Ecosystem Players

To support greater HNW Family and philanthropic participation, ecosystem builders can:

- ◆ *Simplify blended finance structures with model term sheets, legal templates, and playbooks*
- ◆ *Provide education and learning cohorts focused on next-gen philanthropists and wealth owners*
- ◆ *Clarify CSR and tax guidelines for outcome-based or hybrid models*
- ◆ *Develop co-investment vehicles with shared diligence and risk-mitigation layers*
- ◆ *Build national platforms for research, dashboards, and pipeline sharing*



For the impact investing ecosystem to truly scale, fund managers need to proactively engage with family offices, governments, foreign players, and large conglomerates to co-create more investable opportunities. Impact-focused VCs, in particular, should consider doing reverse pitches—where they clearly articulate both the impact thesis and the commercial terms—to attract not just strategic capital and investors, but also mission-aligned entrepreneurs who can help bring these ideas to life.

Burjis Godrej, MD, Astec Lifesciences, Godrej Industries Group



SECTION 5

Methodology

This study used a mixed-methods approach, combining quantitative analysis of deal flow data with qualitative insights from structured surveys and interviews.

Methodology

Inclusion Criteria

HNW Families with a net worth of USD 1 million or more were considered for inclusion, provided they had either a formal family office structure or an informal/embedded setup through which investment or philanthropic decisions were being made. In addition to families, the study also included insights from 15 Alternative Investment Funds (AIFs) focused on India and aligned with the definition of impact investment used in this report.

Data Sources and Research Methods

Deal Flow Analysis

We analysed deal flow data from IIC's proprietary database of over 1100+ unique impact enterprises in India. The database includes deals across sectors such as agriculture, education, healthcare, financial inclusion, climate-tech, and technology for development, offering insight into patterns of capital deployment by family offices and other investor types from 2021 to 2024.

The investee enterprise meets any 1 of the criteria below and operates in the 17 eligible activities (15 as defined by SEBI and 2 additions by IIC), it is considered as an Impact Enterprise.

- (a) **Intentionality:** Impact as stated objective and/or measured by firm
- (b) **Affordability:** Focus on basic service delivery to underserved populations
- (c) **Accessibility:** End customer profile majorly resides in tier-2/3+ geographies in India.
- (d) **Target Population:** Key stakeholders belonging to low or lower-middle income segments
- (e) **Sustainability:** Enterprises with a sustainability lens i.e. positive environmental and/or climate impact stated as one of their core objectives

Enterprises had to meet the first two conditions and at least one of (c)–(e) to qualify. Eligible activities are based on Schedule VII of the Companies Act, 2013, Sustainable Development Goals and priority areas identified by Niti Aayog.

Data Sources and Research Methods

Data on investment

Structured Surveys and Interviews: We conducted in-depth, 60-minute conversations with 17 HNW families. These conversations were conducted using a pre-designed questionnaire to ensure standardisation of quantitative inputs, while also allowing space for open-ended qualitative insights on motivations, barriers, and evolving interest in impact-oriented investments.

Fund Manager Perspectives: Additionally, we surveyed 15 AIF managers with a focus on impact investments in India. These discussions helped contextualise investor sentiment and provided a view into how domestic fund structures are engaging—or struggling to engage—with Indian family capital.

While the available data on HNW family activity in impact investing remains limited, this approach enabled us to capture directional insights and lived perspectives that may not be visible in conventional investment databases. Together, these methods help build a more nuanced understanding of where Indian families currently sit along the Impact Capital Spectrum and what it will take to deepen their engagement.

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